

## Loch Arbour : Tiny town's tax bills to double under Corzine's 'reform'

Posted by [kheyboer](#) June 30, 2009 05:22AM



VIC YEPELLO/THE STAR

LEDGERSophie Bubis, walks along a beach in Loch Arbour, where school taxes are set to jump significantly unless the court intervenes.

Unless a judge intervenes today, by this time tomorrow the residents of the tiny Jersey Shore village of **Loch Arbour** will [see their property-tax bills double overnight](#). Some will be forced to sell their houses.

And all in the name of property-tax relief.

I know it sounds nutty. But that's the way Trenton works.

For some years now, politicians of both parties have been encouraging people in small towns to give up their insistence on having their own schools, police departments and fire departments. Then, perhaps, property-tax bills might finally be brought under control.

The people in the Monmouth County community of Loch Arbour made the mistake of taking this seriously. Ten years ago, the town fathers cut a deal with neighboring Ocean Township that was the very model of efficiency. Ocean Township would provide police services and school services for Loch Arbour.

In return, Loch Arbour would pay Ocean Township an annual amount that was acceptable to both towns.

It was a win-win situation. So naturally the Corzine administration had to step in and turn Loch Arbour into a loser.

That action came last year with Gov. **Jon Corzine's** signing of what was supposed to have been his signature property-tax relief bill, the School Funding Reform Act.

Hidden in that bill's 113 pages was a provision that abrogated the contract between the two towns. Instead of sending an annual payment to Ocean Township amounting to about \$14,500 per pupil, Loch Arbour would now be charged on the basis of its total ratables.

And since Loch Arbour is an oceanfront town with many summer homes and few schoolchildren, the annual payment will rise overnight from a little more than \$300,000 a year to more than \$1.6 million a year.

That's an average tax hike of almost \$10,000 per household in a village of 140 homes. The summer people with the beachfront homes might be able to afford it, but the year-round residents in the back of town consist mainly of working stiff and retirees.

One such retiree is **Melanie Nowlin**, a former state employee who with **Frank Matthews** owns a house in the inland part of town that borders Asbury Park.

"Our taxes right now are about \$11,000 a year, but if this goes through it would be at least \$23,000 a year or maybe more," Nowlin told me.

A lot of people think of Loch Arbour as a "rich" town, but many of the residents are house-poor, she said.

"I know a woman who is buying a house from her brothers and sisters and she's a nurse," she said. "How is she going to afford another \$8,000 a year in taxes?"

The residents' sole hope of avoiding that giant tax bill tomorrow rests with a lawsuit that will be heard before Monmouth County Superior Court Judge **Thomas Cavanagh** today.

**Michael Schottland**, the attorney representing Loch Arbour, is offering a complex legal argument calling for Cavanagh to issue an injunction to stop the tax hike. But it boils down to one question:

"Why did they go and disturb this?" he asks. "The system was working. Why did they go and shake it up?"

Perhaps because the Corzine administration's quest for municipal consolidation is really just a quest for cash cows.

In any other state, the Matthews family would be considered overtaxed at \$11,000 a year for a single-family home.

In Jersey, the pols look at a house like that and ask why they can't double the tax bill and pump the money into the bureaucracy.

They may have overstepped with this move, however. If this tax hike holds up in court, any mayor who ever again considers entering into a shared-service agreement will be guilty of malfeasance. If the state can change a mutually agreed-upon contract for education services, what's to stop them from changing a contract for police, fire or garbage services?

This is not mere theory, by the way. Last Thursday I was in the Statehouse as the Senate approved a bill that will create 23 more Loch Arbours. That bill mandates a forced consolidation for every "non-operating" school district in the state. A non-operating school district is the term the Trenton crowd uses for any town that has wisely decided to pay a neighboring town to educate its kids rather than run a school of its own.

The bill sets out the punishment for having made the mistake of sharing services: The taxpayers in these districts will receive the same treatment being meted out to Loch Arbour residents.

The Corzine administration now has the power to abrogate the current per-pupil funding arrangements and implement the ratable-based system that's being forced on Loch Arbour.

That's property-tax reform, New Jersey style. Corzine came into office promising to send these homeowners a check in the mail.

But unless that judge issues an injunction, those checks will be going the other way.

And with a lot more zeroes on them.

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## Comments

### **cmnjcom says...**

Maybe Loch Arbour should become part of Asbury Park? Then the State would pick up about 90% of the per pupil cost and their tax bills would drop big time?

Posted on 06/30/09 at 7:21AM

### **Berts says...**

The town would be better off giving each kid a \$12,000 voucher and let them make their own schooling arrangements . The parents would support it, and the town would only be shelling out \$288,000 (plus postage). They should try that and let Corzine take them to court.

