

# Property taxes at the heart of gubernatorial campaign

By Carl Golden | Posted: Thursday, May 23, 2013 1:00 am

The highest average property taxes in the nation, who has been more effective in controlling them in the past and who will be more successful in the future have been thrust into the center of this year's campaign dialogue, potentially becoming the dominant issues for gubernatorial and legislative candidates between now and November.

The impetus was provided by a study that first appeared on the news website New Jersey Spotlight purporting to show that, when the scaled-down homestead rebate program is factored in, the increase in net property taxes was greater in the first three years of the Chris Christie administration than in the last three years of the Jon S. Corzine administration.

The study was quickly snapped up by the media and by Democrats, who viewed it as a stinging and credible rebuttal to the Christie narrative that he succeeded in reining in property tax increases as opposed to his free-spending predecessor.

The analysis asserted that net property taxes rose 18.6 percent in Christie's three years as governor, compared with only 6 percent in the final three years of the Corzine administration. It attributed the difference to Christie's dramatic reductions in the homestead rebate program, which resulted in the actual out-of-pocket expenditures for property taxes rising nearly \$1,200 under Christie, while the same net expenditures increased only \$350 under Corzine.

The study noted that while the state-imposed cap on property tax rate increases, combined with other cost-cutting measures at the local level, slowed the percentage growth in property taxes, the increase in real-dollar spending is a truer measure of the tax burden.

The administration, as is its custom when questioned on the issue, repeated its argument that the rate cap, the pension and health benefits revisions, and changes in binding arbitration to settle contract disputes led to average tax rate increases of less than 2 percent.

The governor reacted by attacking the messenger, pointing out that the report's author was a member of the staff of independent gubernatorial candidate Chris Daggett in 2009 and hadn't gotten over his loss. Christie did not, however, take issue with the study's figures or conclusions.

New Jersey Department of Community Affairs Commissioner Richard Constable read his lines perfectly also, telling an openly skeptical Assembly committee that the administration's property tax relief program was "a resounding success." He made no effort to refute the report's findings, either, suggesting instead that rebates should not be included when calculating the property tax burden because rebates shouldn't be considered relief.

Really? Democratic and Republican governors alike have characterized the rebate as an effort to ease the property tax load ever since the program was conceived by Gov. Brendan Byrne more than 35 years ago. While administration officials and legislators may engage in semantic jousting over rebates versus programmatic reforms, homeowners staring at their property tax bills fail to see the distinction.

The Christie administration has been aggressive in taking on property tax relief efforts. He overcame intense resistance to win approval of his tax rate cap and related reduced-spending programs. He developed a broad agenda — much of which still awaits legislative action — to provide local governments with methods to trim expenses. He supports shared-services agreements and opposes municipal user fees to circumvent spending restrictions.

fiscal discipline on local governments, limiting their taxing authority, and curbing wages and fringe benefits of their employees.

It is, of course, no small irony that recognizing property taxes as a uniquely local matter led to the enactment of the homestead rebate program in the first place. It was the state's message to homeowners that while it could not affect property taxes, the rebate check would help them pay the bill.

Middlesex County state Sen. Barbara Buono, the presumptive Democratic gubernatorial nominee, will most assuredly make use of the comparative tax study to ramp up her argument that Christie's policies — specifically the sharp rebate reductions — have punished the middle class and the poor while offering the wealthy a pass.

With property taxes consistently ranking as the most serious issue facing New Jerseyans, Buono will have at her disposal hard numbers to offer as proof that Christie's claims of victory in the property tax fight are more spin than substance. The refusal of the administration as well as the governor's campaign to rebut the study's findings open the way for Buono to exploit the issue and potentially gain significant traction.

She remains the decided underdog in need of an overarching theme and readily understood issue to present a clear contrast with the incumbent.

She may have found it in the Christie-Corzine comparative study.