



## OFFICE OF THE GOVERNOR

### NEWS RELEASE

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### GOVERNOR ENACTS PROPERTY TAX FREEZE FOR SENIORS

Gov. Christie Whitman today strengthened her commitment to helping control local property taxes when she enacted a property tax freeze for nearly 280,000 New Jersey seniors. The new law will freeze property taxes at their 1997 level for eligible seniors.

"Throughout this administration, I have been committed to easing the property tax burden on the taxpayers of this state. And we must continue working to ease that burden," said Gov. Whitman. "Today, we take the next step by providing real property tax relief to a group of New Jerseyans who need it very much - our state's low income seniors and citizens with disabilities."

"Together, along with the legislative sponsors of this bill, we are helping to preserve the independence of New Jersey seniors and ensuring that seniors on a fixed income will be able to make ends meet."

The law signed by Gov. Whitman today will freeze property taxes at 1997 levels for seniors who meet the following criteria:

- Homeowners who are at least 65 years of age or are disabled;
- Have lived in New Jersey for at least ten years;
- Have owned their house for at least three years; and
- Earn no more than \$17,918 for single homeowners or \$21,970 for a married couple.

In order to receive benefits, eligible seniors and citizens with disabilities will have to apply by filling out forms provided by the Department of Treasury. They will be able to file applications in early 1999 based upon a property tax increase from 1997 to 1998 tax year.

"Working together with the Legislature and with municipal officials we must continue working to easing the property tax burden. That's why yesterday I proposed giving citizens a chance to vote on municipal tax increases above the rate of inflation. That's why I appointed a Property Tax Commission that is making recommendations

about the most effective way to control property taxes in New Jersey. And that's why I want to give citizens the opportunity to have an open statewide dialogue about consolidating school districts."

Gov. Whitman yesterday, during her State of the State address, called for voter approval of municipal budgets that raise property taxes above the rate of inflation. She also called for civil service reform to help municipalities control costs and proposed a statewide referendum on school regionalization to consider the regionalization of districts that may result in substantial property tax savings.

The tax break enacted today, coupled with yesterday's proposals, bolsters the Governor's record on helping local officials control local property taxes. Throughout her administration, Gov. Whitman has remained committed to lowering the overall tax burden on New Jersey citizens. She has cut taxes 16 times, including a 30 percent reduction in the personal income tax for most New Jerseyans. The administration has also enacted a number of business tax cuts to spur economic growth and job creation. During Gov. Whitman's term, these policies have helped create more than 225,000 net new jobs.

Gov. Whitman has also provided municipalities with a stable level of state aid, added budget savings and a variety of tools and programs to help local officials control property taxes paid by local residents.

Over the past four years, as a result of these efforts, combined with smart fiscal management by local officials, New Jersey municipalities experienced the smallest annual increase in property tax levies in 20 years.

The legislation, A-3, that was signed by the Governor today was sponsored by Assembly Speaker Jack Collins (R- Salem/Cumberland/Gloucester) and Assembly Member Tom Smith (R- Monmouth) and Senator Leonard Connors (R-Atlantic/ Burlington/Ocean) and Senate President Don DiFrancesco (R- Middlesex/Morris/Somerset/Union).

The Whitman Administration  
Budget Savings and Tools Provided to Municipalities to Help Them  
Keep Property Taxes Under Control:

- Signed legislation that reforms the binding arbitration process, providing local government with the tools to control spiraling employment contract costs.
- Signed legislation implementing a state mandate/state pay amendment to the constitution to put an end to the imposition of unfunded mandates on municipalities.
- Streamlined municipal aid programs -- held direct aid unchanged at \$1.5 billion, and held municipal aid steady overall.
- Absorbed the cost of the county court takeover, providing municipalities nearly \$450 million annually in direct property tax relief.
- Enacted a property tax deduction for state income taxes -- generating \$100 million in direct property tax relief to New Jersey citizens in 1997 alone.
- Improved management of the State Health Benefit Plan resulting in \$97.2 million in savings for municipalities -- which could be directly applied to property tax relief.
- Tripled the number of Local Government Budget Review teams that are helping local officials identify potential cost savings and efficiencies on the local level. The program has performed more than 35 local budget reviews for school districts and municipalities, identifying more than \$112 million in savings.
- Provided municipalities with the "Local Official's and Taxpayer's Guide to Performance Reviews," a manual which provides the framework for public officials and taxpayers to begin internal examinations of their communities to reduce the reliance on property taxes

- Advocated the sharing of services between municipalities wherever possible to improve efficiency while maintaining the same high level of service.
- Supported legislation allowing municipalities the flexibility to manage infrastructure costs through innovative public/private partnerships.
- Increased direct aid to school districts by \$398 million -- helping municipalities control costs.
- Enacted legislation to provide \$755 million aid to municipalities each year -- direct property tax relief -- over the next five years by restructuring utility taxes.
- Enacted legislation to freeze property tax rates at their 1997 levels for nearly 280,000 of New Jersey senior citizens.
- Proposed the requirement of voter approval for any municipal property tax increase in excess of the rate of inflation.

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