



OPINION: FOR PROPERTY TAX REFORM, THE POLITICAL STARS ARE IN ALIGNMENT

CARL GOLDEN | MARCH 5, 2014

Can a second-term Republican governor and an entrenched Democratic Legislature muster the political will to take on property taxes?



Gov. Chris Christie's budget message and the Democratic response that followed both contained the obligatory and familiar pledges to ease New Jersey's highest-in-the-nation property tax burden.

Both were also light on details. Christie, for instance, dusted off his three-year old "tool kit," a laundry list of some 30 proposals designed to help local governments economize, and chastised the Legislature for enacting only six of the recommendations. He

called as well for extending the cap on binding arbitration awards and urged a renewed push for shared-service agreements and municipal consolidation.

Democrats, for their part, were even less specific, reiterating their concern for homeowners confronted with rising property taxes and promising support for efforts to control them.

While not referring to it specifically, the comments from the governor and the Democratic leaders amounted to an acknowledgement that increased state aid -- long the most effective and reliable method of assisting local governments -- was off the table. Municipal aid, for instance, is flat-funded in the governor's budget, while support for public education -- by far the largest consumer of property tax dollars -- would rise minimally, insufficient in most cases to have any meaningful impact on local tax rates.

It was a concession to the fact that the state's fiscal condition precludes increases in aid now and for the foreseeable future. While shared-services agreements among neighboring municipalities are gaining in popularity, the savings realized, though welcome, are modest. Municipal consolidation, considered by many to be something of the holy grail of property tax control, has failed to secure much of a foothold, unable to overcome entrenched nativist home-rule resistance.

For as long as anyone can recall, New Jersey had 567 municipalities. Today, it has 565. Not exactly a track record offering hope or optimism to consolidation advocates.

Property taxes have long been a staple of gubernatorial and legislative election campaigns, reflective of the voter polls and citizen surveys that have for years placed the issue at the top of the list of greatest concerns. Despite the steps that have been taken -- most prominently the two percent cap on property taxes and requiring public employees to pay a greater share of their fringe benefits -- its status as the public's most worrisome issue hasn't abated.

The time may have arrived for a serious high-level discussion of the state's tax structure, one that examines what viable options exists to lessen the current overreliance on property taxes as the principal source of funding for everything from kindergarten classes to snow plowing.

The political stars may be in alignment for such a review. Consider:

A governor just beginning his second term, free of the reelection influences that dominate decisions and actions taken in a first term.

A Legislature controlled by the opposition party and likely to remain so for the governor's second term and most likely beyond.

An ambitious Senate president with designs on the governor's office. and what better way to get there than being the person who led and won the fight for property tax relief.

A governor at the head of an administration besieged and distracted by investigations and who'd like nothing better than to change the subject and return to normal government functions.