



Press Release

Monroe County Democratic Caucus

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For Immediate Release
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Millions in Unbudgeted Taxpayer Money Revealed

Democrats Find County Tax Rate Exceeds \$9.10 per Thousand

Rochester, New York – December 11, 2006: Democrats in the Monroe County Legislature have discovered that County taxpayers are actually paying more than the administration's reported property tax rate of \$ 9.10 per thousand dollars of full value. A careful review of the past decade's actual county revenue has also revealed that the proposed 2007 Monroe County Budget is understating property tax revenue by several million dollars.

The County Executive's proposed 2007 budget claims the property tax rate is \$9.10 per thousand dollars of full or real value, the same as in the three prior years. However, the tax bills that county taxpayers receive indicate a higher rate.

A review of actual 2006 County tax bills in two communities where the state equalization rate is 100% (meaning that the assessed value and the full value are the same) show that the actual rate billed to property taxpayers in the City of Rochester was \$9.31 per thousand and in the Town of Sweden was \$9.34 per thousand.

The inflated tax rate is meant to provide a cushion for the taxes that are not collected in the year billed so that the County will have enough actually collected taxes to pay all of its bills. Although permissible, this should clearly be disclosed. However, Section 355 of Article 7 of New York State's Consolidated County Law also requires that local governments estimate the amount of money that will be collected in the year from taxes levied in prior years. Monroe County is not doing this and these delinquent tax collections are very significant (over \$10 million in 2005 according to the County's Financial Statements for 2005).

By comparison, the Onondaga County budget clearly says that its tax levy (its real tax levy) will be \$188,562,000 in 2007. They further state that this will be reduced by uncollected 2007 taxes of \$8,136,000 and increased by collections of delinquent taxes from prior years of \$6,508,000. These three factors will produce net property tax revenue in Onondaga County of \$186,934,000. In Monroe County, we have no idea what the *real* tax levy and no estimate is being made for delinquent tax collections.

The failure to include any budget estimate for delinquent tax collections is causing legitimate revenues in the budget to be understated by millions of dollars. This is one of the main reasons that the County has generated significant financial surpluses in 2005 and 2006 enabling it to prepay its pension bills despite the dire fiscal warnings. The true financial condition of Monroe County remains to be seen.

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