

## Office of the Governor

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### NEWS RELEASE

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Gov. Christie Whitman today signed the following piece of legislation:

**A-3145**, sponsored by Assembly Members Paul DiGaetano (R- Bergen/Essex /Passaic) and Joan M. Quigley (D-Bergen/Hudson) and Senators Nicholas J. Sacco (D-Bergen/Hudson) and Louis F. Kosko (R-Bergen), provides for stabilization of intermunicipal tax sharing in the Hackensack Meadowlands District. The present tax sharing formula utilized by the Hackensack Meadowlands Development Commission (HMDC) has caused excessive fluctuations to occur in certain municipalities as a result of tax appeals. The bill addresses the excessive fluctuation in tax rates by creating the Hackensack Meadowlands Tax Sharing Stabilization Fund within the HMDC. Monies in the fund will be used to fully compensate municipalities for excessive fluctuations in payments to or from the intermunicipal account. The fund will be capitalized from interest payments on sanitary landfill closure accounts, which are currently maintained by the HJMDC and used for environment improvements and landfill closures in the District. The HMDC will receive no money from the fund.

Payments from the fund will be made to municipalities which suffer from excessive fluctuations in 1999 and subsequent years. An excessive fluctuation is defined in the bill as any increase or decrease in payments to or from the intermunicipal account which is in excess of five percent over or under the payment from the previous year. The bill also revises the current tax sharing formula used by the HMDC. The new formula will eliminate the variations and uncertainties which have created difficulties for the affected municipalities when municipal officials attempt to plan their budgets.