

STATEMENT BY THE HONORABLE JAMES ANZALDI,  
MAYOR OF CLIFTON AND  
SECOND VICE PRESIDENT, NEW JERSEY LEAGUE OF MUNICIPALITIES,  
CONCERNING GOVERNOR CORZINE'S PROPOSED BUDGET  
FOR FY 2008-2009.  
PRESENTED TO THE ASSEMBLY BUDGET COMMITTEE  
TUESDAY, APRIL 1, 2008  
STATE HOUSE ANNEX  
TRENTON, NJ

Thank you, Mister Chairman and members of the Committee.

Let me begin with a quote. "Although the League hopes that the trend of State fiscal policy in the future will be toward lightening the tax burden on real estate and requiring that other types of wealth may be compelled to share the burden of government to a substantially greater extent, it realizes that until the legislature takes such action, real estate will continue to bear the brunt of the cost of municipal and county government."

That was the testimony presented by League Executive Secretary James J. Smith to the Constitutional Convention meeting in New Brunswick on Tuesday, July 1, 1947.

Today, the League of Municipalities and Mayors all around our State continue to hope for State policies that will lighten the regressive tax burden on real estate. And we don't think this budget proposal fits that bill. It surely does not in my Passaic County.

In formula aid alone, Clifton will lose almost ONE MILLION DOLLARS. Passaic City, as Assemblyman Schaer well knows, will lose over ONE MILLION DOLLARS. Paterson will be cut by \$2.8 million and Wayne will lose over \$500,000. And those are the County's bigger towns that were, relatively, spared the brunt of the proposed cuts.

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 of 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.

On April 3, 2007, Governor Corzine signed the “Property Tax Credits and Levy Caps” and the “CORE Reform” bills, ceremonially marking the culminating accomplishments of the historic Special Legislative Session for Property Tax Reform. Less than a year later, as you consider the Governor’s proposed budget, it seems the celebration might have been somewhat premature.

Our constituents have to be able to rely on the cooperation of all of their elected officials, at all levels of government, if meaningful and lasting property tax relief is to happen. And this year, with this budget, we need your help.

Please restore the \$190 million in municipal property tax relief.

Thank you.