

Franklin business owners cry foul over huge hikes in tax assessments

BY MARY ANN BOURBEAU • STAFF WRITER • MARCH 25, 2009

FRANKLIN — Dozens of business owners crowded into the Township Council meeting Tuesday night to protest their new tax assessments, but council members conceded that there is little help they can offer.

In some cases, assessments were two, three or four times the amount of the previous one, which was conducted in 2005, and owners fear the increased taxes will force them out of business.

"These assessments didn't just go up marginally," said Court Throckmorton, owner of Somerset Transmission on Somerset Street. "These new values just don't reflect the reality. For a few businesses, this may be the tipping point that puts them out of business. I think there's something wrong with the process. It's too arbitrary."

Stan Belenky was hired in January 2008 as the township's new tax assessor. He and his staff of five conducted the revaluations on 700 commercial properties and 18,000 homes since then. Belenky said while many business assessments went up, a good deal of residential assessments have gone down.

"Every property was appraised based on its market value on Oct. 1, 2008," Belenky said.

Mark Schellhorn, owner of O'Connor's Beef 'N Chowder House, also owns a barn that was converted into office space. He said that Belenky never visited his property to conduct the appraisal.

"That's inexcusable," Schellhorn said. "He valued my office space at \$25 a square foot, and there's no basis for that. The assumption that a 200-year-old barn is worth the same as brand new office space is ludicrous."

Mayor Brian Levine told the crowd that the township can not legally have the assessments changed and that there is little recourse. He offered a Band-Aid solution in which business owners will be allowed to extend the period in which they pay their taxes, and instead of paying the usual 18 percent penalty, can pay eight percent, the lowest amount the state allows. Levine said there would be many details to work out with this new proposal.

"They're doubling, tripling and even in some cases quadrupling taxes, and we would have to pay eight percent on top of that?" Schellhorn said. "If you can't afford to pay it all at once, that makes matters even worse. Several council members seemed sympathetic and concerned, but I think they're going to find that their hands are tied."

Tom Csepli, owner of Csepli Machine Co. on Churchill Avenue, said his assessment was four times greater, and fears his \$12,000 tax bill will also quadruple. And while many residential properties were decreased, the property taxes on his home in the township were raised by \$600.

"Business is pretty slow now," he said. "I hope to God I can handle it. It's not like I have an abundance of work to make up for it."

Harry Weber, owner of Franklin Stamp and Sign on Somerset Street, told the council he didn't think his business, which is down 40 percent, could survive the increased taxes. He handed the keys to his shop to the council members and walked out of the room, leading to rousing applause from his fellow Chamber of Commerce members.

"You can't raise taxes like that in this economic climate," he said."

Mary Smith, executive director of the Franklin Township Chamber of Commerce, fears for the future of the business community.

"We believe these huge increases will have a devastating effect," she said. "We are here to raise our concerns and work with the township on a solution."

Philip Kramer, head of Taxpayers United in Franklin Township, suggested an outside agency come in and assess a random sampling of businesses.

"This will tell you if they were appraised properly," he said.

Councilman James Vassanella agreed that a random sampling should be done.

"We need to see if there were inaccuracies beyond what is acceptable and pursue it for next year," he said.

Even if this were done, this year's assessments cannot be legally changed. The only way to have an assessment lowered is through an appeal, which must be filed by May 1. To appeal, each individual owner has to hire a lawyer, who would then take one-third to one-half of the recouped tax amount. Business owners who have not filled out Chapter 91 requests - a year-end profit and loss statement - may be barred from filing appeals, and that was the case with many of the people in attendance at the meeting.

"More than 50 percent of the businesses won't be able to file an appeal because of a technicality," Schellhorn said.

When a business files an appeal, the township has to hire an attorney to review it. If the business owner wins, the township and county would reimburse the extra taxes that were collected, but the school board would not, so that money would have to come from township funds.

"I wish I had an answer," said Belenky. "My office is open to anybody who wants to check my work."

Councilwoman Kimberly Francois said there must be a better way to redistribute taxes throughout the township without taxing commercial properties out of business.

"I don't think there would be a whole room full of people here if we didn't have a serious problem," she said. "And I don't believe there's nothing we can do. If we

don't fix this, Franklin will no longer be the number five place to live, it will be no place to live."

The matter will be up for discussion again at the council's April 14 meeting.