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Home taxes in region among top in nation

BY Brian Meyer - NEWS STAFF REPORTER

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Homeowners in Western New York continue to pay among the highest real estate taxes in the nation as measured against the value of their properties, according to a report released Tuesday that analyzes new data from the U.S. Census Bureau.

Erie, Niagara and Chautauqua counties had the dubious distinction of appearing on the list of the top 10 counties with the highest median real estate taxes as a percentage of home value. The analysis reviewed 792 counties with populations of at least 65,000 people.

The annual review performed by a Washington-based tax research group only reinforces what upstate homeowners already know, the head of the region's largest business advocacy group said Tuesday. Buffalo Niagara Partnership President Andrew J. Rudnick said he doesn't believe that people need a study to tell them that taxes are out of whack.

"That's kind of like saying that the Bills needed a new starting quarterback," Rudnick said. On Monday, the Buffalo Bills released Trent Edwards from the team, replacing him as quarterback with Ryan Fitzpatrick.

Nine out of the 10 counties on the list are located in New York. The others are Monroe, Wayne, Chemung, Onondaga, Steuben and

Madison. The only county outside New York on the list is Camden County in New Jersey.

In Niagara County, homeowners paid median real estate taxes last year that were 2.87 percent of the median home value, the second-highest in the nation. Erie County's 2.6 percent ranked No. 6, just below Chautauqua's 2.61 rate.

The Tax Foundation analyzes census data each year. Foundation economist Gerald Prante said the high rankings of counties in upstate New York haven't changed much in recent years. Prante was cautious about jumping to conclusions, noting that services provided to taxpayers by local governments vary.

"But being at the extreme end [of the rankings] can often signal that something is awry," Prante said Tuesday.

Rudnick said property taxes are a "great contributor" to a state tax burden that hinders economic growth. But he added that local governments face onerous state mandates that put pressure on them to raise taxes. The Partnership is one of the founding members of a reform group called Unshackle Upstate that has been stumping for changes aimed at easing tax burdens.

In terms of actual dollars shelled out for real estate taxes, local counties fared better in the rankings. The median real estate taxes paid in Erie County totaled \$3,119 in 2009, ranking 122nd nationwide, according to the Foundation's report. Niagara County homeowners paid median tax bills of \$2,867, ranking 149th out of 792 counties. By comparison, the highest median real estate taxes in the country were paid by homeowners in Westchester County, where the annual tab was \$9,044.

Housing prices are also lower in the Buffalo area than in the vast majority of regions across the nation, a factor that must be taken into consideration as one measures tax bills against the value of homes. But Rudnick said he believes high taxes depress housing values. When statewide real estate taxes are tallied, New York ranged fourth

nationwide, with an annual median bill of \$3,755. The top three states for the highest median real estate taxes were New Jersey, Connecticut and New Hampshire.

The Foundation included property taxes, school taxes and special assessments in making their calculations.

The census data released Tuesday also confirmed that there has been little change in Buffalo's high poverty rate. More than one in four Buffalo residents continued to live below the poverty level last year, according to the Census Bureau's annual American Community Survey. Buffalo's 28.8 percent poverty rate in 2009 compared with a 30.1 percent rate one year earlier, a change that's within the 2.5 percent margin of error in the study.

By comparison, Rochester's poverty rate was 30.5 percent, while Syracuse's was 31.7 percent.

Erie County's poverty rate in 2009 was 13.9 percent, virtually unchanged from the 13.6 percent in 2008.

"It's really good that we didn't get worse," said Wende A. Mix, an associate professor in the Department of Geography and Planning at Buffalo State College who analyzes economic trends using census data.

In prior years, Buffalo had been identified as the third poorest large city in the nation, eclipsed only by Detroit and Cleveland. Mix and some other experts have cautioned against creating such rankings, noting that sampling errors in census data can range from 2 percent to 7 percent, depending on the community being surveyed.

"Poverty is a national problem," Mix said. "You have 58 cities where nearly a third of the population is below the poverty rate."