

Posted on Sun, Dec. 05, 2010

Delinquent taxes costing more people their properties

By CLIF LeBLANC
cleblanc@thestate.com

The recession continues to take its toll on property owners in metropolitan Columbia.

It appears that more people will lose their homes, buildings or land this year than last because they cannot afford the property taxes — though overall, the numbers are small.

In another indicator that folks are struggling, more are paying their taxes with credit cards or through installment plans. Credit card payments in Richland County have almost quadrupled since last year at this time, Treasurer David Adams said.

In Lexington County, the percentage of owners facing outright loss of their properties is pointing toward the high teens of those who are delinquent and sold at auction. That would be the worst in a three-year recession trend, the county's delinquent tax collector said.

In Richland, the percentage likely will hover below 10 percent, Adams said, up slightly from previous years. "I think we're starting to see the longer-term effects of the recession," he said.

Gene Rishkofski, who handles delinquent taxes in the Lexington County treasurer's office, said that many taxpayers say that even as the economy shows signs of improving and some people are returning to work, they have more pressing bills than property taxes.

State law allows property owners up to two years and a dozen opportunities to pay taxes before they lose their real estate, Adams said. However, the longer they wait, the more expensive it becomes to buy it back. In the end, properties are sold at an annual auction but aren't forfeited until a year after that — if the original owners still haven't paid the bills.

Final figures on how many properties could change hands this year because of overdue 2008 taxes will be known only after a Dec. 8 deadline for final payments.

Richland County

The county will hold its annual tax sale Monday.

Adams said 4,300 properties have overdue taxes for the 2009 tax year. That's about 600 more than those auctioned last year at this time. That tax sale brought in \$20 million in bids that paid \$2.6 million in back taxes, he said.

Taxpayers usually find the money at the last minute, so he expects that about 2,000 could be auctioned Monday. Adams said an estimated 200 of those will lose their deeds by December 2011 — the final payment deadline for 2009 taxes.

Since 2007, the number who have lost their properties has climbed slowly from 130 parcels to 154. The properties facing auction also have risen, from 3,300 in 2007 to the 4,300 on the auction list as of earlier this week.

During the October/November payment rush last year, credit cards were used for delinquent taxes on 140 properties, Adams said. This year, the number has risen to 527 properties.

And taxpayers who make partial payments are seeking to make them in smaller increments, he said.

Lexington County

The county is about to launch its first installment plan — but it requires paying taxes in advance.

Applications for the program must be filed by Jan. 15 with the treasurer's office for the 2011 tax year, said deputy treasurer Angie McInchok.

Property owners must agree to make six payments starting in February using a payment booklet.

When it comes to credit cards, Lexington has a more restrictive policy than Richland.

At the county's Nov. 1 auction, 1,366 properties were sold for about \$8 million, Rishkofski said. That's 22 fewer than the year before, but up about 570 from 2008.

"It's still tough times for people out there," said Rishkofski, who projects that 17 percent to 18 percent of properties auctioned Nov. 1 eventually will have new owners. In 2007, the rate was 12 percent.

Reach LeBlanc at (803) 771-8664.