



ICYMI: POLITICO – Murphy Aides condemn legislative leaders' 'StayNJ' plan as inequitable, unsustainable

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POLITICO – Top aides to Gov. Phil Murphy on Tuesday publicly criticized the property tax relief program for seniors championed by legislative Democratic leadership.

The critiques ranged from the financial sustainability of the proposal to racial equity. The public remarks – made during a Chamber of Commerce Southern New Jersey event – suggests that there is still much space between the governor's office and the Legislature as budget negotiations enter full swing.

The senior property tax relief proposal led by Assembly Speaker Craig Coughlin and Senate President Nick Scutari would cut most senior property taxes in half for a benefit up to \$10,000 – with no income limits. The governor, a multi-millionaire, has publicly criticized the proposal as talks of a government shutdown percolate with a June 30 deadline nearing.

The governor's chief counsel, Parimal Garg, noted that Murphy would benefit from the proposal, called "StayNJ."

"He would get \$10,000 under this bill that he does not need," Garg said during the event. "And meanwhile the majority of Black and Hispanic seniors in the state are renters. They wouldn't get anything. They wouldn't even qualify."

Garg said there were "serious concerns" over "equity" within the proposal – suggesting that urban areas with lower rates of home ownership would be excluded.

"You would have the large urban areas of the state – places like Newark, Jersey City, Elizabeth, Paterson – get very limited benefits from this proposal, while much wealthier areas of the state – such as Morris County, Monmouth County, Ocean County – will get significantly larger proportions of the benefits," he said.

Chief of Staff George Helmy called the property tax relief program "unimplementable" – and questioned the long-term sustainability of it. While legislation sponsored by Coughlin and Scutari to create the program would start with a \$300 million appropriation in FY2024, it would eventually ramp up to \$1.2 billion in FY2028. Benefits would start to go out to seniors in 2025.

The governor's office has claimed the costs to execute the program would likely come much higher than the \$1.2 billion figure.

"What we've seen in Trenton too often is that things have to get cut," Helmy said. "So if you make a \$1.7 billion annual appropriation which is what we believe this plan [costs] when it's fully scaled up, it's hard to see how you afford that in the off years."

The governor's office has argued the proposal would disproportionately help higher-income seniors. According to figures the governor's office provided to POLITICO from the Treasury, "18,000 seniors making over \$500,000 would receive about \$8,000, while 84,000 lower-income seniors would receive no new benefit."

"We don't really think that it's good policy to give the more affluent New Jerseyans \$10,000 and give our working New Jerseyans something significantly less," Helmy added.

In a statement to POLITICO, Coughlin did not directly address concerns over equity or sustainability raised by Murphy's aides, he continued to stump for the proposal. Property taxes – which are among the highest in the nation – continues to be a perennial issue in the state.

"The Governor and I have worked together for the last 6 years and have managed to completely turn around New Jersey's financial outlook," Coughlin said in a statement. "We are paying our bills, while doing more for the working class and the underserved than at any time in state history. I have a plan this year that will take us even further towards our shared goals and those shared by the Senate President. I welcome the time when we all get together and deliver this tax cut to the residents of NJ who have been patiently waiting decades for relief."

A spokesperson for the Senate Democrats did not immediately respond to a request for comment.

Democrats in competitive legislative districts have quickly coalesced behind the proposal – and it may even win over GOP support should it come to a floor vote. But concerns over equity has been a concern mentioned by some Democrats.

Newark Mayor Ras Baraka before the Chamber event told POLITICO that his constituents would be largely left out of the proposal. Baraka, a left-leaning Democrat who is considered a potential 2025 candidate for governor, said the property tax relief program was not "as thought out as it should be" and suggested electoral politics was a driving force behind it (all 120 seats in the state Legislature are up for grabs this fall).

Newark has low home ownership rates – approximately three quarters of Newark residents rent, Baraka said – and the mayor suggested that the proposal could widen racial wealth gap, an issue he has been outspoken about.

"The overwhelming majority of people in my city could not benefit from the program that is being touted by the speaker right now," he said in an interview. "They could not benefit. It would not include Newark for the most part at all."

New Jersey Policy Perspective, a left-leaning think tank, has said that a quarter of seniors rent, including more than half of Black and Hispanic seniors. Renters are not included in the StayNJ property tax relief proposal.

"There's a whole invisible class of people that folks are not thinking about of people in the Statehouse," Baraka said.

While existing property tax relief programs exist for New Jerseyans of all ages – the ANCHOR program provides rebates up to \$1,500 for homeowners

and \$450 for renters — the StayNJ program is explicitly aimed towards older residents.

Assemblymember Sadaf Jaffer (D-Somerset), who is not seeking reelection this year, raised concerns during a recent Democratic caucus meeting on the lack of means-testing for the proposal and whether it would help those with the most need. In an interview, she noted that poverty among young people tends to be higher than that of older people in America.

"I think that my concern is having a program that has nothing to do with income or wealth and basically a cash transfer [to those] who may or may not need that help," she said. "I think if we're trying to address those needs and really prosper in the state of New Jersey we need to carefully consider how to make that happen."

While talk of a shutdown has traveled within Statehouse circles over Murphy's opposition to the program, legislative leaders and the governor's office still have weeks to reach a resolution. Helmy, speaking with reporters at the event, said that while he thinks something gets figured out, he couldn't definitely say there would not be a government shutdown.

"I don't know," he said. "I mean, the governor is very serious about fiscal responsibility. It's a key piece of his legacy."

This story was written by Daniel Han for POLITICO: <https://subscriber.politicopro.com/article/2023/06/murphy-aides-condemn-legislative-leaders-staynj-plan-as-inequitable-unsustainable-00100618>
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