

NEWS FROM THE ULSTER COUNTY OFFICE OF THE COMPTROLLER

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For release: Immediately
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Audit of Installment Contracts Shows Opportunities for More Consistent Enforcement

Kingston, NY (December 4, 2024) – Today Ulster County Comptroller March Gallagher released an Audit of Real Property Tax Installment Agreement Contracts. When a real property taxpayer becomes delinquent on their property taxes, they can enter into an installment agreement contract with the County to repay the back taxes. The interest rate, the term of the agreement and penalties for late installment payments are set by New York State Real Property Tax Law § 924-a.

The Audit reviewed 138 installment contracts finding that 52 participants made late payments at least once. Among these, 33 cases could have been cancelled which would have required full payment of the remaining delinquent taxes or trigger foreclosure proceedings. Furthermore, 151 late payments were identified, 54 with enough detail to determine that the applicable 5% penalty fee was not enforced, and 49 late payments were identified with enough detail to determine that the late interest fee was not consistently applied.

Additionally, the Audit found that former Commissioner of Finance signed a contract with an immediate family member, who stopped payments after the second installment. No action was taken to address this until the Commissioner left abruptly on March 1, 2023, when all overdue payments were made within five days.

"I am relieved to finally be able to release this Audit now that the State Comptroller's Investigation of former Finance Commissioner Burt Gulnick has concluded," said Ulster County Comptroller March Gallagher. "When one property taxpayer fails to pay their fair share, the burden must be borne by other taxpayers. These revenues provide needed services to the residents of Ulster County. When enforcement is lax, or interest and penalties are only applied sporadically, it leaves room for special treatment which erodes the public's confidence in government. All taxpayers should be treated fairly, and I am pleased to say the new leadership in the Finance Department agrees."

The Comptroller recommends that the payment collection process be strictly enforced to avoid favoritism and that the new Commissioner of Finance implement a robust system to keep tax agreements current and apply appropriate penalties and interest, ensuring taxpayers are aware of the consequences of defaults. The Department of Finance has recently implemented new tax collection software and has indicated in their response that they agree with and will implement the recommendations.

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