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## Property tax reform hinges on politics

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In 2004, a legislative effort to convene a constitutional convention to review the state's tax structure gained some momentum, but ultimately collapsed when agreement couldn't be reached on the extent of the delegates' responsibilities.

Recently, there have been stirrings of renewed interest in undertaking a comprehensive examination of how state, county and municipal governments, as well as boards of education, raise money to support the programs and services they provide.

The impetus then, as now, originates from institutional wrangling that doomed it seven years ago.

Although there hasn't been any formal proposal at this point to reconsider the need for a tax code review, Lou Greenwald, D-Camden on the Assembly Budget Committee, misses an opportunity to work

version of the phrase "restructuring the tax system" into his comments about budget issues.

Greenwald's colleagues may share his view that such a review could be beneficial, but they have kept their opinions to themselves, wary of the fierce political backlash from opponents who argue that "tax restructuring" is a code phrase for new taxes.

Providing property tax relief has been a staple of gubernatorial and legislative campaigns for years, but successive administrations and legislatures have been thwarted and frustrated in efforts to achieve significant progress controlling what New Jerseyans have consistently identified as the most onerous of taxes.

Gov. Chris Christie has gone further, perhaps, than his predecessors in confronting the issue, securing approval of a 2 percent cap on property tax rate increases, dramatically altering the arbitration system used to settle contract

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disputes and vigorously pushing for greater public employee contributions to pension and health insurance costs.

Workforce reductions, expanded shared service agreements among municipalities and privatizing some government functions have become more widespread as well in efforts to ease budget pressures.

Despite the progress made, there remains the widely held view that the impact on property tax levels will be comparatively minimal. Democratic Senate President Steve Sweeney, for instance, who supported both the cap imposition and arbitration reform, expressed his belief that a great many local governments would be unable to remain within the prescribed limit.

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reduced, what guarantees should be put in place to assure the relief is permanent?

The issues are exceedingly complex and difficult, and fraught with political peril. In fact, one rationale offered in support of a constitutional convention was that the Legislature did not possess the political will to undertake the task on its own.

Rather than a constitutional convention, the time may be at hand for a joint legislative/executive effort, along with private-sector involvement, to examine closely the existing tax structure in all its elements and develop recommendations for a fairer and more equitable system and — most importantly — one that provides long-lasting relief.

Interest in such an examination is still in its early stages, and there will be a deep reluctance to move decisively toward it in a