

**RULES, ENACTMENTS & INTERGOVERNMENTAL RELATIONS COMMITTEE
HELD IN ROOM #318
PUTNAM COUNTY OFFICE BUILDING
CARMEL, NEW YORK 10512**

Members: Chairwoman Addonizio and Legislators Ellner & Gouldman

Tuesday 6:30pm April 18, 2023

The meeting was called to order at 6:30pm by Chairwoman Addonizio who requested Legislator Gouldman lead in the Pledge of Allegiance. Upon roll call Legislators Ellner and Gouldman and Chairwoman Addonizio were present.

Item #3 – Acceptance of Minutes – March 22, 2023

The minutes were accepted as submitted.

Item #4 – Approval/ Local Law to Amend Chapter 220 of the Code of Putnam County Entitled “Taxation”

Chairwoman Addonizio stated what is before the Committee this evening for approval is an amendment to the Putnam County Code which would provide the County the ability to implement a temporary partial cancellation of penalties and interest owed as a result of delinquent property taxes. She further clarified that this local law will not actually implement this program; it only gives the County the ability to do so once in place.

Carl Albano, resident, stated of the outstanding property taxes currently owed to Putnam County, about 20% of what is owed are interest and penalties. He stated there are about 1200 properties currently in arrears with the delinquency of some properties dating back to 2014. He stated the proposed amendment to the local law before the Committee tonight will give the Legislature the ability to consider making changes to the interest and penalties. He stated this is not a request to waive taxes or to waive the interest altogether. He stated foreclosing on these properties will result in a lot of litigation which can be costly to the County.

Chairwoman Addonizio stated New York State requires interest of 1% per month; 12% per year.

Mr. Albano stated there are other fees on top of that 1% per month that can be modified. He stated he believes other counties are looking into similar options as well.

Chairwoman Addonizio stated Commissioner of Finance William Carlin notified her that the tax lien foreclosures were recently completed for 2014 and 2015.

Mr. Albano stated many times a foreclosure winds up being settled for less.

Legislator Gouldman stated he was hoping this would be on the agenda this evening for further discussion rather than as an approval item. He stated in some ways this makes sense, but it needs limitations. He recognized that the COVID pandemic has a negative financial impact on many people and they may have fallen behind on their taxes. He stated he has no issue with giving the average taxpayer a break. He stated he does not believe developers, businesses, and individuals who have the resources to pay their bills should benefit from a reduction in interest and penalties. He stated many properties in arrears are Limited Liability Corporations (LLCs). He stated if the County chooses to enact a program to help delinquent taxpayers, it should be aimed toward lower income and middle class taxpayers. He stated it should not be for vacant land; it should only be for a parcel of land with a primary residence on it. He stated the taxes due should not be lowered; any reduction should be only on services charges, penalties, or interest. He suggested putting a cap on the amount each taxpayer can benefit from. He stated a program like this should really only be for taxpayers facing a hardship, trying to pay what they owe. He provided an example of a developer with properties in Putnam Valley who owes \$1 million in property taxes, plus the penalties and interest. He stated this developer was offered fair market value for the sale of the property, which they turned down. He stated this program should not go to benefit individuals like this one. He also stated his concern for taxpayers who have worked hard to pay their tax bill on time.

Chairwoman Addonizio mentioned that the school tax is the highest portion of property taxes.

Legislator Ellner stated this has to have a degree of balance. He recognized that there are many people hurting. He also recognized that there are many people who worked a second job and sacrificed to pay their taxes on time and it is important to remain cognizant of that as well.

Legislator Crowley stated she received a letter from a constituent who detailed their experience with doing everything they could to make sure their taxes were paid on time and that implementing a program where interest and penalties are reduced could result in a lawsuit. She read the letter into the record.

Legislator Nacerino stated what is before the Committee this evening is solely to allow the County to consider such a program. She stated she believes the Legislature should do their due diligence to explore the matter rather than projecting about what it should or should not entail. She stated this local law does not implement a program; it gives the Legislature the ability to explore the matter further.

Legislator Jonke stated he has been in the property tax business since 1988 and he has seen many foreclosure and tax sales. He stated the County needs to avoid taking properties at all costs. He stated the taxes will not be waived, this program will offer a reduction of some kind on the interest and penalties. He stated there are over 1,200 properties in arrears and he believes we owe it to all residents to make sure the County does not take these properties where they could sit in our possession for years before

they are purchased and put back on the tax rolls. He stated he believes this proposed local law is on the right track.

Legislator Castellano echoed Legislator Jonke's statements. He stated many of the properties in arrears are not basic mortgages where a homeowner is defaulting on their mortgage because the mortgage company will cover the taxes. He stated getting some of these commercial properties back onto the tax rolls would result in the collection of back taxes and some of the interest and penalties. He stated if the taxpayers still choose not to pay, the foreclosure process can then move forward but at least the opportunity to become whole would have been presented to them. He stated the properties could be beneficial to the entire community once back on the tax rolls.

Chairwoman Addonizio stated no specific decisions are being made this evening.

Legislator Crowley questioned if the new law having to do with foreclosure would affect this.

