

Tax collecting error could give owners relief on future bills

By John Zucal Managing Editor, Orange Transcript

Property owners often face “sticker shock” when a municipal budget is finally approved late into the budget year. It means a large increase in the remaining tax bills in order to collect all of what is needed to satisfy expenses for the year.

For owners in Orange, however, the 2010 budget year will be a surprise, but for the oddest of reasons. A statement Tuesday night from the Hawkins Administration stated that an error made on a form to the state meant the city collected \$2 million more than it should have for the first half of the 2010 fiscal year. Instead of receiving \$ 17.1 million, the city received \$ 19.1 million during the first six months.

The determination came from the state Department of Community Affairs after a resident, identified by city officials as Katalin Gordon, gained the attention of state officials to her concern. She had spoken during City Council meetings about the possibility she had been overbilled and was referred to John Kelly, Orange's chief financial officer.

According to the city's statement, because Gordon's concern had been limited to her bill, city officials did not review the status of all tax bills.

“Ms. Gordon's hard work and her refusal to take ‘ no’ for an answer when she knew she was right is an inspiration for all citizens trying to transform Orange,” said Mayor Eldridge Hawkins Jr. in a statement.

In a letter to John Mason, the city's business administrator, errors were found in the calculation of tax billings, wrote Susan Jacobucci, director of the state Division of Local Government Services, part of the DCA.

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City officials said the error occurred because Tax Collector Carl Smith misjudged a difference between two terms — “projected new fiscal year levy” and “preliminary levy” — on a tax form which was prepared by state officials.

In a statement, Smith said the overbilling would be rectified by a reduction in tax payments for the final two quarters of the 2010 fiscal year. While the city overcharged property owners by 11.7 percent, it cannot be determined by what percentage the undercharge will be until the city's budget is passed. Orange is nearly eight months into the fiscal year, which ends June 30. For the head of the city's budget review group, the situation proved the importance of more than just giving attention to a resident's problem.

“A resident stood up and it took three or four times before someone paid attention,” said Bruce Meyer, who leads the Citizens Budget Advisory Committee, which offers budget recommendations to the City Council. “But it also shows that citizens have a right to contribute their concerns. There were errors by a number of personnel.”

Attempts to contact Edward Marable, the council's president, and Elroy Corbitt, the council's vice president, Tuesday night were not successful.