

**TOWN OF PINE PLAINS**

**LOCAL LAW NO. \_\_\_ OF THE YEAR 2026**

**A LOCAL LAW AMENDING CHAPTER 235, TAXATION, OF THE TOWN CODE  
RESCINDING LOCAL LAW NO. 3 OF 2025 AND PROVIDING FOR A NEW  
ARTICLE VIII TITLED: “EXEMPTION FOR THE CREATION OF ACCESSORY  
DWELLING UNITS PURSUANT TO §421-p OF THE NEW YORK STATE REAL  
PROPERTY TAX LAW”**

**BE IT ENACTED** by the Town Board of the Town of Pine Plains as follows:

**SECTION I. TITLE.**

This Local Law shall be known, and may be cited, as “A Local Law Amending Chapter 235, Taxation, of the Town Code Rescinding Local Law No. 3 of 2025 Providing for a New Article VII ‘Exemption for the Creation of Accessory Dwelling Units Pursuant to §421-p of the New York State Real Property Tax Law’.

**SECTION II. PURPOSE AND INTENT.**

The New York State Real Property Tax Law provides in §421-p for an “Exemption of Capital Improvements for Residential New Construction Involving the Creation of Accessory Dwelling Units”. The Town of Pine Plains believes that rising housing and rental costs and lack of diverse housing opportunities for all community members pose a significant challenge to the members of the community and that adoption of this amendment to the Town of Pine Plains Tax Code pursuant to RPTL §421-p will increase the Town’s housing supply and provide an affordable housing option for many low and moderate income residents and will benefit homeowners by providing an extra income stream and efficient use of the Town’s existing housing stock.

**SECTION III. RESCISSION OF LOCAL LAW NO. 3 OF 2025**

Local Law No. 3 of 2025 and the current Article VIII of the Pine Plains Code are hereby rescinded and a new Chapter 235, Taxation, Article VIII is hereby enacted as follows.

**SECTION IV. TEXT OF CODE AMENDMENTS.**

Chapter 235 of the Town Code (“Taxation”) is hereby amended by adding a new Article VIII titled: “Exemption for the Creation of Accessory Dwelling Units Pursuant to §421-p of the New York State Real Property Tax Law” which shall read as follows:

§235-20 The Town Board of the Town of Pine Plains adopts the provisions of §421-p of the Real Property Tax Law titled: “Exemption of Capital Improvement to Residential New Construction and the Creation of Accessory Dwelling Units” as are defined in §275-115 of

the Town Code (“Dwelling, Accessory”; “Dwelling, Echo ‘Elder Cottage Dwelling Opportunity’; and “Dwelling, Guest or Caretaker Cottage”).

§235-21 This exemption shall apply to residential buildings constructed, altered, improved or newly constructed in order to create additional residential dwelling units on the same parcel as a pre-existing residential building to provide independent living facilities for one or more persons subsequent to the effective date of this Local Law.

§235-22 Such buildings shall be exempt for a period of five years to the extent of the increase in assessed value thereof attributable to such reconstruction, alteration, improvement, or new construction for such additional residential unit or units that provide independent living facilities for one or more persons in accordance with the following schedule: 100% in the first year; 90% in the second year, 80% in the third year; 70% in the fourth year; and 60% in the fifth year, and for an additional period of five years subject to the following:

(i) The extent of such exemption shall be decreased by 50% of the “Exemption Base” for the first year of the additional five year period; by 40% in the second year of such additional period; and 30% in the third year of the additional period; 20% in the fourth year of the additional exemption period and by 10% of the fifth of the additional exemption period. The exemption shall expire at the end of the extended five year period. The “exemption base” shall be the increase in assessed value as determined in the initial year of the term of the exemption, except as provided in subparagraph (iii) of this paragraph.

