

LOCAL LAW NO. “C” FOR 2025

A LOCAL LAW OF THE COUNTY OF ALBANY, NEW YORK AMENDING CHAPTER 270 OF THE ALBANY COUNTY CODE REGARDING CREATING A REAL PROPERTY TAX EXEMPTION FOR CONSTRUCTION OF ACCESSORY DWELLING UNITS ON EXISTING RESIDENTIAL PARCELS

Introduced: 5/12/25

By Cunningham, Willingham, Reidy, McLaughlin, Laurilliard and Fein:

A Local Law amending Chapter 270 of the Albany County Code to create a real property tax exemption for the increase in assessed value of a parcel which has a pre-existing residential building, and where one or more accessory dwelling units has been added.

BE IT ENACTED by the Albany County Legislature as follows:

Section 1. New Article Added.

This Local Law hereby amends Chapter 270 by adding a new Article XX, titled “Real Property Exemption for Accessory Dwelling Unit(s)”

Section 2., Title.

This Local Law shall be known as the “Albany County Accessory Dwelling Unit Tax Exemption.”

Section 3. § 270-166, Legislative Purpose and Intent.

In April 2024, the New York State Legislature adopted a law, codified at Real Property Tax Law (RPTL) § 421-p, to allow local governments to adopt a partial exemption from taxes for the increase in assessed value of a parcel having a pre-existing one- or two-family residential building thereon, resulting from construction, reconstruction, alteration, and/or improvement on the parcel to create one or more accessory dwelling units.

The Albany County Legislature finds that it is in the best interests of the residents of Albany County to adopt this partial exemption for those interested in improving their properties with one or more accessory dwelling units. This exemption shall not apply to any accessory dwelling unit which is used for rentals of any period less than 29 days.

Section 4. § 270-167, Definitions.

Accessory Dwelling Unit – any attached or a detached residential dwelling unit that provides complete independent living facilities for one or more persons which is located on a lot with provisions for living, sleeping, eating, cooking, and sanitation on the same lot as the single-family or multi-family dwelling.

Section 5. § 270-168, Exemption for the Improvement of Certain Residential Property to Add One or More Accessory Dwelling Unit(s).

Exemption Granted. Pursuant to RPTL § 421-p, there shall be a partial exemption from Albany County real property taxation for the increase in assessed value of a parcel which has a pre-existing one- or two-family residential building thereon, as a result of construction, reconstruction, alteration, or improvement on the parcel to create one or more accessory dwelling units. Such exemption shall be provided in accordance with and subject to all eligibility criteria and limitations set forth in the foregoing state law, provided however that no exemption shall be granted when the accessory dwelling unit is rented for periods of 29 days or less.

Exemption Limit. Such exemption shall be limited to two hundred thousand dollars in increased market value of the property attributable to such reconstruction, alteration, improvement, or new construction and any increase in market value greater than such amount shall not be eligible for the exemption pursuant to this local law.

Section 6. Severability.

If any clause, sentence, paragraph, section, subdivision, or other part of this local law or its application shall be adjudged by a court of competent jurisdiction to be invalid or unconstitutional, such order or judgment shall not affect, impair, or invalidate the remainder of the local law which shall remain in full force and effect except as limited by such order or judgment.

Section 7. SEQRA Compliance.

This County Legislature determines that this local law constitutes a “Type II action” pursuant to the provisions of the State Environmental Quality Review Act (SEQRA), and that no further action under SEQRA is required.

Section 8. Effective Date.

This local law shall take effect on January 1, 2026.

Referred to Law and Audit and Finance Committees – 5/12/25

Favorable Recommendation Audit and Finance Committee – 6/26/25

Favorable Recommendation Law Committee – 7/30/25