

TO: BOARD OF LEGISLATORS
COUNTY OF WESTCHESTER

Your Committee has reviewed “A LOCAL LAW amending Chapters 470 and 472 of the Laws of Westchester County to Allow Senior Citizens and Persons with Disabilities to Reduce Their Income by the Amount of Unreimbursed Medical and Prescription Drug Expenses in Order to Qualify for Tax Exemptions and to Increase the Maximum Eligible Income.”

Your Committee is aware that Chapters 470 and 472 of the Laws of Westchester County provide for real property tax exemptions for seniors and persons with disabilities, respectively, and were adopted pursuant to authority granted by the New York State Real Property Tax Law. Under each of these Chapters, the amount of the exemption is calculated based upon the annual income of the applicant; applicants who make more than the threshold limit contained in those Chapters are not entitled to an exemption.

Your Committee is informed that the County is entitled to exclude certain monies from the income calculation. Pursuant to State law, the County can exclude unreimbursed medical and prescription drug expenses incurred by applicants from their calculated income.

Allowing the exclusion of these expenses will provide property tax relief for our low-income seniors and persons with disabilities, recognizing the increased medical expenses that often come with being in these categories. As recognized by the Georgetown University Health Policy Institute, prescription drug spending increases as people age, with persons over age 65 paying significantly more annually than younger adults, and those with chronic conditions pay more than the average adult.¹ Permitting the exemption of these expenses from

¹ <https://www.commonwealthfund.org/blog/2021/medicare-patients-pay-more-drugs-older-adults-other-countries-congress-has-opportunity>

income will allow a greater number of individuals to qualify for exemptions, and to qualify for higher exemptions, which will provide them with much needed tax relief.

Additionally, the State of New York has increased the maximum eligible income for these tax exemptions. This legislation adopts those new, increased limits, raising the maximum eligible income to \$50,000.00, to accommodate the effects of inflation on the value of income over the years since the last time the maximum eligible income was increased by the State. Your Committee notes that the “maximum eligible income” is the maximum amount for the full exemption, and that a reduced exemption is permitted on a sliding income scale up to a maximum income of \$58,399.99.

Your Committee is informed that the proposed legislation does not meet the definition of an action under New York State Environmental Quality Review Act and its implementing regulations 6 NYCRR Part 617. Please refer to the memorandum from the Department of Planning dated January 14, 2022, which is on file with the Clerk of the Board of Legislators. Your Committee concurs in this conclusion.

In light of all of the foregoing, your Committee recommends the adoption of this Local Law.

Dated: 2022
White Plains, New York

COMMITTEE ON

RESOLUTION NO. ____ – 2022

RESOLVED, that this Board hold a public hearing pursuant to Section 209.141(4) of the Laws of Westchester County on Local Law Intro. No. ____ - 2022, entitled “A LOCAL LAW amending Chapters 470 and 472 of the Laws of Westchester County to Allow Senior Citizens and Persons with Disabilities to Reduce Their Income by the Amount of Unreimbursed Medical and Prescription Drug Expenses in Order to Qualify for Tax Exemptions and to Increase the Maximum Eligible Income.” The public hearing will be held at __.m. on the ____ day of _____, 2021 in the Chambers of the Board of Legislators, 8th Floor, Michaelian Office Building, White Plains, New York. The Clerk of the Board shall cause notice of the time and date of such hearing to be published at least once in one or more newspapers published in the County of Westchester and selected by the Clerk of the Board for that purpose in the manner and time required by law.

LOCAL LAW INTRO. NO. -2022

A LOCAL LAW amending Chapters 470 and 472 of the Laws of Westchester County to Allow Senior Citizens and Persons with Disabilities to Reduce Their Income by the Amount of Unreimbursed Medical and Prescription Drug Expenses in Order to Qualify for Tax Exemptions and to Increase the Maximum Eligible Income.

