

Denying Basic STAR Benefits for Property Owners with Delinquent Property Taxes

Overview

The law provides that Basic STAR exemptions and Basic STAR credits cannot be granted to property owners with delinquent property taxes. For this purpose, *delinquent* refers to property taxes that:

- remain unpaid one year after the last date on which they could have been paid without interest, or
- where payable in installments, those taxes that remain unpaid one year after the last date on which the final installment could have been paid without interest.

Procedures

The law empowers the Commissioner of the Department of Taxation and Finance to establish procedures necessary to administer the program.

The procedures shall include the following provisions:

- how municipal officials will report delinquent property taxes to the Tax Department
- how the Tax Department will notify delinquent property owners of the impending loss of their STAR benefit because of delinquent property taxes
- the date by which the delinquent property owner must pay their delinquent property taxes in full in order to avoid disallowance of their STAR benefit
- how municipal officials will report that previously delinquent property owners have paid their property taxes in full by the due date in the notice
- how the Tax department will notify assessors of the disallowance of STAR exemptions if delinquent property taxes are not paid in full by the specified date

The notice that the Tax Department mails to the delinquent property owner must include the following:

- a statement that the property owner's STAR benefit will be disallowed unless the past due property taxes are paid in full by the date specified in the notice
- a response due date that is no less than 30 days after the notice is mailed.
- to the extent practicable, contact information for the local official to whom the delinquent property taxes may be paid.

- a statement that the property owner’s right to protest the disallowance of the STAR benefit is limited to raising issues that constitute a mistake of fact

If the property owner pays their delinquent property taxes in full before the date in the notice, the local government is required to notify the Tax Department, so that the property owner can receive their STAR benefit.

If the property owner does not pay their delinquent property taxes in full by the date specified in the notice, the Tax Department will notify the assessor not to grant a STAR exemption for the property.

Planned Timeline for 2020

The planned timing of events this year for school districts that levy taxes on September 1 are as follows:

Step #	Action	Date
1	Tax collectors provide data on delinquent homeowners to County Director of Real Property Tax Services (aka the County Director)	April 28, 2020
2	County directors provide data on delinquent homeowners to the Tax Department	May 6, 2020
3	Tax Department notifies delinquent homeowners that they must pay their taxes in full within 30 days or they will lose their STAR benefit	May 22, 2020
4	Deadline for delinquent homeowners to pay delinquent property taxes in full	June 22, 2020
5	Tax collectors notify county directors of previously delinquent homeowners who paid their taxes in full by the deadline	July 6 ,2020
6	County directors notify the Tax Department of previously delinquent homeowners who paid their taxes in full by the deadline	July 17, 2020
7	The Tax Department notifies the assessors and county directors of properties that are not eligible for STAR in 2020	July 31, 2020
8	Tax bill files and/or tax bills are updated by local officials	Mid-August
9	School tax bills are issued	September 1, 2020
10	County directors notify the Tax Department of previously delinquent homeowners who paid their taxes in full after the deadline in step #4. The lost STAR benefits for the current year will be added to next year’s STAR credit.	Quarterly beginning on October 15, 2020