



Property tax solutions: Forward long-term thinking and increased efficiency bring prosperity

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This past year citizens throughout the state asked: How is it possible that my property's value is decreasing, yet my property taxes are rising? Finding a solution to high property taxes became a leading campaign issue in a number of local and statewide races. While many potential solutions were discussed, the common sentiment was to reduce property taxes by any means necessary.

Now that campaigns and the rhetoric that go along with them have ended, the monumental task of reducing property taxes is at hand. As elected officials prepare to implement new tax saving policies it has become clear that they will face resistance in the form of those who may be negatively impacted when the burden to balance this revenue is redistributed.

Particularly in the current economic climate, municipalities cannot have their tax revenue cut without being compensated by another source or by eliminating costs. This has already become evident with the tax cap as proposed by governor-elect Andrew Cuomo. School budgets have endured significant constraints recently and are now concerned their ability to maintain high standards will be severely inhibited should a cap be applied.

Two-thirds of a typical property tax bill in New York state is comprised of the school tax component. So, while school budgets certainly deserve attention, they should not be the only focus when attempting to reduce property taxes.

Inspecting and monitoring budgets in order to increase efficiency are of great importance in moving forward. However, at a certain point cuts to existing programs will cause a voter backlash due to the diminished quality of the other services. For this reason, our elected officials need to work in concert with developers in order to produce additional revenue.

Plugging holes in a sinking ship only keeps it afloat for so long. A long term strategy is necessary to sustain consistent results. The crux of that plan must include economic development in order to allow for growth and prosperity.

Officials will still retain a measure of control by which the growth occurs, but the savvy official will work closely with developers in order to find the project that works best to accommodate the mutual goals of all parties. This is an opportunity for both the developer and municipality alike to identify the qualities most important to their area and attempt to accommodate each other's concerns. Whether an agreement results from the incorporation of smart growth or density defined projects, if a compromise exists that would benefit the community as a whole it needs to be found.

Many towns have explored this option, but have remained hesitant in the face of adversity. A cautionary tale exists from the recent rejection of Avalon Bay's proposed development in Huntington Station, Long Island. While a great deal of conflicting information surfaced as a town board vote neared, the fact remained that the Huntington Station area would have been well served by revitalization from a reputable organization. The shame of the project's failure lies not only in the lost

opportunity or stimulating an area in desperate need, but the byproducts that would have come along with the development. A broadened property tax base along with tenants who would have added to sales tax revenue would have been the first step towards a long term solution.

Unfortunately, rejections of projects like these have a chilling effect upon the next developer considering a project in that area. This is why it is of utmost importance that politicians and developers recognize that they have a symbiotic relationship and must cooperate with each other in order to advance our region rather than looking for quick fixes.

Municipalities develop reputations that allow them to attract new projects and have a plethora of options, while the opposite can result in limited opportunities and a deteriorating tax base. Therefore, visions to strengthen revenue sources are those that need to be advanced in our current economy. This forward long term thinking in addition to becoming more efficient is the true solution to lowering tax rates while also bringing prosperity.

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