

February 08, 2010 - Times Herald-Record
By Keith Goldberg

Unpaid school taxes on the rise in mid-Hudson region Many homeowners can't keep up with increases

Gregory Coster has owned a couple of pieces of land here for about 15 years, moving up from New York City for good last May.

After dramatic increases his property assessment in the Town of Rosendale, Gregory Coster had to borrow money to pay his school taxes.

Now he's ready to leave.

"I'm in debt to pay the taxes," says Coster, who lost his jeweler's business a few years ago and has had to borrow a total of \$32,000 over the last two years to pay his property taxes.

FALLING FARTHER BEHIND

Here are the totals of unpaid school taxes throughout the region:

- Orange County

2008-09: \$29,879,684

2009-10: \$32,353,215

- Sullivan County

2008-09: \$16,965,775

2009-10: \$17,113,514

- Ulster County

2008-09: \$20,835,312

2009-10: \$22,000,000 (projected)

Source: Ulster Comptroller, Sullivan and Orange Finance depts.

In the same town, Stephen Larsen, a retired psychology professor from SUNY Ulster, says he and his wife have fallen behind on their property taxes several times in the last five years. "We've been very close to foreclosure," Larsen says.

Like most of us, the bulk of Coster and Larsen's tax burdens come from school taxes. And as the economy has gone south, the amount of unpaid school taxes is moving north — sharply.

In Ulster County, comptroller Elliott Auerbach is projecting \$22 million in unpaid school taxes for the 2009-10 school year — that includes money lost to tax-exempt state lands — a 5.6 percent increase over last year and a 53 percent jump from three years ago.

In Orange County, unpaid school taxes are up over 8 percent from a year ago, and 26 percent

percent during that time as well. Only in Sullivan County have unpaid school tax levels remained relatively flat.

"It's an indication that people are just unable to handle the burden of school property taxes," Auerbach says. "That's a substantial amount of the people's nut."

And it's a growing headache for county governments, who by law must make the school districts whole every year. The counties usually recoup the money by re-levying the school taxes the following year.

But the larger the number of homeowners unable to pay their taxes, the less likely it is for counties to get the money back by re-levying taxes. That means they'll have to resort to foreclosure. "We're placed in the position of being a banker," Auerbach says.

It also takes a greater chunk out of county coffers, at a time when counties are looking to save money wherever they can.

"I'd hate to see us get to the point where we had to borrow money to make school districts whole," Auerbach says.

Meanwhile, Gregory Coster says he might try to donate his property to a nonprofit organization. Or, he may just walk away and let the county take it via foreclosure.

"I don't have any choices anymore," he says.