Posted on 06/30/09 at 7:22AM

### **wereallblue says...**

This is the stuff revolution is made of.  
How does the state set a goal and then punish people for not only meeting it, but exceeding it.  
I know one town where Corzine won't win.

Posted on 06/30/09 at 7:49AM

### **skip3house says...**

This story really should be about why NJ has 'spots' where residents are immune to the NJ Constitution of providing education for all NJ students on an ability-to-pay basis.

Even if bare-bones necessities, NJ should support all students equally. Divide all revenues like NJ income & sales & non-residential school property taxes based on student population.

Break up these coddled voting blocs, especially in Abbott districts, with vouchers.

Posted on 06/30/09 at 8:21AM

### **BayHead1 says...**

Keep voting for Democrats....and this is what you get.

Posted on 06/30/09 at 8:24AM

### **greekgoodies says...**

BayHead 1

Correct 100%!

This goes to show you how misinformed the public is at politics. The average worker whether union member or just a working stiff expects the Dems to put more money into their pockets when in reality the Dems take away more money than given.

How stupid is that?

Case in point: the medium income in NJ is \$65k, take away the 25-30 % taxes, take away the 10% in hidden taxes and take away the life of living in NJ and you are left with approximate 26K.

A retiree in NJ needs at least 25k to live on and that is take home monies living as well as could be possible. No wonder people are leaving this crooked state with crooked politicians who cater to the union members, political hacks and cronies and hanger ons.

Wake up NJersians! Vote this bastards out of office

Posted on 06/30/09 at 8:49AM

**miketernal says...**

I know Christie will not be a savior, but we just can't get rid of Corzine soon enough.

Posted on 06/30/09 at 8:51AM

**DiscussedTed says...**

I have to say that this is splendid work by Mr. Mulshine.

Now if only there was a Republican running for governor....

Posted on 06/30/09 at 8:56AM

**Codeystinks says...**

He hates small towns and wants them to merge and be big so they can be efficient, well run, and pleasant like Camden and Newark.

Posted on 06/30/09 at 8:58AM

**nohesitation says...**

Mulshine - you should do some real reporting and find out who sponsored the amenment that created this problem.

Then Blame them.

**PM: There was no amendment. Please have someone read that column to you and explain it.**

Posted on 06/30/09 at 9:23AM

### **JerseyOpine says...**

The public should not be fooled into thinking that there is a huge amount of wasted money in the suburbs & rural areas. In reality, most small towns are run quite efficiently, & they have consolidated services where it made sense to do so.

Without any significant state funding, & no huge bureaucracy, there is a very direct relationship between the taxpayers & how the money is spent. Almost all town expenditures are raised through local taxes, & people tend to spend more carefully when it's their own money.

Posted on 06/30/09 at 9:51AM

### **politburo says...**

As I understand, the "non-operating" districts are those that have no schools, but still have a board of education and all the associated bureaucracy. While there are certainly tax issues with the consolidation of these districts, I'm not sure why a limited-government conservative would be arguing to keep a useless bureaucracy in place.

**PM: You don't understand it. The school board is not paid and there is no bureaucracy. A conservative would understand this because he is not a clueless liberal.**

Posted on 06/30/09 at 10:01AM

### **notadope says...**

The state legislative wheels are turning and they are going to be hard to stop. All small towns that have situations like Loch Arbour are all somewhat doomed, unless the legislature is willing to put things in reverse. It is a shame that a bunch of 'professionals' who think they are 'fixing' the educational system are doing this.....if you really want to fix it, fix the cost structure, not the revenue structure, but this is NJ and that would require some intelligence at the top.....and a backbone to eliminate people who are sucking the system dry. Is a prerequisite to be a policy maker in NJ just to have the ability to cut your own meat? ( Sorry, I guess that is insulting to people who can't cut their own meat.) This is not just a democrat issue as republicans have voted for this too.....so sad.....they just don't get it..... well written article, kudos to the author..... on a state level, VOTE ALL INCUMBENTS OUT who are in the legislature. And If other towns think this will ultimately reduce your taxes, wake up! this is NJ. New State Slogan, New Jersey, we got a tax for you!

Posted on 06/30/09 at 10:19AM

### **ZoharLaor says...**

Corzine's new school funding formula which was suppose to give us a break on our property taxes also made it illegal for schools to cut their budgets.

Who knew that when Corzine was talking about "property tax reform" he meant to make sure they'll never go down.

I still haven't looked at the 23 school districts too closely, on the surface I agree with politburo but I can't believe Trenton will do anything that will benefit the tax payers of this state (unless it's a byproduct of benefiting themselves).

Posted on 06/30/09 at 10:37AM

**yuckster says...**

Revolution is a strong word, and may get one in trouble with the Dept of Huff & Stuff.

