



Home | Newsroom | Media | Administration | NJ's Priorities | Contact Us

Press Releases | Public Addresses | Executive Orders | Press Kit | Reports

Home > Newsroom > Press Releases > 2010 > In Case You Missed It: Governor Christie - "They've been yelling and screaming for these kind of reforms for years."

## In Case You Missed It: Governor Christie - "They've been yelling and screaming for these kind of reforms for years."

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December 21, 2010

GOVERNOR CHRISTIE: Thank you for being here. First, let me explain to you why we are in Wayne. When we started late this summer doing our reform town hall meetings, we did 17 of them between late August and up till just last week. We started talking about these issues, the tool kit issues and the other reform issues that face our state and so we thought that when signing, what I think is the most significant individual bill in the tool kit that I hope we continue to get passed and considered, that we come back to where we started in talking about the need for reform of our property tax system in the State. And so that's why we are here in Wayne today. I know Assemblyman Rumana thought it was because it's his home town - but you know, it's not all about you Scott.

That's why we are here in Wayne today, it's just an extra added bonus that it's Assemblyman Rumana's home town. I want to thank all of the municipal officials who are standing behind me. You know, we could not have understood this problem as well as we have and we could not have come to the solution that we've come to, without the guidance and the counsel and the support of our local elected officials - the ones who are on the front lines dealing with property tax problems each and every day. And so I want to thank all of the mayors and council people who are here - Republicans and Democrats - for their extraordinary bipartisan support of this effort. We couldn't have done it without you and you deserve great congratulations and I thank you very much.

Next I want thank Senator Sweeney, and you'll hear from Senator Sweeney momentarily but you know, we've proven over the course of the last year that Republicans and Democrats and can get things done together. As is well documented, we don't always agree on everything but we agree on a lot of things and we also agree that it's our job to compromise when we need to, to get things done for the people of our State. So this bill that I signed today, now a law, does not represent everything that I wanted and it certainly doesn't represent everything that Senator Sweeney wanted either. But what we know is that we both were elected with an obligation to serve the public and to come up with the best ideas we can and to compromise in those areas where we need to and where we think we can, without compromising our principles in order to accomplish things for the people that we serve. And there's any number of examples of where we've been able to do that together over the course of the last year. And I handed him one of the pens I signed this with because truly, the bill would not have been possible without his leadership and his support and his willingness to continue to talk when other people thought we were talked out. So Senator, thank you very much for your support.

These issues have been being discussed for quite some time, decades in fact, and in the years prior to my arriving in Trenton in this past January they've been discussed in some great detail, not only by Senator Sweeney but also by Senator Kean and Assemblyman DeCrocce. And both Senator Kean and Assemblyman DeCrocce played an integral role in making this happen. They brought the views, not only their own but the views of the Republican Caucus in both houses to bear in the negotiations that we had with the Democrats in the Senate and the Assembly. They very clearly expressed their principles and their views on these issues and the importance to the municipalities that they serve that something be done to reform the property tax system in our State. And so I want to thank Senator Kean and Assemblyman DeCrocce as well, for their leadership and their friendship. They have done an excellent job leading these Caucuses and I want to thank Tom and Alex for their support and their hard work.

This is meaningful reform. I think if had told most of these mayors in January of this past year that by the end of 2010 we would have a meaningful hard cap on property tax levy and a meaningful hard cap on interest arbitration awards that would be awarded to municipal employees and county employees, that they probably would have told you I was crazy. They've been yelling and screaming for these kind of reforms for years. Their requests have been falling on deaf ears and they needed to have folks who were going to advocate for them. The folks that you see up here are the folks who advocated for them and with them to get these reforms and they are meaningful ones. It mirrors the tax cap levy as I said, which I think is important - a 2 percent levy cap, a 2 percent interest arbitration cap that represents fairness in our system. No exceptions for additional non-salary economic terms moving forward and so, smart lawyers and conniving arbitrators can't create new economic terms as a way of going around the 2 percent cap. It eliminates the accruing labor costs through an elongated arbitration process by setting real, fast and hard deadlines for the arbitration process. From the time the contract is over, as soon as one of the parties files for arbitration, that arbitration award must be issued and completed within 45 days. No longer will we have years and years and you know, we've seen examples of three and four and five year arbitration cases - all the time additional expenses accruing to the municipality based on the old contract. This will take away the incentive for delay. One of Senator Sweeney's particular ideas in this which was very helpful and one that I was happy to adopt and endorse was capping arbitrator pay at no more than \$1,000 a day and no more than \$7,500 for the entire case.

So no longer will it be in the arbitrator's interest to delay and elongate a case in order to enrich themselves. Arbitrations are now going to become a volume business if you want to make them your business. This bill also increases the ethical training and standards for arbitrators to make sure as best we can, that we have only the best and most ethical people

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making these very important decisions. For the first time it makes random the selection of these arbitrators and so no one is going to be putting their thumb on the scale to try to get an arbitrator who has treated them well before or treated one of the parties poorly before. All of these reforms will take effect now in 12 days. And we are going to sunset this bill in April of 2014. And we're doing that because we want to give this an opportunity to work, a fair opportunity to work, and then we've set up a commission with appointees from both my office and the legislature in order to evaluate how well this is working, how fair it is. And to make recommendations by December 31 of 2013 to the Governor and to the Legislature on ways that the cap may need to be changed, or the good things that are happening from it - why it should continue to be in place. This gives everyone a reasonable time to evaluate it and a deadline to work and I think we all work better when we have deadlines. This task force will also ensure that the implementation of this is responsible and fair. And so, the bill represents, I think, the bringing together of a lot of different ideas and I am happy to have signed it today. We are happy to have helped to lead the debate to get this kind of thing done and I know that I see a lot of relieved mayors. We took it right to the end, didn't we, with 11 days to go before the cap comes into effect. But this and other aspects of the tool kit we are going to continue to work on to make sure that you are all fully armed to deal both fairly with your employees and responsibly on behalf of your taxpayers.

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