

# New York Town Hurt by too Much Tax Exempt Land

HARDENBURGH, N.Y. (AP) — "Welcome to Hardenburgh," reads the road sign marking the boundary of this rural town. Scrawled underneath those words are others that tell the story: "Tax exemptions granted."

In the past several years, the 236 adult inhabitants, whose income averages among the lowest in New York state at under \$7,000 a year, have acquired some unusual neighbors with one thing in common — most of them pay little or no property tax.

The entire town consisting of 54,000 acres is valued at \$20 million for tax purposes. Here is who owns much of that land, virtually tax-free:

—The Zen Studies Society, Inc., owns 977 acres worth \$2.3 million.

—The Nassau County Boy Scouts owns 1,776 acres worth \$883,000.

—The "Dung Kar Gumpa," or the Society for the Preservation of Tibetan Dancing, with 655 acres worth \$720,000

—Kingdon Gould, Jr., a former European ambassador, who is entitled to a partial tax break on 8,000 acres worth \$2.5 million.

—The Catskill Center for Conservation and Development is 80 percent tax-free and is owned by some of the most powerful lawyers and politicians in New York state. The 3,723 acres are worth \$1.18 million.

—The state of New York, which owns some 21,000 acres worth more than \$4 million, assesses its own land at \$250 an acre, or about \$100 an acre less than other acreage in the town, and pays \$140,000 in taxes to Hardenburgh, Ulster County and the local school district.

In sum the owners of about \$10.7 million of the town's total taxable value of \$20 million have found ways to reduce greatly or avoid taxes.

But someone still has to pay.

It means that Lester Bourke, who owns 192 acres of land, only 19 of which can be farmed for corn, saw his property taxes rise from \$1,822 in 1974 to \$5,642 last year. He figures three-quarters of his income is eaten up by

the local property tax.

Bourke, who doubles as Hardenburgh's town supervisor, a year ago crowded into the town meeting hall with 211 of his 236 neighbors and did what they hope will call national attention to their problem — they were all ordained ministers of the controversial Universal Life Church which they claim grants them the right to a religious tax exemption on their property.

So Bourke — farmer and town supervisor — also became Bishop Bourke of the ULC.

"We're not trying to evade taxes. If there was no ULC, the town evacuates. We die," he told a visitor recently. "I don't think ULC should have an exemption, but they're as good as anyone

else that gets them."

This minitax revolt by Hardenburgh has the blessing of town supervisor Bourke, tax assessor Bob Kerwick, who granted the exemptions, and Jay Wheeler, assessor of neighboring Liberty, which has also had its share of problems with growing tax-exempt rolls.

But the issue is rapidly coming to a head and the town is suing and being sued by almost all the major parties involved.

Round one went to New York State in December. The state Board of Equalization and Assessment sued Hardenburgh in October because the ULC exemptions would mean the state as a town property holder would have to

pay \$210,000 in taxes this year, or 36 percent of the town's tax burden, up from \$140,000 or about 25 percent of the burden before ULC.

A lower state court ruled that Kerwick had not followed proper guidelines in determining whether the ULC was a bona fide religion under New York law. It ordered the exemptions lifted.

"The ULC members have called themselves con men. Are members of the ULC sincerely religious men?" asked one state official who also asked not to be identified.

But the same state source said tax officials generally are "not unsympathetic to their problem."

"We're sort of playing their game by bringing the matter into the courts and

into public view. If we win the case, it'll set back the clock on reform for years," he said.

Hardenburgh assessor Kerwick says the ruling will be appealed to the U.S. Supreme Court if necessary. He added that "all I can tell you is I'm going to exempt my people again next September," which is when the next big school tax bill falls due. Those taxes, with all the exemptions granted, are expected to go up some 50 per cent.

The September tax date is also the time when a controversial statewide forest tax-exemption goes into effect which would provide a boon to Kingdon Gould, the Catskill Center and other, generally wealthy New York landholders, and further trouble for rural

towns like Hardenburgh.

Under the exemption, anyone who owns at least 50 acres of land and commits it to remain wilderness forever can receive an 80 per cent reduction in assessed valuation.

So residents now say the Universal Life Church, which claims membership of 6.5 million across America, is their town's last hope.

Says ULC Cardinal George McClain who lives down the road in Liberty and who ordained most of the adult population in Hardenburgh:

"You're into political prostitution and the only thing that'll stop it is revolt. My church offers salvation."

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