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The Governor's Desk...

By Jim Florio

Everywhere I go in New Jersey, people say things to me like, "When I used to make \$100 a week, I could save more than I do now."

A big reason for that change is property taxes. They've doubled for a lot of people in the past few years. They eat away at your savings and threaten your freedom to dream and plan for the future.

Property taxes, along with expenses like car insurance and college tuition, are part of something I call the "New Inflation." The "New Inflation" is eroding middle class living standards. It's the reason more and more middle class families are wondering if their children will continue the tradition of going further than their parents.

Everyone knows what property taxes do to the pocketbook. That's one of the reasons we're fighting property taxes; we want to lead the nation in busting the "New Inflation."

The property tax problem is even worse when you stop and think about how property taxes are the cause of so many of the most important problems facing our communities. From the size of our mortgage bill to the traffic we face going to work each day; and whether your children have a nice park to play in down the street, or whether the Jersey Shore remains a precious resource with clean, safe water. Even the high cost of garbage has to do with property taxes.

That's because no other major state relies as much as New Jersey does on property taxes. And this dependence has forced communities to search for more and more development -- all so they'll have more property to tax. It's known as "The Ratables Chase."

It's a game no one wins. Towns go after businesses, office buildings, and developments. A serene suburb turns into a mini-metropolis. Main Street becomes a parking lot. Green spaces disappear. Sewers overflow.

The result: towns need even more money to solve the new problems brought on by development. So they go after more development, and so on, and so on. It's a vicious cycle. One that must end.

We're breaking this cycle in four ways.

One, increasing school aid to relieve the burden on homeowners.

Two, having the state take over the costs of a lot of county and local social programs.

Three, placing caps on what local governments and schools can spend -- just like we're doing with state government.

And four, changing the system of Homestead Rebates so that the people who need help the most, get it.

We've added some new features to the rebate, to make it fit the times. Starting this year we're giving more help to the middle-class people who need it most.

It makes no sense for a millionaire to get the exact same relief as a middle-class family. So we've changed the rebate to where the size of your check depends on how much you make, and what you pay in property taxes.

Instead of the old, flat rebate, they'll now range up to \$500. Three quarters of a million people are getting the full \$500.

This new system is why we needed you to fill out a rebate application this year -- so we could make sure you get back every penny you're due.

As I mentioned, the rebate is not the only way we're providing property tax relief. By sending more than billion dollars to communities and school districts, we're giving local governments the ability to stop increasing property taxes.

It's up to your town and your school board to use the money that's coming from Trenton, but you can make a difference. Let them know that you've heard that the town or school district is getting more money. Then tell them what you've been telling me -- that you want them to use it to stabilize property taxes.

Why all the bother about property taxes? I think one simple story can provide an answer.

When I was campaigning for this office, a man walked up to Lucinda and me at a picnic in Elizabeth, he was crying.

Here was a man in his 60s, tears welling up in his eyes, as he told us there was a good chance he would lose his home. Not because of the mortgage; he'd paid that off.

It was because of property taxes. They were more than he could afford and so he was going to have move out of the home that he worked his whole life to maintain. This man was going to lose his home, because we as a state could not -- or would not -- break loose from the grip of an unfair, outdated system. A system that might have made sense when property meant wealth, but is totally unsuited and totally unfair as we prepared for the 21st century.

For too many years the way we dealt with the over-reliance on property taxes was to go after more ratables. You know what that's like? That's like studying every angle of our nation's drug problem and arriving at the conclusion that the real problem is there aren't enough drugs to go around.

Crazy.

So we took a different approach. We listened to the middle-class people who have been squeezed too long.

People will be able to judge the results for themselves. They'll judge this administration based on the performance. That's as it should be and I welcome it. I'm confident that middle class people will be helped by what we've done.

Look at the dollars and make your decision.

Is your rebate higher than under the old system?

Did the county portion of your tax bill go down?

Did increased state aid help your school board hold the line?

And how does your bill this year compare to the trends of the past few years?

Keep in mind, if we had done none of this your property tax bill wouldn't be the same as last year. It would be higher. The terrible trend of the past decade would simply continue.

So you decide.