



NEW YORK STATE SENATOR

Kenneth P. LaValle

LaValle Urges Towns and School Districts to Opt-In on First Time Home Buyers Law.

Kenneth P. LaValle

August 8, 2011



New York State Senator Kenneth P. LaValle has written to town supervisors and school superintendents urging participation in the First Time Home-Buyers program which has been extended until 2016 under legislation sponsored by LaValle and signed into law by Governor Andrew Cuomo earlier this summer. LaValle pledged to seek extension of the law during his 2010 campaign.

The original law, sponsored by Senator LaValle, allowed local governments to grant first-time home buyers of newly constructed homes a five-year property tax exemption, starting at 50 percent in the first year and decreasing at a rate of 10 percent per year over the next four years. The exemption also applies to first time home buyers of an older home who increase the assessed value of a primary residential property which was the direct result of alterations, improvements or reconstruction exceeding \$3,000.

“Owning a home is still the American dream,” said Senator LaValle. “This measure would help ease the financial strain in making a dream a reality by providing a real property tax exemption for first-time home buyers.”

“There are many residents who would like to remain on Long Island, but feel it makes more sense to live and work in an area where housing is more affordable,” said Senator LaValle. “This measure would not only make home ownership a reality, but would help stimulate the growth of our local real estate and construction economies.”

"We provide a top notch education to our young people," LaValle said, "and must do all that we can to reverse Long Island's talent and brain drain. Adoption of this measure will help."

Suffolk and Nassau counties have authorized the tax incentive, and it is currently applied in Smithtown, Southampton, Hempstead, Huntington, Babylon, Islip and Riverhead. Additionally, many school districts have “opted in” to provide the exemption, including Copiague and Farmingdale.

Text of letter to school districts / supervisors (note that letter sent to supervisors varied slightly) :

I am writing to urge your school district to “opt in” on a tax incentive that allows local governments to grant first-time home buyers of newly constructed homes a five-year property tax exemption, starting at 50 percent in the first year and

decreasing at a rate of 10 percent per year over the next four years. The Governor, earlier this summer, signed into law my legislation extending this incentive until 2016 that can help prevent our best and brightest from leaving Long Island in search of more affordable housing. I am aware of many district's budget constraints but also believe we must invest in our future. This measure would not only make home ownership a reality, but would help stimulate the growth of our local real estate and construction economies.

The temporary tax abatement allows potential first-time home buyers, who may otherwise be unable to enter the housing market, an opportunity to purchase their first home. The exemption would apply to a newly constructed primary residence or the increase in the assessed value of a primary residential property which was the direct result of alterations, improvements or reconstruction exceeding \$3,000.

Under this measure, home value and income limitations would be defined by the New York State Mortgage Agency Low Interest Rate Mortgage Program (SONYMA) in effect on the contract date. The law will permit the limits to rise automatically with New SONYMA purchase price and income limits. For Suffolk county, the income limits are \$122,160. The purchase price limit is \$656,770.

Suffolk and Nassau counties have authorized the tax incentive, and it is currently applied in Smithtown, Southampton, Hempstead, Huntington, Babylon, Islip and Riverhead. Additionally, many school districts have "opted in" to provide the exemption, including Copiague and Farmingdale.

I urge your school district to adopt this measure to allow young families the opportunity to get a foothold in your community and contribute to its future growth.