

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: REAL PROPERTY TAX SERVICES

DATE: JUNE 29, 2009

COMMITTEE MEMBERS PRESENT:

SUPERVISORS GOODSPEED
BENTLEY
THOMAS
MERLINO
STRAINER

OTHERS PRESENT:

MICHAEL SWAN, DIRECTOR, REAL PROPERTY TAX SERVICES
CHAIRMAN MONROE
PATRICIA NENNINGER, SECOND ASSISTANT COUNTY ATTORNEY
HAL PAYNE, COMMISSIONER OF ADMINISTRATIVE & FISCAL SERVICES
JOANN MCKINSTRY, DEPUTY COMMISSIONER OF ADMINISTRATIVE AND FISCAL SERVICES
JOAN SADY, CLERK OF THE BOARD
KEVIN GERAGHTY, BUDGET OFFICER
SUPERVISORS PITKIN
SOKOL
CHAMPAGNE
TAYLOR
FRANCIS O'KEEFE, COUNTY TREASURER
PAMELA VOGEL, COUNTY CLERK
SARAH MCLENITHAN, LEGISLATIVE OFFICE SPECIALIST

COMMITTEE MEMBERS ABSENT:

SUPERVISOR TESSIER
GIRARD

Mr. Goodspeed called the meeting of the Real Property Tax Services Committee to order at 9:30 a.m.

Motion was made by Mr. Strainer, seconded by Mr. Merlino and carried unanimously to approve the minutes from the previous Committee meeting, subject to correction by the Clerk of the Board.

Privilege of the floor was extended to Michael Swan, Director of Real Property Tax Services, who distributed copies of his Agenda to the Committee members; *a copy of the Agenda is on file with the minutes.*

Mr. Swan advised that Agenda Item 1 consisted of a list of corrections to the tax rolls from the County Treasurer's Office, which would require a Board resolution. He explained that the majority of the corrections were chargebacks of taxes and court ordered assessment changes.

Mr. Bentley entered the meeting at 9:31 a.m.

Mr. Strainer queried whether the effective date for the change in assessments was January 1, 2009 and Mr. Swan replied that he was unsure. He noted that the tax bills for the current year had been amended. Mr. Strainer asked why the settlements were so large and Mr. Swan responded that he was unsure, as the courts did not give justification for settlements, only the dollar amounts required.

Motion was made by Mr. Thomas, seconded by Mr. Bentley and carried unanimously to authorize the corrections to the tax rolls from the County Treasurer's Office as outlined above and the necessary resolution was authorized for the July 17, 2009 Board meeting.

Mr. Swan informed the Committee that Agenda Item 2 pertained to deed information no longer being received from the County Clerk's Office. He stated that the Information Technology (IT) Department had developed a way to access the County Clerk's vendors website that contained the deed information at no additional cost; however, he said, additional staff time would be required, as well as more money expended for paper and printing costs.

Mr. Swan inquired whether the Town Assessors could have free access to the site and Pam Vogel, County Clerk, replied that it was not something that was currently offered; however, she said, it may be available in the near future. She pointed out that the new system had the potential to generate additional revenue for Warren County and she added, the Assessors could be e-mailed copies of the deeds.

Mr. Swan apprised that he was attempting to convert the Assessors from retaining paper records to electronic files.

Mr. Merlino asked Ms. Vogel what the cost savings of the program was and she replied that the savings would be minimal; however, she noted, the time savings would be substantial. Mr. Merlino queried whether the minimal savings was worth the issues that were being created by implementing the new system and Ms. Vogel responded that she felt that the positives effects outweighed the negative effects. She pointed out that the Real Property Office could print the deeds in the County Clerk's Office to avoid incurring additional paper and printing costs.

Mr. Swan interjected that not receiving the copy of the deed from the County Clerk's Office was creating issues for his Office, as it was requiring additional staff time of his employees, which they did not have.

Chairman Monroe questioned whether the system provided a copy of the deed in a pdf file and Ms. Vogel replied in the negative. She advised that the system provided the entire history of a record. She explained that there were certain options available through the contract such as microfilming, storing the film off-site and remote access to the public.

Ms. Vogel apprised that when individuals query how they could access their deeds they would be referred to the site where for a fee they could access a copy of the record. Chairman Monroe queried what types of records would be included on the system and Ms. Vogel replied the system contained all records excluding court records and judgements. Chairman Monroe asked whether deeds could be printed from the system and Ms. Vogel replied affirmatively.

