

1 **NYSAC 2020 Legislative Conference**
2 **Standing Committee on Taxation and Finance**
3 **Resolution #2**

4 **Resolution in Opposition to State Legislative Proposals that Undermine the**
5 **Careful Balance that Exists in State Law Related to the Tax Foreclosure**
6 **Process in New York State**

7 **WHEREAS**, the current real property tax law process to ensure tax compliance and
8 limit tax foreclosure has been on the books for decades; and

9 **WHEREAS**, the real property tax foreclosure process is designed to strike a balance for
10 a strong enforcement mechanism to ensure critical property tax revenues are protected
11 in order to provide vital state mandated and local services in our communities, while
12 providing property owners important alternatives and additional time to make
13 payments to avoid foreclosure; and

14 **WHEREAS**, a recent state legislative initiative proposed to eliminate certain tax
15 enforcement fees and penalties, allow for varying interest rates in tax delinquencies, and
16 eliminate the current law “reverse chronological order” of satisfying tax liens; and

17 **WHEREAS**, reducing these fee, penalty and interest tax enforcement measures will
18 likely reduce the effectiveness and balance of the current system, and sow confusion
19 among taxpayers across the state; and

20 **WHEREAS**, eliminating the current law “reverse chronological order” provisions will
21 allow property owners to potentially abuse the system and remain perpetually in arrears
22 on multiple years of their property taxes, significantly damaging tax compliance; and

23 **WHEREAS**, reduced tax compliance will jeopardize the delivery of critical state and
24 local services in the community, and will unfairly shift the burden of these unpaid
25 property taxes to other property owners; and

26 **WHEREAS**, county government is the primary governmental unit, along with some
27 cities and other municipalities, charged by the State with ensuring real property tax law
28 compliance and enforcement at the local level; and

29 **WHEREAS**, under this charge, counties are required to fully reimburse all school
30 districts and most towns and villages for any property taxes they cannot collect in the
31 first instance, which often requires counties to borrow tens of millions of dollars
32 annually while tax recoupment is commenced, all with the primary goal of ensuring
33 fairness for taxpayers and avoiding tax foreclosure; and

34 **WHEREAS**, the real property tax law provides an extensive notification process for
35 property owners that fall into arrears to help them understand what is happening and
36 their options; and

37 **WHEREAS**, the real property tax law also allows installment payment plans for up to
38 36 months for tax delinquency to ease the burden, and provides special allowances for

1 farm property and military personnel – combined, these items can prevent tax
2 foreclosure or extend the timeline for several years; and

3 **WHEREAS**, while many counties use these statutory allowances to ease the tax
4 foreclosure process and burden, they also provide additional help including:

- 5 • Allowing partial payments for the initial property taxes due to ease the payment
6 burden;
- 7 • Encouraging property owners to seek legal advice and other options so they can
8 retain their property;
- 9 • Engaging family members, especially senior citizens, to allow for these relatives
10 to receive duplicate copies of property tax bills, delinquency notices and other
11 real property items;
- 12 • Guiding property owners to local and state programs that may offer them
13 assistance to clear up their delinquent taxes; and
- 14 • Allowing property owners to repurchase their property in cases of tax foreclosure,
15 under specified timelines and parameters, among other help.

16 **NOW, THEREFORE, BE IT RESOLVED**, the New York State Association of
17 Counties opposes state legislation that can undermine the careful balance that exists in
18 state law related to the tax foreclosure process in New York State; and

19 **BE IT FURTHER RESOLVED**, counties are especially concerned of the unintended
20 consequences this broadly drafted legislation will cause by eliminating the current law
21 reverse chronological order for paying tax liens, which would allow taxpayers to delay
22 paying their property taxes for years, shifting the burden to their neighbors, and
23 jeopardizing the delivery of state and local services; and

24 **BE IT FURTHER RESOLVED**, that copies of this resolution be sent to the counties
25 of New York State encouraging member counties to enact similar resolutions; and

26 **BE IT FURTHER RESOLVED**, that NYSAC shall forward copies of this resolution to
27 Governor Andrew M. Cuomo, the New York State Legislature and all others deemed
28 necessary and proper.