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NEWS RELEASE

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Governor Whitman Meets With Morris County Mayors, Outlines \$1 Billion Property Tax Relief Plan

Gov. Christie Whitman today met with mayors from Morris County to illustrate the savings property taxpayers will receive under her \$1 billion plan to offset a portion of school taxes. The Governor's initiative is the most significant property tax relief program in the history of New Jersey.

Under the Governor's proposal, which she made during her annual State of the State message before a joint session of the state Legislature earlier this month, the average homeowner would receive \$600 every year. The Governor's plan would equal a 33 percent discount off the school tax bill, the largest portion of every property tax bill in New Jersey. The payments will be equal to the school taxes each homeowner pays on the first \$45,000 dollars of assessed value on their home. The plan will be phased in over five years.

"The only way to make sure that every homeowner saves money is to give every single one of you money back from the state," the Governor said. "That is why I propose to provide one billion dollars in direct relief in the form of annual checks mailed to homeowners. These checks will go from the state Treasury straight to New Jersey homeowners."

The Governor last year appointed a Property Tax Commission, which made 60 recommendations for property tax savings. The majority of the recommendations focused on shared services and regionalization.

"We've made great progress - but creating property tax relief through shared services will take time. I want honor my promise to New Jersey taxpayers to give them the meaningful property tax relief they deserve now," the Governor said.

Two programs will offer incentives to counties, towns and school districts to find ways to combine services and create savings. The Regional Efficiency Aid Program (REAP) and Regional Efficiency Development Initiative (REDI) will offer state aid to municipalities to study - or implement - shared services.

"In my budget address, I challenged New Jersey mayors to deplete our REAP and REDI funds. And, I promised I would replenish that money as soon as they did. With these programs, I am putting money behind my words. And that's a pretty strong incentive," Gov. Whitman told the mayors.

Also as part of her plan to reduce property taxes, Gov. Whitman has said she would support Senate President Don DiFrancesco's plan to tie the state's municipal aid to the rate of inflation. The Senate President's plan insists that the

additional aid be used for tax relief, rather than extra spending. The Governor also reiterated her support for Assembly Speaker Jack Collins' bill to exempt from the state income tax about 200,000 low-income New Jerseyans.

Throughout her administration, Gov. Whitman has worked with local officials to keep property tax rates as low as possible. As a result, property tax increases were held to their lowest rate in 20 years. Gov. Whitman also restored the property tax deduction on the state income tax, and signed legislative freezing property taxes at 1997 levels for about 200,000 senior citizens.