(ii) In any year in which a change in level of assessment of fifteen percent or more is certified for a final assessment roll pursuant to the rules of the commissioner, the exemption base shall be multiplied by a fraction, the numerator of which shall be the total assessed value of the parcel on such final assessment roll (after accounting for any physical or quantity changes to the parcel since the immediately preceding assessment roll), and the denominator of which shall be the total assessed value of the parcel on the immediately preceding final assessment roll. The result shall be the new exemption base. The exemption shall thereupon be recomputed to take into account the new exemption base, notwithstanding the fact that the assessor receives certification of the change in level of assessment after the completion, verification and filing of the final assessment roll. In the event the assessor does not have custody of the roll when such certification is received, the assessor shall certify the recomputed exemption to the local officers having custody and control of the roll, and such local officers are hereby directed and authorized to enter the recomputed exemption certified by the assessor on the roll. The assessor shall give written notice of such recomputed exemption to the property owner, who may, if such property owner believes that the exemption was recomputed incorrectly, apply for a correction in the manner provided by title three of Article 5 of the RPTL for the correction of clerical errors.

(iii) Such exemption shall be limited to one 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 section. For the purposes of this section, the market value of the reconstruction, alteration, improvement, or new construction as

authorized by subdivision one of this section shall be equal to the increased assessed value attributable to such reconstruction, alteration, improvement, or new construction divided by the class one ratio in a special assessing unit or the most recently established state equalization rate or special equalization rate in the remainder of the state, except where the state equalization rate or special equalization rate equals or exceeds ninety-five percent, in which case the increase in assessed value attributable to such reconstruction, alteration, improvement, or new construction shall be deemed to equal the market value of such reconstruction, alteration, improvement, or new construction.

§235-23 (a) No such exemption shall be granted for reconstruction, alterations, improvements, or new construction unless:

(i) such reconstruction, alteration, improvement, or new construction was commenced subsequent to the effective date of the local law or resolution adopted pursuant to subdivision one of this section; and

(ii) the value of such reconstruction, alteration, improvement, or new construction exceeds three thousand dollars; and

(iii) such reconstruction, alteration, improvement, or new construction created one or more additional residential dwelling units on the same parcel as the pre-existing residential building to provide independent living facilities for one or more persons.

(iv) A guest or caretaker dwelling or accessory dwelling unit does not exceed 75% of the gross floor area of the principal dwelling or 1,250 square feet, whichever is less.

(v) A guest or caretaker dwelling or accessory dwelling shall not be eligible for this exemption unless it is used for long-term housing. Tenants can be family members, unrelated renters, but leases must be long-term (i.e. one year or more). Short term rentals (STRs) such as Air B&Bs or similar vacation stays are not eligible for this exemption.

(b) For purposes of this section the terms reconstruction, alteration, improvement, and new construction shall not include ordinary maintenance and repairs.

§235-24 Such exemption shall be granted only upon application by the owner of such building on a form prescribed by the commissioner. The application shall be filed with the assessor of the city, town, village or county having the power to assess property for taxation on or before the appropriate taxable status date of such city, town, village or county.

§235-25 If satisfied that the applicant is entitled to an exemption pursuant to this section, the assessor shall approve the application and such building shall thereafter be exempt from taxation and special ad valorem levies as herein provided commencing with the assessment roll prepared on the basis of the taxable status date referred to in subdivision three of this section. The assessed value of any exemption granted pursuant to this section shall be entered by the assessor on the assessment roll with the taxable property, with the amount of the exemption shown in a separate column.

§235-26 For the purposes of this section, a residential building shall mean any building or structure designed and occupied exclusively for residential purposes by not more than two families.

§235-27 In the event that a building granted an exemption pursuant to this section ceases to be used primarily for residential purposes, or title thereto is transferred to other than the heirs or distributees of the owner, the exemption granted pursuant to this section shall cease.

§235-28 No exemption shall be granted to an applicant who is in violation of the Town of Pine Plains Zoning Code or is in arrears in the payment of property taxes, water or sewer fees and/or any other fees or past due monies owed to the Town of Pine Plains or its departments.

#### **SECTION V. SEVERABILITY.**

If any provision of this Local Law is held to be unconstitutional or otherwise invalid by any court of competent jurisdiction, the remaining provisions of this law shall remain in effect.

#### **SECTION VI. AUTHORITY.**

This Local Law is enacted pursuant to the powers granted to the Town by §421-p of the Real Property Tax Law and the New York State Municipal Rule Law.

#### **SECTION VII. SEQRA.**

This action has been determined to be a Type II action under SEQRA which does not require environmental review.

#### **SECTION VIII. EFFECTIVE DATE.**

This Local Law shall take effect upon filing with the New York State Secretary of State, as provided by law.