.  
But if a significant percentage of people in Loch Arbour didn't pay their taxes - and maybe made "Payments in Lieu of Taxes" to their City Hall to pay for police, fire, sanitation -- it might be interesting. Elected officials in Loch Arbour would have to go along and be part of a suit against the State of NJ. Keep the PILOTs, give vouchers to the kids, and don't pass on the property taxes to the State of NJ.

.  
Better yet, let's get rid of Christie-Corzine-Coleman and the extortionate tax system that they have instituted.

Posted on 06/30/09 at 11:30AM

**ezdo says...**

When is enuf, enuf

Posted on 06/30/09 at 12:19PM

**save1nj says...**

let's see, i pay \$6,000 prop taxes on a \$250K house and someone in a million dollar house is complaining their taxes will go up from \$12,000?

if you're in a million dollar house you should be paying \$24,000 - not 12!

Ocean Twp has been subsidizing Loch Arbor for many years so now it's time for Loch Arbor to shut up and pay like everybody else.

Mulshine, the Ledger and NJ.Com is the FOX News of NJ. a bunch of right wing zealots out to pick the pockets of the lower middle class.

for all those who wanna go to the Carolina's good luck. the schools are horrible and you'll pay more than \$15K in private school tuition.

**PM" WOW! This is a first. I have never before seen the Ledger compared to Fox News.**

Someone tell Rupert Murdoch. Maybe he'll give me a vacation in Australia. I could use a few tinnies in Byron Bay, lemme tell ya!

Posted on 06/30/09 at 12:22PM

**hlwaswrong says...**

This post was deleted based on the following quote from H.L. Mencken:

"I do not object to being denounced, but I can't abide being school-mastered, especially by men I regard as imbeciles."

Posted on 06/30/09 at 1:15PM

**enjayboy says...**

save1nj,

You are obviously a graduate (or at least an attendee) of NJ public schools.

**READ THE COLUMN!**

It clearly states that there are full time residents who live in modest homes who are affected by this. It also clearly states:

"The summer people with the beachfront homes might be able to afford it, but the year-round residents in the back of town consist mainly of working stiff and retirees."

And if you actually believe that the SL is right wing, you must be pretty far left. Say hello the Karl Marx when you see him.

Posted on 06/30/09 at 2:02PM

**peteredner says...**

Have Loch Arbour consolidate themselves with Newark. Then instead of paying through the nose, they can collect from everybody else. They may have to put up with a lot of Newark politicians relatives but at least their schools will be rebuilt to 22nd century standards with pools and labs galore and their kids can get 3 free meals a day. After all, nobody really said you had to be geographically contiguous to merge. It's more a state of mind.

Posted on 06/30/09 at 2:42PM

**delpaso says...**

this is a perfect example of "if it aint broke, don't fix it". what else can you expect from the most corrupt state in the union?

Posted on 06/30/09 at 2:43PM

**peteredner says...**

Are you sure NJ is the most corrupt state in the Union? Over in New York, the MTA just raised bus & subway fares while giving away more property on the cheap to Bruce Ratner that he doesn't even have to start paying off for 21 years. Sheldon Silver, Hiram Monseratte? I don't think our ex jailbird pols are as dirty as these guys.

Posted on 06/30/09 at 2:52PM

**eyesofsussex says...**

Actually this type of taxation occurs regularly in NJ. Most of Sussex County towns pay about that much per pupil when they send their kids to the regional schools up here.

AND the amount is based on how much commercial ratable the sending town has. It's nothing to do with how much it actually costs to educate the kid.

A few years back when Sen. Steve Oroho (R-Sussex) was a Councilman in Franklin, he went before the

Walkill Valley Regional HS BOE to complain about this.

That is, until he needed their votes to become a Freeholder. That was the last time he ever brought up the topic.

Posted on 06/30/09 at 3:02PM

**JeffCon says...**

It is not clear from the article as to actually gets to keep the MONEY.

**PM: It's clear.**

Posted on 06/30/09 at 4:20PM

**tzuckerman says...**

I think the town should organize and not pay it's property taxes.

Posted on 06/30/09 at 5:03PM

**quietplease1 says...**

Paulisavajj

Would you be so kind as to enlighten us to what the real reason is?

Thanks.

Posted on 06/30/09 at 8:13PM

**paulisavajj says...**

**Double ultra mega moron perspective I'm not deleting this. I want everyone to see a moron in action. Anyone who thinks I am a neocon is too stupid for words. I am the nation's leading opponent of neoconservatism. And anyone who thinks people should pay high property taxes to support the public-employee unions is simply too dumb to breathe.**

How does this clown get air into his lungs?

