



NEWS FROM **ULSTER COUNTY** County Executive Jen Metzger

******For Immediate Release******

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Legislature Passes County Executive's Amendment to ADU Tax Incentive Law Excluding Short-term Rentals from Tax Break

KINGSTON, NY - Ulster County Executive Jen Metzger has signed Local Law No. 5 of 2025, amending the County's Accessory Dwelling Unit (ADU) tax incentive law to strengthen its alignment with Ulster County's housing goals. The amendment clarifies eligibility requirements for the real property tax exemption granted to homeowners who construct ADUs on their property, which is meant to encourage ADUs for housing.

The ADU tax incentive, originally signed into law in April, allows homeowners to opt into a provision of New York State Real Property Tax Law that exempts the County portion of property taxes on the increased value — up to \$200,000 — resulting from the construction of an ADU. The exemption lasts for five years, then gradually phases out over the following five years.

ADUs are small, self-contained residential units located on the same property as a primary residence. They may be attached to the home, part of a garage, or freestanding. Ulster County's Housing Smart Communities Program encourages municipalities to adopt ADU-friendly zoning and has offered grants to homeowners to build ADUs in exchange for keeping rents affordable for at least 10 years.

The amendment signed by County Executive Metzger ensures that the tax exemption applies only to ADUs used for permanent housing. Structures used as short-term rentals (STRs), as defined by local municipal statutes or identified under Ulster County's Hotel, Motel, and Short-Term Rental Occupancy Tax, are now explicitly excluded from eligibility.

“The purpose of the ADU tax incentive law is to encourage property owners to build them for housing,” **said County Executive Jen Metzger**. “Short-term rentals do not need incentives, and this amendment ensures that our tax law is consistent with our housing goals. I want to thank the Legislature for passing this amendment to better align the law with its intended purpose.”

To apply for the ADU tax exemption, download the Application Form here: tinyurl.com/ADUTaxExemption, and review the Instructions for the form here: tinyurl.com/ADUInstructions.

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