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2012 -2013 SCHOOL DISTRICT REAL PROPERTY TAX COLLECTIONS

BY THE NUMBERS

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Where do property tax revenues go?

According to the New York State Department of Taxation and Finance, school districts are the largest users of revenues derived from property taxes. In fiscal years ending in 2009, local governments and school districts outside of New York City levied \$28.87 billion in property taxes, 62% of that was levied by schools.

The New York State Department of Taxation and Finance: Property Taxes.
Retrieved from: www.tax.ny.gov/pit/property/learn/proptax.htm

The New York State Comptroller stated that in aggregate, local governments and school districts derived 39% of their revenue from real property taxes in addition to roughly 5 percent from other real property tax items such as PILOTs, about \$19.5 billion in 2012. Earlier this year, the New York State Comptroller, Thomas DiNapoli, released a report which found that more than 100 local governments do not have enough cash on hand to pay even 75% of their current liabilities. Almost 300 local governments ended either fiscal year 2010, 2011 or both, in a deficit situation and 27 local governments appear not only to have drained their rainy day funds, but spent more than they had in such reserves.

DiNapoli, Thomas P. Office of the New York State Comptroller 2012 Annual Report on Local Governments. December 2012.

Why school district real property taxes are a going concern for Ulster County.

The Ulster County Department of Finance's Division of Real Property Tax Services released their 2012 Real Property Data Report which showed Ulster County School Districts levied over \$341 million in taxes for the 2012-2013 tax year. This amount is equivalent to 63% of the total property tax levies for the County¹. The remaining \$205 million is allocated to other Ulster County local governments; City, County, Towns, Villages, and Special Districts.

Taxable properties in school districts that go unpaid become a liability and responsibility of Ulster County to "make whole" the outstanding tax warrant. If other revenue receipts are not sought by local government, the payments to the school districts could ultimately affect the financial condition of the County.

¹ This amount does not include school taxes that were levied for Ulster County properties located in surrounding counties school districts.

How much money does Ulster County pay to make school districts whole?

<u>Date</u>	<u>\$ Owed to School Districts</u>
2009 - 2010	\$ 22,009,944
2010 - 2011	\$ 17,325,108 ²
2011 - 2012	\$ 22,056,194
2012 - 2013	\$ 22,810,793

What is the school tax collection process?

- ❖ School Tax bills are mailed in September and can be paid in full without penalty through September 30th. *Note: City of Kingston has a separate billing and collection process and is therefore not included in the tax dollars owed.*
- ❖ Schools collect a 1% penalty from October 1st through the end of October, or early November; each school district has their own cutoff date.
- ❖ The County Finance's Tax Department collects school taxes from each schools cutoff date until mid-November and applies a 3% penalty.
- ❖ Schools turn over their list of unpaid taxes to the County Finance Tax Department by November 15th.
- ❖ Once collections cease, taxes unpaid are relieved onto the subsequent year town & county tax bill. The 3% penalty plus the County 7% penalty is added to this amount.
- ❖ For all taxes that remain uncollected, school districts are "made whole" by Ulster County no later than the following March 31st.

² Unpaid taxes for this year do not include amounts for NYS owned properties. Ulster County received payment from the State for these parcels prior to the November 1 cutoff date.

For the 2012-2013 school year, what is the breakdown of the County's payment to School Districts?

Unpaid Taxes [^]	\$ 16,910,951
State Land*	5,429,221
Interest	481,107
Adjustments	<u>(10,486)</u>
	<u>\$ 22,810,793</u>

[^] This amount represents the total school taxes unpaid at the date which Ulster County ceased its collections. However, prior to the Counties payment to the school Districts, \$874,042 had been recouped leaving \$16,036,909, plus interest, still unpaid.

* Instead of NYS making payments to fifteen school districts in Ulster County, the State makes one payment to the County and disburses the funds to the respective School Districts.

Detailed below in **Chart 1**, is a breakdown of the total taxes levied for the 2012 Assessment Rolls which includes 2012-2013 School Taxes, 2012-2013 Village Taxes levied, and the 2013 County, Town and Special District Taxes. Of the total property taxes assessed, 63% was levied by the School Districts

Chart 2 shows the parcels that have been deemed unpaid, which have become a liability to the County to "make whole" as of November 2012. The amount outstanding includes the 3% interest penalty applied and equates to about 5% of the total 2012-2013 taxes levied by Ulster County Schools. The chart also details that of the 86,472 parcels in Ulster County, taxable by the listed School Districts, 8% are unpaid. The School District with the highest number of outstanding parcels, Rondout Valley, has uncollected property liens totaling \$2,692,407, 16%, of the total unpaid tax and includes 1,306 parcels. The six school districts with the least number of parcels with unpaid taxes are school districts that include properties located within Ulster County but are not Ulster County School Districts. Ulster County is held liable and must pay to these school districts a total of \$947,082, 6% of the total outstanding taxes for the properties located within Ulster County.

Chart 1: 2012 Tax Levy Comparison

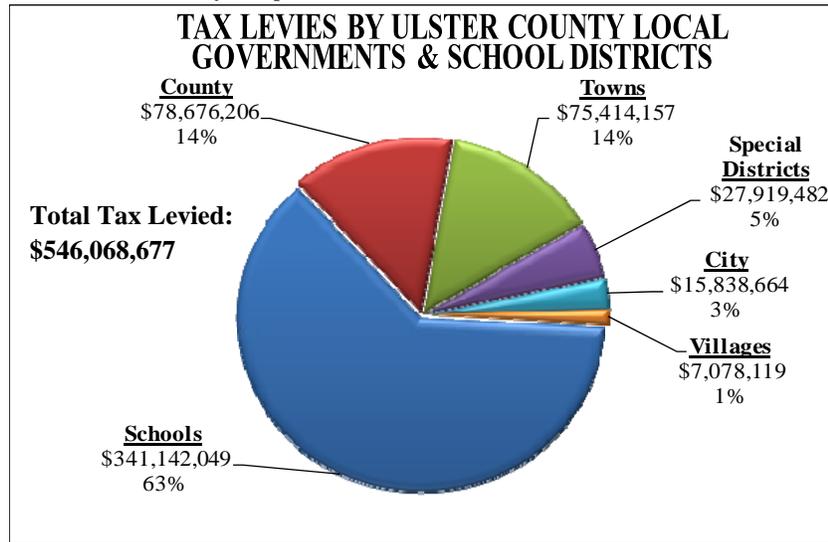


Chart 2: School Districts Made Whole by Ulster County Properties with Uncollected Taxes

