

Office of the Governor

NEWS RELEASE

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RELEASE: December 3, 1998

STATEMENT OF GOVERNOR ON PROPERTY TAX LEGISLATION RELEASED TODAY BY ASSEMBLY LOCAL GOVERNMENT AND HOUSING COMMITTEE

"I am pleased that the Assembly Local Government and Housing Committee has taken action to release from committee legislation designed to help lower property taxes in New Jersey," Gov. Whitman said. "This legislation will accomplish that objective by encouraging municipalities to share services and providing rewards to communities that take joint action. The end result will be lower costs to the communities which share those services and lower costs for the people who pay for the services - New Jersey taxpayers."

"I am thankful to the Property Tax Commission for developing the recommendations incorporated in this legislation, which I'm confident will result in a major change in the way our municipalities provide services to taxpayers and conduct their business," the Governor said.

The Assembly bills released today would create the Regional Efficiency Development Incentive Grant Program (REDI) and the Regional Efficiency Aid Program (REAP). The programs were key among 60 recommendations offered by the Governor's Property Tax Commission.

If approved, the \$10 million REDI program would allow local governments and school districts to obtain grants to study or implement ways to consolidate or share services. REAP would establish an annual \$25 million local aid program to municipalities and school districts that adopt regionalized services. The aid, which would be in addition to that which towns currently receive, would come in the form of direct credits to homeowners and tenants.

The four pieces of legislation released today by the Assembly Local Government and Housing Committee also included a bill that would provide municipalities that engage in regional services the ability to create an early retirement incentive for those employees affected by the joint service.