Legislative Counsel Robert Firriolo stated it may not affect it at all. He stated this is strictly about waiving a part of the interest and penalties, not the taxes that are due. He stated once the taxes are paid there would not be a foreclosure. He stated he would have to look into it more closely but believes it would not have an effect.

Legislator Gouldman stated he has an issue giving a big break to people who owe \$1 million in property taxes. He stated limitations need to be put on this. He stated he cannot support this the way it is.

Chairwoman Addonizio stated the details of the program will be discussed once this local law is approved.

Mr. Albano stated this topic was discussed at Rules Meetings in December 2022 and March 2023. He stated this proposed local law provides the County the ability to make changes to the interest and penalties if deemed necessary. He restated that of the money owed to the County, 20% is interest and penalties. He stated the County has been able to borrow money at historically low rates of 2%-3%. He stated taxpayers who are willing to pay their taxes can come forward and make themselves whole through this program. He stated the details of the program can be discussed in more depth in the future; the local law before the Committee this evening will give the Legislature the ability to consider the details later on.

Legislator Nacerino stated she would support moving this forward. She stated no specifications are being put in place right now. She stated this is worth looking into comprehensively to find if it is something that should be considered. She stated without approving this local law, those future discussions cannot be had. She stated we do not know the financial situation of taxpayers whether they are individuals, corporations, or small businesses. She stated small businesses are a very important part of Putnam County and they could be struggling with their taxes as well.

Legislator Montgomery stated although the school taxes are a large percentage, all property taxes have continued to increase each year since she has been in office.

Mr. Albano stated the County property tax is on the lower end within New York State.

Legislator Montgomery stated the property taxes in Putnam have continued to increase while other counties have decreased their taxes.

Legislator Crowley stated separating residential and commercial properties could be discriminatory. She stated based on zoning, it might be difficult to determine what type of property it is.

Legislator Jonke stated he is supportive of what is before the Committee this evening.

Legislator Crowley questioned why Putnam County did not consider the amnesty program that was offered through the Executive Order enacted by former New York State Governor Cuomo during the COVID pandemic.

Mr. Albano stated he learned about this issue at the end of his tenure as a Legislator and brought it forward at that point. He stated he believes the County should have the ability to change the interest and penalties and the first step is to amend the local law. He stated to spend more time on this without the law being in place would be a waste of time.

Legislator Ellner stated in speaking with the Finance Department he found that the County cannot differentiate between residential and commercial properties; whatever the final outcome may be, it will be applied equally to all. He stated at this point, he is not in favor of what is before the Committee.

Legislator Nacerino stated she believes the proposal before the Committee is no harm no foul as it only provides the County with the ability to consider it in more detail. She stated as the process moves along and Legislators may still have the same conviction and it may not be approved, but she is taken aback that this Committee would not be proactively looking to continue this discussion.

Legislator Gouldman stated he would like to see limitations on this from the very beginning.

Mr. Albano stated the details will be decided on later. He stated amending this law gives the Legislature the tool they need to do so.

Legislator Nacerino stated she does not see the logic in not moving this forward this evening. She stated the particulars of this are not being discussed this evening.

Legislator Castellano questioned what the next step would be if this was passed out of Committee.

Legislative Counsel Firriolo stated if the Committee moves this local law forward it would go to the Full Legislative Meeting for a vote. He clarified that the purpose of this local law is to empower the Legislature, in the future, to pass another resolution that would waive, in whole or in part, interest, fees, or penalties; not property tax. He stated in order to even discuss a resolution that would set details in the future, this enabling legislation would need to be on the books first.

Legislator Castellano questioned if a public hearing would be required. He also questioned if this local law would require a supermajority vote by the Full Legislature.

Legislative Counsel Firriolo stated a public hearing would be held by the County Executive. He stated it would require a 2/3 vote of the Legislature to move forward.

Legislator Castellano stated looking into the future if this were to be implemented, he questioned if it would be possible to put a cap on the total amount able to be discounted.

Legislative Counsel Firriolo stated the resolution implementing the program could be as detailed or as limited as the Legislature so chooses as long as it is not discriminatory.

Legislator Castellano stated he would like to see this move forward so further discussion could be had.

Chairwoman Addonizio made a motion to pre-file the necessary resolution. There was no second. Motion fails.

Item #5 – Approval/ Support Putnam County’s Request to New York State to Amend Public Officer’s Law/ Planning Commissioner Residency

Chairwoman Addonizio stated County Executive Byrne requested a supporting resolution, however a draft resolution has not been received.

Chairwoman Addonizio made a motion to table Approval/ Support Putnam County’s Request to New York State to Amend Public Officer’s Law/ Planning Commissioner Residency; Seconded by Legislator Ellner. All in favor.

Legislator Montgomery requested that the qualifications for the Commissioner of Planning be changed to include that the individual be a certified planner.

Item #6 – Other Business – None

Item #7 – Adjournment

There being no further business at 7:04pm, Chairwoman Addonizio made a motion to adjourn; Seconded by Legislator Ellner. All in favor.

Respectfully submitted by Administrative Assistant Beth Robinson.