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No change in Kingston's property tax system year after report

By Paul Kirby, Daily Freeman

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KINGSTON >> A year ago this month, [a report was released](#) suggesting ways to close the gap between what Kingston homeowners and businesses pay in property taxes, including a proposal that called for millions of dollars from the state to help pave the way.

There so far has been no significant movement to make the report's recommendations a reality, but Mayor Shayne Gallo said last recently that a coalition of municipalities is picking up steam in an effort to convince the state Legislature and Gov.

Andrew Cuomo to agree on funding.

The report, compiled by The Center for Research, Regional Education and Outreach at SUNY New Paltz, was issued during an [April 30, 2014, meeting at a Kingston City Hall](#).

Gerald Benjamin, the director of the center and the college's associate vice president for regional engagement, said at the time the "best option for Kingston" would be a 10-year phase-in to lessen the gap between what homeowners and businesses pay. The report called on the state to give the city about \$7 million over the phase-in period to ease the burden on homeowners.

During that time, the report said, the city would have to closely monitor its spending and perhaps make changes so that homeowners would not see increases in their tax bills, said Tom Cetrino, the study's principal researcher.

"In a perfect world," Benjamin said, the city's homestead/non-homestead taxing structure should be eliminated altogether. However, Benjamin said then, the state-funded option probably would be the best one for both city and the state.

Gallo said he met last week with Benjamin and other municipal leaders in New York and that the goal is to press state officials on the importance of receiving the funding.

The mayor said a fairer taxing system would encourage economic development and perhaps lessen the need for state aid in the future because creating more jobs for people would make it easier for them to pay their residential tax bills. Gallo says the city currently is due \$5 million in outstanding property taxes.

"This is consistent with asking the [state] Legislature to recognize that we, as mayors of these cities, cannot continue to deal with this issue without help from Albany," Gallo said. "... There would be a direct correlation to state aid."

Gallo said a fairer tax structure and more job creation also would help people find their way out of poverty.

"By leveling [the taxing system], it would provide for more investment in our communities and expand our tax base," he said.

Gallo said the municipalities have done their share by keeping their budgets under the state cap on how much taxes can increase from year to year, all while continuing to cope with "unfunded mandates" placed on them by the state.

Benjamin has said only two communities statewide have switched back to a single tax structure from the dual tax structure like Kingston's — the town of Colonie and the city of Schenectady.

In the 1980s, state legislation authorized municipalities in New York to tax residential and commercial properties at different rates. The intent was to shift the tax burden from residential property owners to commercial property owners. The dual rates were called "homestead" for residential and "non-homestead" for commercial properties.

At present, the city of Kingston taxes business properties at about 1.8 times the rate it taxes residential properties. City commercial properties, which make up 31 percent of the tax base, currently pay 46 percent of the total tax levy, according to the study.

The report said the rate at which Kingston taxes its commercial properties is much higher than in other communities that use a homestead/non-homestead system.

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