

Office of the Governor

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NEWS RELEASE

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Governor's Weekly Radio Message Addresses Property Tax Reform

Gov. Christie Whitman provides a weekly radio message to radio stations throughout the state. Each week, the message focuses on a different concern or event of interest to New Jerseyans.

This week the Governor discusses the recommendations of her Property Tax Commission and how they are becoming a reality for local leaders to use to hold property taxes down. Five Hudson County towns are implementing a plan to share fire services. This plan will save citizens nearly five and a half million dollars per year without compromising services. The Governor's administration is also working with the Legislature on two other ideas to help reduce property taxes for citizens. Through the Regional Efficiency Aid Program (REAP), \$25 million will be made available to municipalities and school districts that consolidate services. This money will come as direct property tax credits for citizens. The Regional Efficiency Development Initiative (REDI) will expand incentive grants for feasibility studies on shared services programs to \$10 million.

Attached is the text of the message.

The radio message can be accessed by calling the Governor's actuality line at 609-292-3249. It will be available today, beginning at noon, and will run through the weekend

Governor's Weekly Radio Message December 11, 1998 Property Tax Reform

This is a story about how some New Jersey towns are making property tax reform a reality.

Five Hudson County mayors were looking to keep costs down for their citizens. One cost that concerned them was fire service in their small and tightly packed communities. They wondered how to cut costs without compromising services.

They talked with each other about sharing their fire services, and then asked for help from state government to study the feasibility of creating a regional fire department.

The study showed that the idea was not only practical - it would be smart for every municipality that got involved. First, it would save millions of dollars over the years. Most important, it could actually improve fire protection in those towns.

These towns - West New York, North Bergen, Guttenberg, Weehawken, and Union City - are now implementing the new fire department. Once in place, it will save their citizens nearly a half-million dollars a year in building maintenance and nearly five million a year in salaries and benefits. Over time, they will save well over six-and-a-half million dollars in buying and maintaining equipment.

As this real-life example shows, the recommendations my Property Tax Commission made earlier this year aren't just ink on paper but blueprints that local leaders with vision can use to hold property taxes down. Many of their ideas create incentives and remove barriers so that other New Jersey communities can follow the lead of the Hudson County towns I have highlighted here.

My administration is already working with the Legislature on two ideas with great potential: the Regional Efficiency Aid Program, known as REAP, and the Regional Efficiency Development Initiative, known as REDI.

Through REAP, \$25 million will be made available to municipalities and school districts that consolidate or regionalize services. This money will come as direct

property tax credits that will appear right on each taxpayer's bill.

The REDI program will expand incentive grants for feasibility studies like the one I mentioned here. These grants have helped a few towns get shared services off the ground, but now we need to put our money where our mouths are. So REDI will increase the pool of money to \$10 million - fully 20 times the amount available right now.

Will this \$35 million package alone solve every property tax problem in our state? No. Will the \$100 million property tax rebate plan for 1999 that I proposed this fall give us the long-term relief our citizens need? Not entirely. But I'd sure rather see this money in your pockets than lost in the government bureaucracies. That's why I will push hard for their passage in the coming weeks and months.

Just as important, we need communities to get involved. My property tax commission will hold roundtables for local leaders in the near future, and I hope your elected officials will take part and then take these ideas back to your community, municipality, and school district. What's more, my office will be happy to send a speaker for your town if you would like to learn more about the commission's recommendations.

We need to hear from you. How important is property tax relief to you, and what are you prepared to do in your community to achieve it? We simply can't significantly lower your property taxes without addressing the high cost of government.

I know that many of our citizens are struggling under the weight of rising property tax bills. I also know that local action can make a difference. Those Hudson County communities are proving it.

We can have property tax relief in New Jersey, but at a price - and the price will be discipline, creativity, and commitment on the part of taxpayers, local leaders, and those of us in Trenton. Are we willing to share that responsibility? Are we willing to look at the big picture, like West New York and its neighbors are doing?

I think we are. And I look forward to working with you to make successful property tax relief a fitting start to the New Jersey of the new millennium.