Chairman Monroe queried whether the deeds recorded in a week could be printed together at one time and Mr. Swan replied in the negative. He explained that each record had to be accessed individually and then printed.

Mr. Pitkin asked what the cost would be for the Assessors to have access to the site and Ms. Vogel responded that there was a \$50 monthly access charge with a \$.25 fee per search. Mr. Swan reiterated that he felt it was necessary for the local Assessors to have free access to the site.

Mr. Geraghty suggested that the County Clerk's Office e-mail a copy of the deed to the Town's, as well as the Real Property Office when they were scanning them into the system. Mr. Swan advised that he had been informed by the IT Department as well as the vendor that this option was not available due to the software that was being utilized.

Mr. Goodspeed queried how many other Counties were using the same system and Ms. Vogel replied that she estimated it to be six. She asserted that she felt it was necessary for her Office to familiarize themselves with the system prior to offering free access to other agencies.

Ms. Vogel apprised that within the next five years e-reporting would be instituted which would eliminate the paper copy. She explained that the e-reporting feature was an option offered through the new system. She said that if the County Clerk's Office implemented e-recording, the information would still have to be entered into the system through her Office.

Mr. Goodspeed questioned if the system would be necessary when e-recording was implemented and Ms. Vogel replied affirmatively. She apprised that the current system allowed individuals to search records only whereas the e-recording allowed for information to be recorded. Ms. Vogel pointed out that another option would be for the Real Property Office to purchase the software license; however, she noted, this would have an annual fee of \$1,500.

Mr. Pitkin queried whether it was necessary for the IT Department to be included in the conversation, as they were more knowledgeable on the subject. Ms. Vogel apprised that the IT Department had been very helpful in obtaining access to the site for the Real Property Office; however, she noted, the IT Department could not make any changes to the system. Mr. Swan explained that due to software licensing rights the IT Department was not authorized to make any modifications to the system.

Discussion ensued.

Ms. Vogel exited the meeting at 10:07 a.m.

Agenda Item 3, Mr. Goodspeed advised, referred to the alleged abuse of the installment program. He stated that the example that had been brought to his attention involved an individual who had several commercial properties with installment agreements.

Mr. Swan apprised that the standards set for the installment program that the County was required to follow were enforced by Real Property Tax Law Section 1184 sub 3d, which stated that property included in installment programs be either residential, both residential and farm property, or all properties. He said that the Legislation Warren County had opted for was to allow for all properties to be eligible for the installment program. He apprised that if it was the desire to only offer the installment plan to residential property owners then the Local Law would need to be amended.

He mentioned that another concern was with individuals not paying their current taxes while participating in the installment program. He pointed out that Resolution No. 424 of 2005 authorized individuals to continue to participate in the installment program even though they were delinquent on their current taxes.

Patricia Nenninger, Second Assistant County Attorney, interjected that if an individual did not fulfill their obligation under the installment program they would be considered to be in default; however, she added, the County had chosen not to enforce on the default as stated in Resolution No. 424 of 2005.

Francis O'Keefe, County Treasurer, advised that he estimated there to be 103 properties currently participating in the installment program. He said that he did not think that developers with multiple properties should repeatedly be allowed to participate in the installment program.

Mr. O'Keefe pointed out that the same people were taking advantage of the installment program which meant that they were never paying their current tax bill. He said that at some point their homes may be foreclosed on which meant that they had paid large amounts of money in interest to no avail. He added that he did not think that installment agreements should be allowed for individuals who owned multiple properties, as it was losing tax money and creating additional work for the Treasurer's Office, as well as other Departments.

Mr. Goodspeed stated that the two issues being presented pertained to whether the installment program should be limited to residential property owners and whether action should be taken on individuals who were participating in installment programs that were not paying their current taxes.

Mrs. Nenninger explained that as long as individuals in the installment program remained current on their payments the County would not proceed in the next foreclosure cycle; however, she noted, if the payments were not current the property would be included in the next foreclosure cycle.

Chairman Monroe pointed out that the current State law stated that taxpayers had to pay their current year's taxes prior to paying any delinquent taxes. He said that this law forced more property owners into a foreclosure situation. He said that he felt that it was necessary to ensure that individuals were given every possible chance to allow them to keep their homes or businesses, which had been the policy of the Committee over the years.

Mr. Champagne interjected that in prior years if developers were to develop 20 lots out of the 100 they owned, the developer would be required to only pay the taxes on the 20 lots that were developed. He said that currently the developer was required to pay the taxes on all of the lots based on the prevailing rate which has caused the price of homes to increase considerably. He said that he concurred with Chairman Monroe that it was essential to take all the necessary steps to ensure that individuals did not lose their homes or businesses.

