

STATEMENT BY THE HONORABLE ROBERT L. BOWSER,
MAYOR, OF EAST ORANGE, AND
PRESIDENT
NEW JERSEY LEAGUE OF MUNICIPALITIES,
CONCERNING GOVERNOR CORZINE'S PROPOSED BUDGET
FOR FY 2008-2009
PRESENTED TO THE ASSEMBLY BUDGET COMMITTEE
WEDNESDAY, MARCH 19, 2008
LIBERTY SCIENCE CENTER
JERSEY CITY, NJ.

Thank you, Mr. Chairman and Members of the Committee for giving me this opportunity to speak on the Governor's budget proposal.

It has been one year since the conclusion of the Legislative Special Session for Property Tax Reform. Since the Governor's presentation of his State Budget, Mayors all across the State feel that the rug has been pulled out from under them. We, in local government, are well aware of the States fiscal problems, and it appears this administration has identified "the enemy", but.... it is not us. Our constituents have to be able to rely on the cooperation of all elected officials, at all levels of government, if meaningful and sustainable property tax relief is to happen. This year, with this proposed budget, we need your help.

The New Jersey League of Municipalities' primary interest and focus is property tax relief and property tax reform. Every State Policy and especially the State Budget has to be viewed from that perspective. We need you to join with us by accepting this as a priority as you review the proposed budget. We hear the average New Jersey resident's demand to solve this tax crisis which is public policy enemy #1.

In his Budget Address to the Legislature, among the many proposed cuts, the Governor mentioned three funding areas he was forced to short-change – hospitals, higher education and municipal property tax relief. Guess which one of those faces the deepest dollar cuts? Higher Ed will be cut by \$75.6 million. Hospitals will lose \$143.5 million. And municipal property tax relief (municipal aid) will be slashed by \$189.6 million.

In the Governor's proposal, for municipalities with a population of less than 5,000, there will be no CMPTRA funding this year. Municipalities with a population total between 5,000 and 10,000 will receive one-half the amount they received in the State's last budget. The vast majority of municipalities with a population greater than 10,000 will receive substantially less than the amount that they received in the State's last budget. Total CMPTRA cuts will equal \$62 million.

The \$32.6 million distributed according to the CMPTRA formula, which municipalities received last year as 2008 Municipal Property Tax Assistance, is gone. All municipalities will receive level Energy Tax funding, despite State Law that “requires” annual inflationary adjustments of this (and CMPTRA) funding. Last year, municipal efficiency was promoted to the tune of \$34.8 million. This funding has been eliminated. Last year’s \$32 million in Homeland Security Assistance is gone. Special Municipal Aid funding is cut from \$153 million to \$145.4 – a loss of \$7.6 million. Extraordinary Aid funding is reduced by \$1.7 million – from \$34 million to \$32.3 million. The \$8 million Regional Efficiency Aid Program will not be funded. Open Space PILOT is the only municipal property tax relief funding that we have been able to identify that will actually increase – by \$200,000, from \$9.8 million to an even \$10 million.

My City of East Orange is slated to lose almost \$2 million in formula aid. Mayor Tim McDonough of Hope, our First Vice President, will lose over \$70,000. Our Second Vice President, Mayor Jim Anzaldi from Clifton, will lose about \$1 million. And Montgomery, represented by Third Vice President Louise Wilson, will lose about \$200,000.

If there needs to be a discussion about phasing in property tax relief funding cuts to address the State’s budget problems, we want to have a seat at the table. If there is to be a serious discussion about the way municipal property tax relief funding is distributed, we want to have a seat at the table. We know that if you don’t have a seat at the table, you’re probably on the menu. And this budget proposal seems to make us and our property taxpayers the main course. In many ways we feel, we are being punished for what we do best.

Again, one year after the historic Special Sessions for Property Tax Reform, which was supposed to eliminate the need for a Citizens’ Convention, our property taxpayers will once again be asked for patience. And they will be asked to shoulder more than their fair share of the funding burden.

This year, with this proposed budget, we need your help.

Please restore the \$190 million in municipal property tax relief that the Governor has proposed to cut the FY 2009.

Thank you.