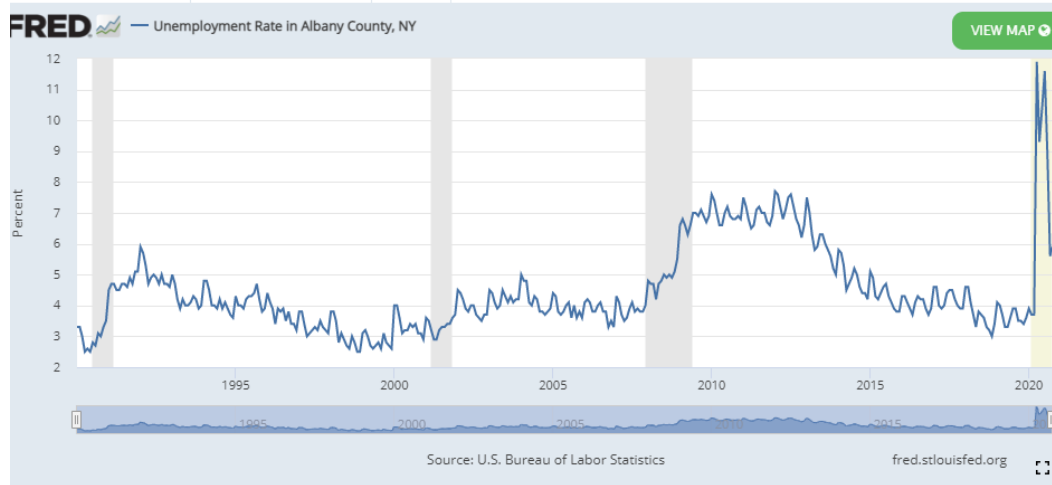


Summary of COVID-19 Installment Plan

Albany County declared a State of Emergency on March 15, 2020 in response to the COVID-19 pandemic. At that time, Executive Orders from New York State closed non-essential work places and reduce staffing density in some essential work places to no more than 25%.

The impact of the work place restrictions on our local economy is well documented. Prior to March 2020, Albany County's unemployment rate was among the lowest in the state at 4.1%. One month later, that rate was reported at 11.9% as public transportation, travel and the hospitality industry ground to a halt. Revenue from sales in Albany County dropped by 9%



Federal Stimulus checks provided a bridge for many unemployed families in April-June. The impact of those funds resolved locally by August 2020, leaving many still affected by under-employment and job insecurity as the school tax bills were issued in September.

New York State Real Property Law

NYS RPTL Section 924 directs the collection of taxes and establishes statutory interest rates. Section 936 adds a penalty of five percentum (5%) to the amount of each delinquent tax post-warrant. Albany County previously adopted Installment Plan legislation for the payment of delinquent taxes per Local Law 1 of 1995, revised by Local Law 2 of 2007.

This proposal would add a temporary Installment Plan, with any individual not to exceed 6 months. The temporary plan would run independent of the existing Installment Plan conditions set forth in LL2 of 2007. The authority to enter the temporary plan would end June 1st and all plans terminate if unpaid on June 30th.

STATE OF EMERGENCY—COVID-19

M. David Reilly, Jr. is the Commissioner of Management and Budget, and the Tax Enforcement Officer under existing law. In that capacity, a limited installment plan program is proposed to mitigate the financial impact of COVID-19 on Albany County taxpayers.

This plan will be in effect for only the September 2020 School Tax bills that were mailed during the COVID-19 State of Emergency. All plans will terminate on June 30, 2021 if any balance remains unpaid at that time. Statutory interest and penalties will be in effect on July 1, 2021 for all unpaid tax bills Countywide.

COVID-19 Installment Plan Details

During the period of the temporary Installment Plan, the County will relieve that portion of the unpaid tax bill that equates to the 5% penalty added per Section 936 at the end of the City School warrants.

Additionally, the County will reduce the monthly interest rate for the term of the plan, not to exceed six months in length. Any statutory interest charge from October 2020 through December 2020 will not be removed or reduced.

While the County does not anticipate that all qualifying taxpayers will participate, the total of the single-year delinquent parcels in the City of Albany School District is provided for context:

2020 SCHOOL BASE	5% Penalty	Statutory Interest 4%
\$ 4,851,035.64	\$ 242,551.78	\$ 194,041.43

From this chart, the 5% Penalty will be relieved. The statutory interest listed above will not be removed or reduced. No taxpayer will be advantaged in late payment of the 2020-2021 School tax bill.

Please note that no real property tax levied and payable prior to March 15, 2020 will be included in this plan. Those tax bills were mailed, and payable on-time without added interest, prior to the declared State of Emergency.

Background Information

The Division of Finance has remained open 8:30AM-4:30PM weekdays throughout the state of emergency. In November, the Director reported an increase of single-year delinquent parcels (+1200 parcels) and a 37% decrease in payments received by the County March through May 2020. Both of those numbers are anomalies in the prior decade of delinquent tax collections.

It is worth noting that in-person payments via third-party collections by banks was impacted this year. In some cases the in-person taxpayer was directed to a drop box when access to buildings was restricted. Mail delivery and response also affected the timing of September through November payment of the 2020-2021 School tax bills.

County Revenue

In terms of the budgeted revenue, funds being mitigated by this plan are amounts not normally received by the County, as those parcels would have been paid during the School District warrant in prior years. Payment of the delinquent tax amount in full is the goal.

Based on the 2009 experience with the 90-Day Tax Amnesty Plan, the Director anticipates outreach by 1st Class mail in December-January will result in higher rates of payment in 1Q21, thus increasing cash flow during that time frame.

Prior Similar Legislation

In 2013, the County implemented a refund process for Senior Tax Exemptions (Resolution 169 of 2013). In that instance the taxes were paid in full to the County then requested refunds were made. The County anticipates a similar process to be used for any refunds related to this temporary installment plan, if approved.

Funds must be received and deposited; all refunds must go back to the person making payment after those funds have cleared from that deposit.