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Allentown taxpayers will get no relief from school tax hike

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ALLENTOWN - There is nothing Allentown municipal officials or property owners can do at this time about an approximate \$530 increase in school taxes they will face between Aug. 1, 2016 and July 31, 2017, except pay the bill.

That was the bottom line delivered by attorneys representing the firm of Porzio Bromberg and Newman, P.C., at the July 26 meeting of the Borough Council.

Attorneys Vito A. Gagliardi Jr., Kerri A. Wright and Jeffrey M. Pypcznski addressed Mayor Greg Westfall, council members and residents on an issue of interest to property owners in the community.

The law firm was retained in early July to investigate the underlying causes of the tax increase.

In a sobering report he offered during the meeting at Borough Hall, Gagliardi said the investigation determined that Allentown was legally and properly notified by a representative of the Sales Ratio/Equalization Unit of the New Jersey Division of Taxation of the looming increase for the 2016-17 school year on Oct. 1, 2015.

He said the former administration did not take advantage of a 45-day window that began on Oct. 1, 2015 to appeal the notification there was a 10 percent increase in the equalized valuation for Allentown from the preceding year. The increase was caused by what were referred to as three "usable" home sales that occurred in the borough between January and June 2015.

Gagliardi said Allentown's new administration, which took office in January, was made aware of the situation in April and reached out to New Jersey treasury and taxation administrators, but were unable to secure any relief. He said the situation was also beyond the assistance of a legal team.

Gagliardi said there is no legal recourse at this time in the matter of the equalized value and the increase in school taxes Allentown's property owners will pay to support the regional school district during the 2016-17 school year.

"You were so far out of time that there was nothing we could do," he said.

In response to comments from council members, Gagliardi said established case law prevents current municipal officials from taking legal action against former officials for outcomes based on their actions or inaction.

The report the attorneys presented to the mayor and council states that "Given the difficult facts and circumstances presented here, any attempt to pursue a challenge to the Table of Equalized Valuations at this point would be a costly legal proposition that would likely result in no meaningful benefit to the borough or its residents.

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rather than pursue a costly appeal that will more than likely be dismissed on procedural grounds with no benefit to the borough or residents, our recommendation is that a system be in place to confirm receipt of the (notification) as well as any notice that may be sent to the mayor regarding an increase in equalized values on or around Oct. 1 of each year, and that this information be forwarded to the appropriate attorneys at Porzio so that we may review the data with the appropriate borough officials and determine if any actions are warranted within the 45-day limitations period. This review process would begin in October 2016 for tax year 2017," the attorneys wrote.

The Upper Freehold Regional School District Board of Education adopted a \$41.07 million budget for the 2016-17 school year. The budget will be supported by the collection of \$25.19 million in taxes from residential and commercial property owners in Upper Freehold Township (\$21.6 million) and Allentown (\$3.59 million).

The two municipalities comprise the school district and share the costs of operating the Newell Elementary School, the Stone Bridge Middle School and Allentown High School.

Allentown's portion of the total tax levy has increased from 13.04 percent in 2015-16 to 14.26 percent for 2016-17, which officials have said resulted in an increase of about \$530 in a property owner's school taxes (about \$132 per quarter).

---- **Index References** ----

Company: UPPER FREEHOLD REGIONAL SCHOOL DISTRICT; UPPER FREEHOLD TOWNSHIP

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