BE IT ENACTED by the County Board of the County of Westchester as follows:

Section 1: Section 470.11(2) of the Laws of Westchester County is hereby amended to read as follows:

2. The income of the owner or the combined income of the owners of the property for the income tax year immediately preceding the date of making application for exemption from all sources, as set forth in § 467 of the Real Property Tax Law, must not exceed[; \$34,399.99 for the period expiring June 30, 2007; \$35,399.99 for the period commencing July 1, 2007 and expiring on June 30, 2008; \$36,399.99 for the period commencing July 1, 2008 and expiring on June 30, 2009; and \$37,399.99 for the period commencing July 1, 2009] \$50,000.00 for the period commencing July 1, 2022. Provided that for the purposes of this chapter, income shall not include veterans' disability compensation, as defined in Title 38 of the United States Code. It is further provided that for the purposes of this chapter, income shall not include medical and prescription drug expenses actually paid which were not reimbursed or paid for by insurance, as set forth in Section 467(3)(a) of the Real Property Tax Law. "Income tax year" shall mean the twelve-month period for which the owner or owners file a federal personal income tax return or, if no such return is filed, the calendar year.

Section 2: Section 472.11(1) of the Laws of Westchester County is hereby amended to read as follows:

1. The income of the owner or the combined income of the owners of the property, from all sources, as set forth in New York State Real Property Tax Law Section 459-c, for the income tax year immediately preceding the date of making application for exemption must not exceed: \$34,399.99 for the period expiring June 30, 2007 and expiring on June 30, 2008; July 1, 2007 and expiring on June 30, 2009; \$36,399.99 for the period commencing July 1, 2008 and expiring on June 30, 2009; and \$37,399.99 for the period commencing July 1, 2009] \$50,000.00 commencing July 1, 2022. Provided that for the purposes of this chapter, income shall not include medical and prescription drug expenses actually paid which were not reimbursed or paid for by insurance, as set forth in Section 459-c(5)(a) of the Real Property Tax Law. “Income tax year” shall mean the twelve-month period for which the owner or owners file a federal personal income tax return or, if no such return is filed, the calendar year.

Section 3: Subparts (i) through (iv) of Section 470.11 of Laws of Westchester County are hereby deleted and the beginning of Section 470.11 is hereby amended to read as follows:

Real property owned by persons 65 years of age or over shall be exempt from certain county taxes, as defined in Section 470.21 hereof, up to a maximum of 50 percent of the assessed valuation pursuant to the following schedule and subject to the following conditions:

For the period commencing July 1, 2022:

<u>Annual Income</u>	<u>Percentage of Assessed Value Exempt From Taxation</u>
<u>\$0 to \$50,000.00</u>	<u>50%</u>
<u>\$50,000.01 to \$50,999.99</u>	<u>45%</u>

<u>\$51,000.00 to \$51,999.99</u>	<u>40%</u>
<u>\$52,000.00 to \$52,999.99</u>	<u>35%</u>
<u>\$53,000.00 to \$53,899.99</u>	<u>30%</u>
<u>\$53,900.00 to \$54,799.99</u>	<u>25%</u>
<u>\$54,800.00 to \$55,699.99</u>	<u>20%</u>
<u>\$55,700.00 to \$56,599.99</u>	<u>15%</u>
<u>\$56,600.00 to \$57,499.99</u>	<u>10%</u>
<u>\$57,500.00 to \$58,399.99</u>	<u>5%</u>

Section 4: Subparts (i) through (iv) of Section 472.11 of Laws of Westchester County are hereby deleted and the beginning of Section 472.11 is hereby amended to read as follows:

Real property owned by one or more persons with disabilities, as defined in New York State Real Property Tax Law Section 459-c, or owned by a husband, wife, or both, or by siblings, at least one of whom has a disability, and whose income or combined incomes is limited by reason of such disability, shall be exempt from taxes up to a maximum of 50% of the assessed valuation, pursuant to the following schedule and subject to the following conditions:

For the period commencing July 1, 2022:

<u>Annual Income</u>	<u>Percentage of Assessed Value Exempt From Taxation</u>
<u>\$0 to \$50,000.00</u>	<u>50%</u>
<u>\$50,000.01 to \$50,999.99</u>	<u>45%</u>
<u>\$51,000.00 to \$51,999.99</u>	<u>40%</u>
<u>\$52,000.00 to \$52,999.99</u>	<u>35%</u>

<u>\$53,000.00 to \$53,899.99</u>	<u>30%</u>
<u>\$53,900.00 to \$54,799.99</u>	<u>25%</u>
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<u>\$56,600.00 to \$57,499.99</u>	<u>10%</u>
<u>\$57,500.00 to \$58,399.99</u>	<u>5%</u>

Section 5: This Local Law shall take effect immediately.