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## New Jersey reaches compromise for 2 percent limit on local property-tax increases

By JULIET FLETCHER, Statehouse Bureau | Posted:  
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Democrats avoided the threat of a holiday legislative session today by agreeing in principle Saturday to a compromise to allow a

2 percent limit on local property-tax increases, lower than the 2.5 percent cap Gov. Chris Christie has sought.

That plan makes new exceptions for money to pay for crisis and natural disaster, for towns' pension and health-benefits costs, which are set by the state, for debt-service and capital expenses, and for school districts' costs created by the growing number of children enrolled.

All other reasons to raise property taxes beyond 2 percent in a given year must be approved by voters' ballots.

In the ongoing budget debate, Democratic state lawmakers may be convincing Gov. Chris Christie to compromise on his proposal to limit local property-tax increases, but the debate is being framed largely according to the governor's terms.

As the party holding the majority of votes in the Assembly and Senate, the Democratic leadership had the power simply to kill off Christie's core proposal to cap spending by towns, counties and school districts.

But with legislative elections coming in 2011 and voters fed up with high property taxes, Democrats didn't do that.

Instead, Senate President Stephen Sweeney countered Christie's plan for a 2.5 percent constitutional cap with a different cap to be created by law that would provide exemptions and could be rolled back. In doing so, the Democrats took a stand that was close in concept to Christie's own — proposing their own limit on those local tax levies, only 0.4 percentage points higher.

Christie tried to break the deadlock with a compromise Thursday: A 2.5 percent cap made by law,

voters that the governor, not Sweeney and the Democrats, pushed for those deep reductions in aid to cash-strapped towns and program cuts at the same time school districts lost \$820 million in federal aid.

But all of the lawmakers in the Senate and Assembly come up for re-election in 2011 — a prospect that has many politicians burnishing their credentials as thrifty guardians of public funds.

“You ask people, ‘Do you want lower property taxes?’ and how do people say no to that?” Schulman said. “They (legislators) can’t object - it’s like motherhood and apple pie.”

But once the Democrats commit to a tax cap, Schulman says she sees no way for them to attempt to roll it back. “There’d be no stomach for that,” she said.

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