



In Case You Missed It: Lori Grifa – “Christie is Laying the Foundation for a New, Affordable and Prosperous New Jersey.”

Monday, April 26, 2010 • Tags: [Budget and Spending](#)

**Lori Grifa - Commissioner of the state Department of Community Affairs
For the Courier-Post
April 25, 2010**

Since its introduction in March, New Jerseyans have rightly taken a close look at the governor's budget proposal and what needs to be done to close the state's \$10.7 billion deficit. While most people, including lawmakers, the public and the media, are intensely focused on specific spending reductions and the line-by-line impact of the budget, key reform initiatives championed by Gov. Chris Christie have not received the attention they deserve.

Christie's proposed reforms provide the tools to bring real relief from the highest property taxes in the nation paid by New Jerseyans. This package of reforms, including a constitutional cap on property taxes and a "tool box" of cost-control reforms for local government, are important measures that, when enacted, will represent bold, positive change for New Jersey families who have suffered too long under crushing tax burdens.

These reforms are exactly what the governor promised when he was running for office -- to bring common sense solutions to Trenton that will allow municipalities and school districts to control their costs, limit their spending and hold the line on property taxes in the long run. To understand exactly why the governor has taken the bold approach he has, let's first take a look at the problem.

Upon taking office, the governor inherited perhaps the most challenging budget in our state's history. The reasons for this reality are numerous, and have been detailed and debated extensively elsewhere -- a continued national economic recession, an unreformed budget process that has failed New Jersey and years of hostility to job creators.

Systemically, New Jersey continues to be crippled by the highest property taxes in the nation. Those property taxes are fueled by spending at the local level that has been allowed to skyrocket while being propped up by billions of dollars in state aid. Over the last decade, property taxes have grown 70 percent, driven by local spending that has risen at nearly the same rate, from \$26.5 billion to an expected \$44.7 billion this year. A simple, but astounding, figure perfectly illustrates this excess; while New Jersey lost 121,000 private sector jobs in 2009, 11,300 jobs were added at the municipal and school board levels. This is unacceptable.

Seeing the problem of unchecked spending that has developed at every level of government in the state, and understanding that the state's addiction to spending has bankrupted even the highest-taxed population in the country, we must now turn to the solution.

More spending, more borrowing and more quick fixes that ignore the underlying fact that we spend too much, not simply that we've taxed insufficiently, cannot be tolerated. The governor recognizes this reality, which brings us to his proposed reforms.

The centerpiece of this package of reforms is a constitutional cap on property tax increases of 2.5 percent on municipalities, counties and school districts. This proposal is modeled after Proposition 2.5 in Massachusetts, implemented in 1982 with remarkable long-term results. That state went from having the third-highest local tax burden in the nation to the 33rd highest. Some flexibility would be provided, including allowing for the cap to be exceeded through a local vote, and would encourage school districts and municipalities to hold tax increases under 2.5 percent by allowing them to "bank" the difference if they come in under the cap.

The governor has also called for changes to the collective bargaining system and civil service rules that will assist in reining in local spending. For example, one proposal would require that new labor contracts, including salary and benefits, not exceed 2.5 percent to match the property tax cap. Another would require the arbitration process to account for the impact on local property taxes -- a common-sense consideration that is currently not a part of the process. These reforms will give local governments the tools they need to make the constitutional cap on property taxes a reality for New Jerseyans.

So, as you read about the governor's budget, remember that there's a lot more to it than just spending cuts and hard choices. Christie is laying the foundation for a new, affordable and prosperous New Jersey.

Stay Connected with Social Media



Stay Connected with Email Alerts

LIKE THIS PAGE? SHARE IT WITH YOUR FRIENDS.



View article here .

###

Press Contact:
Michael Drewniak
609-777-2600

