

NEWS

RENSSELAER COUNTY LEGISLATURE

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Fiscal Sleight of Hand—Watch for the Tax Increase

Troy—Democratic Minority legislators filed their budget report today in response to County Executive Kathy Jimino's Tentative 2009 Budget. The Minority has taken pains to prepare Rensselaer County taxpayers for the fact that the "0% tax rate increase" trumpeted by their Republican colleagues and the County Executive actually heralds a tax increase for most property owners in the county. The Republicans maintain that the tax rate is unchanged from 2008 – which it is – and the Democrats will tell you that your taxes will be going up – which they will.

There is \$7.3 million in new spending included in the proposed budget. That translates to a 5.6% increase in the county tax levy and calls for collecting \$3 million more from county taxpayers. In other words, despite an unchanged tax rate, there will be a greater tax burden on county residents, caused primarily by exploiting the inflation of the tax base—largely a result of raising values on existing properties rather than due to new construction. Most of this "growth" follows from several communities in the county revaluing their properties and finding value that was not previously taxed. If the proposed budget passes as it now stands, thirteen out of sixteen towns and cities will be paying an increased tax levy. Troy residents can look forward to an increase of 13% in their tax rate!

"You can't tell people you're not raising their taxes when you plan to spend over \$7 million more than last year," said Troy Legislator Peter Grimm. "Under the County Executive's proposed budget, Troy taxpayers will suffer the highest tax increase in the County, 13%, all the while being assured that there's no increase in the tax rate. I want to alert my constituents about what to expect."

The Minority also questions the wisdom of relying on sales and mortgage taxes increasing to provide revenues in the amounts the County Executive proposes in her budget. While neighboring Albany County cautiously projects less than 1% growth in sales tax revenue, the Rensselaer County Tentative Budget includes an increase of over 5.5%. Meanwhile, every economic indicator for the next year suggests severe declines in purchases—automobile sales have sunk to their lowest levels in years and the price of fuel has declined to almost half its 2008 high. In addition, Democratic Minority Leader Ginny O'Brien, who is also a real estate agent, pointed out that house closings in Rensselaer County in the past quarter lagged behind last year's numbers by over 34%, the number of homes sold is down by almost 14%, and median sale prices are down by \$6,000.

"Talking about a '0% increase' is just smoke and mirrors," said Legislator Kevin Harrington. "The important number to watch for is the number on your tax bill. No accounting sleight of hand will change that, unfortunately."

Read the Democratic Minority's complete report at: www.rensselaercountygov.com