Town of Shelter Island

Local Law No. 3

Year 2026

A LOCAL LAW ENTITLED "A LOCAL LAW AMENDING CHAPTER 115 – TAXATION – ARTICLE VIII EXEMPTION FOR ACCESSORY DWELLING UNITS AND ARTICLE IX TAX BILL ENCLOSURES"

BE IT ENACTED by the Town Board of the Town of Shelter Island as follows:

This local law is adopted pursuant to the authority granted by Municipal Home Rule Law Section 10 (General Powers of Local Governments to Adopt and Amend Local Laws). If any section, provision or part of this local law shall be adjudged invalid or unconstitutional by a court of competent jurisdiction, then such adjudication shall not affect the validity of the local law as a whole or any section, provision or part thereof not so adjudged invalid or unconstitutional.

This local law shall take effect immediately upon filing with the Secretary of State.

Local Law No. 3 - 2026

Article VIII Exemption for Accessory Dwelling Units

§ 115-25 Exemption granted; eligibility requirements; limitations.

A. Pursuant to Real Property Tax Law § 421-p, a qualifying accessory dwelling unit, defined as an "Accessory Apartment" under Section 133-1(B) of the Town Code of the Town of Shelter Island, constructed, reconstructed, altered, or improved after the effective date of this local law that provides independent living facilities for one or more persons on a year round basis, shall be exempt from the increase in assessed value attributable to the qualifying accessory dwelling unit, limited to a $200,000.00 increase as determined in the initial year of the exemption for a period of five years. Where the equalization rate equals or exceeds 95%, the increase in assessed value shall equal the market value. The exemption shall be reduced over an additional five-year period as follows:

(1) In the subsequent three years of the additional period, the exemption shall decrease each year by twenty-five percent of the exemption base.
(2) In the final two years of the additional period, the exemption shall decrease by a further ten percent during each of the final two years.
(3) The exemption shall expire at the end of the additional five-year period.

B. In order to be eligible for this exemption, a qualifying accessory dwelling unit must have a value of reconstruction, alteration, improvement, or new construction costs of at least $3,000.00, must not include ordinary maintenance and repairs, and must meet each of the following additional requirements:

(1) Must be registered as an “Accessory Apartment” with the Building Department in accordance with the procedure in Town Code § 133-17(C).
(2) Must be the owner’s primary residence.
(3) The yearly rent charged to the tenant of the qualifying ADU must be at or below the New York HUD Fair Market Rent for Nassau- Suffolk.
(4) The owner must qualify for the STAR Exemption in order to eligible for this exemption.

Article IX Tax Bill Enclosures
§ 115-26 Definitions.
As used in this article, the following terms shall have the meanings indicated:
ENCLOSURES – A notice, circulate, pamphlet, card, handbill, “QR” code, or other enclosure concerning a matter of public concern of service.

§ 155-27 Authorization for tax bill enclosures.
The Tax Receiver of Shelter Island shall include with a tax bill of the Town of Shelter Island certain enclosures so long as:
A. The enclosure has been authorized by a resolution of the Town Board;
B. The enclosure includes a notation that it is included "by order of the Town of Shelter Island";
C. The enclosure does not reference an elected official by name, but only the title of the office; and
D. The enclosure does not include any matter that is of a political nature, is propaganda, or any type of advertising.

Adopted: June 29, 2026
Effective: TBD