



This Lifeline contains general information, and does not constitute individual legal advice about your situation. You should consult with an attorney for individual legal advice about your situation and to find out how this information applies to your situation. To see if you qualify for free legal services, call the Legal Aid office nearest you.

Property Taxes: What You Need to Know

If you own real estate, you must pay property taxes to the local municipalities (county, city, town, village, and/or school district) where your property is located. The tax amount is based on the value of the land and any buildings on it. Municipalities may also charge for services like waste removal and recycling. If you don't pay your property taxes, you could face financial penalties, including foreclosure.

How Are Property Taxes Determined?

1. **Budget Setting:** The municipality sets a budget to determine how much money is needed to run and provide services to the community.
2. **Market Value Assessment:** An assessor estimates the market value of each property, which is the estimated selling price, under normal conditions.
3. **Tax Rate Calculation:** The tax rate is set by dividing the total budget by the total market value of all properties. While everyone is taxed at the same rate, properties with higher market values pay more in taxes.

How Are Market Values Assessed?

- The assessor studies the local real estate market to estimate your property's market value.
- They track homes that have been renovated or fallen into disrepair to ensure accurate values.
- The assessor may request to inspect your property or ask you to fill out a questionnaire about it. While not required by law, cooperation helps ensure fair taxation for everyone.
- If you disagree with the assessed value, you can file a grievance. If that fails, you can pursue a Small Claims Assessment Review (SCAR).

How Do I Pay My Property Taxes?

- **With a Mortgage:** Your monthly mortgage payment likely includes property taxes. Your lender collects this money into an escrow account and pays your property taxes when due. You should receive a receipt once paid.
- **Without a Mortgage:** If you own your home outright or your lender doesn't collect property taxes, you are responsible for paying them. You will receive a tax bill in the mail and can pay by mail, in person, or online, depending on your



This Lifeline contains general information, and does not constitute individual legal advice about your situation. You should consult with an attorney for individual legal advice about your situation and to find out how this information applies to your situation. To see if you qualify for free legal services, call the Legal Aid office nearest you.

taxing district's procedures. Contact the district treasurer if you are unsure how to pay.

What If I Am Unable to Pay My Property Taxes?

- **With a Mortgage:** Contact your lender if you can't pay your mortgage. Lenders may continue paying property taxes even if they are pursuing foreclosure.
- **Without a Mortgage:** Take these steps:
 1. **Find Help and Advocacy:** A housing counselor can help you explore options, create a budget, fill out forms, and advocate for you. Find a local housing counselor [here](#). You can also contact the Legal Aid Society or speak with a bankruptcy attorney.
 2. **Contact Your Tax Collector:** Explore payment plans with the tax collector. Generally, you have 24 months to pay overdue taxes, possibly requiring a down payment of no more than 25% of what is owed. Payment plans may not be available if you have another delinquent tax lien, defaulted on a plan in the last three years, or lost property to tax foreclosure in the last three years.

What Is the Tax Foreclosure Timeline?

1. **Lien Date:** If property taxes are not paid by January 1 of the due year, the amount becomes a lien on your property. You have at least two years from this date to redeem your property before foreclosure. Interest and late fees will accrue.
2. **Delinquent List:** Ten months after the lien date, the tax collector files a list of delinquent properties with the County Clerk. This list is updated periodically.
3. **Foreclosure Case:** Twenty-one months after the lien date, the tax collector can start a foreclosure case. Property owners will receive notice by mail and certified mail. Mortgage lenders and lien holders will also be notified, and notice will be published in the local newspaper.
4. **Redemption Date:** The foreclosure notice will include a final date to pay taxes and avoid foreclosure. This date can be as soon as 30 days away but can be extended if you file an Answer to the Petition.
5. **Answer Date:** The date to provide an Answer is usually the same as the redemption date. An Answer must be served on the taxing district and filed with the County Clerk. Filing an Answer, even without a defense, can delay foreclosure.
6. **Final Foreclosure:** If you don't pay by the redemption date, the Court grants foreclosure. The deed transfers to the taxing district, and eventually to a new owner if sold at auction.



Legal Aid
Society
NORTHEASTERN NEW YORK

Legal Lifelines
www.lasny.org

This Lifeline contains general information, and does not constitute individual legal advice about your situation. You should consult with an attorney for individual legal advice about your situation and to find out how this information applies to your situation. To see if you qualify for free legal services, call the Legal Aid office nearest you.

7. **Eviction:** You can stay in your home after foreclosure until the new owner or taxing district evicts you through legal proceedings.

Recent Changes in Tax Foreclosure Law

Previously, taxing districts could keep any surplus from property auctions beyond the delinquent taxes owed. A recent Supreme Court case, *Tyler v. Hennepin County*, ruled this practice unconstitutional. Now, taxing districts must provide a process for property owners and lien holders to claim any surplus after an auction. Consult an attorney or housing counselor for advice on claiming surplus funds.

Last Revised: June 14, 2024