

# Office of the Governor

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## NEWS RELEASE

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### **Governor Signs Law Tying Municipal Aid to Inflation; Spends Day Touring Bergen County**

Governor Christie Whitman spent today touring Bergen County where she signed legislation that will tie municipal aid to the rate of inflation. The Governor also presented \$150,000 to Hackensack for the River Street Railroad Bridge replacement project.

"The legislation that I am signing today will ensure property tax relief for New Jerseyans," said Gov. Whitman when signing the bill at the Bogota Municipal Building. "It will guarantee annual increases in State aid to municipalities and will give mayors and local officials another tool for property tax reduction."

**S-10**, sponsored by Senate President Donald DiFrancesco and Senator Norman M. Robertson (R-Essex/Passaic) and Assembly Members Samuel D. Thompson (R-Middlesex/Monmouth) and Marion Crecco (R-Essex/Passaic), requires annual inflation adjustment increases in State aid for municipalities. The adjustment would be made for State aid under the Consolidated Municipal Property Tax Relief Aid program (CMPTRA) and the Energy Tax Receipts Property Tax Relief Fund program .

The "CMPTRA" and the Energy Receipts Property Tax Relief Fund are the two largest State aid programs. The bill requires that the amount of the increased aid only be used to provide municipal property tax relief. The two programs will be increased annually to reflect the yearly change in inflation as measured by the Implicit Price Deflator for State and Local Government Purchases ("Price Deflator").

State aid that will be paid to municipalities will be allocated in the following manner:

- Beginning in FY 2000 the amount of aid under "CMPTRA" will equal the amount appropriated in FY99 adjusted by the rate of increase in the federally computed Price Deflator;
- Starting in FY 2003 the amount of energy tax reform replacement aid paid to municipalities from the "Energy Tax Receipts Property Tax Relief Fund" will equal the amount of such aid appropriated in FY 2002, adjusted by the rate of increase in the Price Deflator.

Aid increases distributed through the formula can only be used to reduce the amount the municipality needs to raise in local property taxes for municipal purposes. Should the increase in aid exceed the amount of property taxes for

municipal needs the balance will be used to reduce the amount collected for county purposes.

The Governor kicked off the day in Hackensack where she presented the town with a mock check for \$150,000. The money, included in the FY 2000 budget, is to aid the town in the River Street Railroad Bridge Replacement project. The project will replace the existing bridge, widen the roadway beneath the bridge to four lanes, raise the clearance under the bridge and install a high-volume pumping station.

The project will alleviate problems associated with the bridge including traffic congestion, truck accidents and flooding. The project will also receive \$1.4 million in county funding and is currently in preliminary stages. The borough hopes to begin construction by July of 2000.

During the county tour the Governor also visited the North Arlington School Age Child Care program. The program is a joint venture between the Borough of North Arlington and the North Arlington Board of Education. It offers child care after school when school is in session and a camp during the summer.

Today, the Governor visited students participating in the nine-week summer camp program. Students participate in educational and recreational activities and also take weekly field trips to swim and picnic.

Later in the day, local children joined the Governor at the Demarest Farm to pick peaches. The farm spans 32-acres and is located in Hillsdale and Saddle River. Family owned and operate since 1886, the farm specializes in fruits and vegetables and includes greenhouse and Christmas tree operations.

