

Don't expect load will lighten later

Why the mystery about tax bite?
Friday, February 06, 2009

The headline on an article in this newspaper on Monday advised: "Property tax bills not as bad as you think."

Jersey City property owners recently received quarterly tax bills that are about 28 percent higher than the fall bills.

City officials said they expect to see lower bills go out later this year that should provide an annual rate that's not significantly higher than 2008. The January tax bills are 3.5 percent higher than a year ago. The estimated municipal tax levy for 2009 is \$151 million, the same levy as last year, they say.

The officials explained that the January and April quarterly bills are usually higher and then the July and October bills lower the tax rate once the City Council passes the annual budget in the spring.

The question here is that if city officials truly know that the tax increases are bigger at first and will be lowered later, then why not spread it out equally for all quarters? Why put such a burden on taxpayers who have to deal with bills, mortgages and other expenses? They want to know what fixed costs they have.

Comparing a tax bill to a previous year to justify a tax increase is a facetious explanation. Each budget is different. And by the way, the city is acting as if its budget is on a calendar year. Jersey City operates on a state fiscal year, July 1 to June 30.

Although yet to be approved, this budget is already in its eighth month. What is coming that they do not already know?

Most local governments do a draft budget, a temporary spending plan, and send out bills based on this estimate. What Jersey City officials are trying to determine is how much state aid the city will receive. State municipal aid has been reduced every year and considering the state's economic problems, there will probably be no increase.

Last year's budget benefited from a multimillion-dollar lawsuit settlement with Honeywell International. Jersey City received \$15 million to plug a 2007-2008 fiscal gap. The city is expected to get \$10 million this year from Honeywell, but it is not enough to make a significant impact.

Even if it were, using one-shot deals to balance the budget is a fiscally irresponsible way to run a city.

Yes, the tax bills are as bad as you think.