Mr. Merlino commented that developers were purchasing 20 lots and developing only 5; however, he noted, the value of the remaining 15 lots was increasing. He said that many times they acquired a large profit for the properties. He stated that another issue was with individuals purchasing foreclosed properties and not maintaining them.

Mr. Pitkin apprised that they were not encouraging other business owners to pay their taxes by allowing business owners to repeatedly abuse the installment program. Mr. Strainer queried what the interest rate being charged was and Mr. Swan replied that the interest rate was 12%.

Mr. O'Keefe advised that it was not the County's desire to foreclose on any properties; however, he said, the individuals participating in the installment program were paying large amounts of money due to the penalties that were imposed by the law. He stated that the individuals should be able to participate in a program that allowed them to pay their taxes up-front and remain current, as the installment program was penalizing the individuals and never allowing them to become current on their taxes.

Mr. Champagne stated that if 75% of individuals participating in the installment program were losing their homes due to the penalties and interest they paid, then maybe it was necessary to amend the current program. He pointed out that the program was not enacted to penalize taxpayers; it was enacted to prevent them from losing their homes and businesses.

Mr. Thomas suggested limiting the amount of time individuals were allowed to participate in an installment program. Mrs. Nenninger advised that in order to be eligible to enter into an installment payment agreement certain criteria was necessary. She pointed out individuals could not have defaulted on their taxes within the past three years. She said that there were a number of individuals that have abused the installment program.

Mr. Swan pointed out that the majority of residential property owners participating in installment plans were able to pay off the taxes; however, he noted, problems generally arose from individuals who owned vacant land or business type properties. He noted that the installment program had been able to prevent many individuals over the years from losing their homes.

Mr. Thomas suggested focusing on the individuals that were abusing the installment program. Mr. Goodspeed said he was unsure there was a way to focus on these individuals without abandoning the system that was in place for those with true needs.

Mr. Pitkin questioned whether it was mostly business owners that were abusing the system and Mr. O'Keefe responded that it was 50% business owners and 50% residential property owners. Mr. Taylor stated that it seemed the County was providing the necessary aid, as the individuals participating in the installment program would probably not be able to obtain loans elsewhere to pay their taxes. He said that he felt it was necessary to have the current system remain in effect while focusing on the individuals that were abusing the system.

Mrs. Nenninger advised that in the prior law if an individual was three years behind on their taxes and they made a payment, the payment would be credited to the oldest tax; however, she said, the new law stated that the current tax must be credited first. She noted that this change had made more properties eligible for foreclosure.

Chairman Monroe apprised that he felt that the installment program was necessary as it provided individuals with additional time to sell their properties, as well as retaining the equity they have acquired in it. He asserted that it was unfair to expect individuals to pay the current taxes prior to the delinquent ones, as it made it more difficult for individuals to become current on their taxes.

It was the consensus of the Committee to have the County Attorney's Office research how other Counties handle individuals abusing the installment program and report back to the Committee.

Agenda Item 4, Mr. Swan advised, pertained to the 2009 foreclosure notices. He stated that the foreclosure notices consisted of 120 parcels, 68 of which he had posted himself due to the being undeliverable by mail. He said that the Last Chance Meeting was scheduled for August 10, 2009 and the auction was scheduled for October 17, 2009.

Chairman Monroe asked how the deficiencies were compared to prior years and Mr. Swan replied that although it was slightly higher than prior years he was not concerned.

Concluding the Agenda review, Mr. Swan presented the following requests to attend meetings or conventions:

- 1) Authorizing Mike Swan to attend the 2009 Real Property Tax Directors Summer Conference in White Plains, New York from August 2 through August 5, 2009;
- 2) Authorizing Lexie Delurey to attend the Exemption Administration Course at Cornell University in Ithaca, New York from July 13 through July 17, 2009.

Motion was made by Mr. Bentley, seconded by Mr. Thomas and carried unanimously to approve the requests to attend meetings or conventions as outlined above. *Copies of the requests for authorization to attend meetings or conventions are on file with the minutes.*

As there was no further business to come before the Real Property Tax Services Committee, on motion made by Mr. Bentley and seconded by Mr. Thomas, Mr. Goodspeed adjourned the meeting at 10:24 a.m.

Respectfully submitted,

Sarah McLenithan, Legislative Office Specialist