**-PM**

This column is a great example of why Mulshine has never achieved a national stage. He warps a story to fit his agenda.

As well, he is a closet neo-con.

A true conservative would want Loch Arbour to be paying tax based on the same measure as their peers.

Mulshine will delete all this.... That will be further proof he is a fraud.

If I were wrong he would defend himself.

Posted on 06/30/09 at 9:35PM

### **TheRight2Kno says...**

Comrade paulisavjj would like to redistribute das vealth.

Vat a dumkoff.

Go back to Russia, or wait 6 more months und Comrade Obama und das Congress vill bring Communism here fur das change dat de voters voted fur.

Ve need more Paul Mulshines, and less paulisavjj people in this nation.

Posted on 06/30/09 at 9:43PM

### **locharbour1 says...**

The truth (Pravda for paulisavvjj) is that Loch Arbour has paid low taxes over the years because they are a consolidated district with Ocean Township. They are not a sending district similar to other towns. They cut a deal to pay the tax rate on a per pupil basis of approximately \$18000 per student. Under the new formula, they will pay \$68,000 per student. They have managed the town very conservatively based on the tax structure which has always been in place. All spending decisions were made with an eye on keeping the tax rate low.

The present value of the homes in Loch Arbour is based in large part on the low taxes in the town. Obviously, when you get a mortgage the yearly taxes are factored into the equation to determine the monthly payments. \$24000 per year in taxes equates to an additional \$2000 per month on the motgage. Therefore, the current appraised value of the homes in Loch Arbour are based on the old tax structure. The valuations were done in the summer of 2007, the height of the market. It is completely unfair to now change the rules to base the school taxes on inflated appraisals of homes at the height of the market based on a completely different tax structure.

The people of Loch Arbour and other neighboring towns are really getting the shaft. It is amazing that no one has talked about what is REALLY going on. For years the state of NJ has had to fund failing "Abbott" districts. The state has had to pour money into districts that are completely mismanaged. Now, Corzine and his socialist comrades (all democrats except one republican who co-sponsored the bill) in the legislature have decided to put the burden of paying for these failing districts on the backs of these small towns that have a sending relationship which has kept there own taxes low. Since these towns are not large enough to have their own schools, they are now being forced to consolidate. They have managed their affairs responsibly and now its time for the democrats to redistribute the money in a way so it does not effect their state budget.

Any person in one of these 23 towns that votes for Jon Corzine really needs to have their head examined.

Posted on 06/30/09 at 10:34PM

### **paulisavajj says...**

#### **Super ultra mega moron perspective**

Yet another moron who thinks "neo" is an intensifier. Where do they get these people?

How can anyone be so stupid as to think I am a neocon when I am the leading critic of neocons?

Unbelievable!

**PM**

Yeah, but none of the morons on this post have proved my point wrong.

Mulshine - you are not a leading anything. You are a neocon drone... doing what he's told.

Posted on 07/01/09 at 7:39AM

**NJStuck says...**

One of the best by Mr. Mulshine. Corzine really has declared war on the suburbs! By putting us in a "tails I win, heads you loose" situation he will takes steps which will strip more money from us in the "burbs" to fund his vote machine in the cities.

Even if we elect Christie, who is I agree is "no savior", the Dems in the statehouse will block him at every turn.

Posted on 07/01/09 at 1:17PM

**skip3house says...**

All these comments are great 'thoughts', but solving nothing.

NJ is still left with a confiscatory system of funding schools, no practical spending cuts proposals, and still that political buy-out system of rebates, mostly necessary for seniors and working families.

Why not fool around with incomes, not home values/locations?

**PM: Because we already tried that. New Jersey has the highest income tax rate in the continental United States.**

Posted on 07/01/09 at 3:11PM

**slimey11 says...**

Has no one asked Trenton for a cost/benefit of implementing these changes? Supposedly, they do these before enacting laws. There clearly is no benefit to the towns serviced by volunteers.

Posted on 07/01/09 at 7:19PM

**jayflenjffcu says...**

The politicians insist that towns merge for economies of scale. Here we have an example of what they really want: Take away the local control of costs, dilute your vote and ability to affect local taxes and give more power to a centralized state government. What really scares me is that unelected Judges get to decide a local contract is voided by big brother Corzine.

Tha governor has never had to worry about living within a budget or answering to local voters. He worked in an industry where they manipulated markets and investors to maximize profit. Then, with his great wealth, he bought a Senate seat and the governorship. On the statewide scale your vote is but a dust mite and the

politicians only need to worry about having vast amounts of money to get elected.

We need to have a statewide revolution and return to home rule where we have some control over costs. Vote the incumbents out of office no matter what party they belong to and that will get their attention.

Posted on 07/02/09 at 9:36AM

Footer