

SENATE BILL NO. 2394
(First Reprint)

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Senate Bill No. 2394 (First Reprint) without my approval.

This bill is one of many that I am returning without my approval today. It is part of a collection of bills providing for various tax changes, loan programs, set asides and other financial incentives that, for the most part, has been pending in the Legislature for years. These bills were combined and passed as a "comprehensive package" that was touted by supporters in the Legislature as an effort to spur economic growth and job creation in this State. I applaud the intentions of the Legislature to make New Jersey a more business-friendly environment. After years of reckless fiscal mismanagement and crushing tax increases that drove businesses, jobs and residents from the State, this legislative attention is long overdue.

The business climate in New Jersey has begun to show some early signs of improvement over the last year under my Administration, but there is much more work to be done. In order to bring long-term, meaningful reform to New Jersey's business climate, coherent legislative action to revise the State's tax laws is imperative. The Legislature's participation will be vital to the effort to improve the State's business climate. However, by passing a package of bills that will cost the State over \$600 million in Fiscal Year 2012 by conservative estimates and billions over the next few years without identifying any corresponding reductions in the State's budget, the Legislature has acted prematurely, irresponsibly and in a pattern consistent with the reckless conduct of the past which got us in the current fiscal mess.

The New Jersey Constitution requires the Governor and the Legislature each year to reach agreement on a single balanced budget that provides for the support of State government expenses as far as can be reasonably foreseen for that fiscal year. In the Fiscal Year 2011 budget, the State was forced to close a shortfall of nearly \$11 billion. As a result, many difficult decisions were made in negotiating with the Legislature to reach an agreement that meets New Jersey's constitutional obligation to balance its budget during this unprecedented period of fiscal crisis.

The "package" of bills on my desk was passed outside of the annual budget process. It is too easy for the Legislature to send bills to my desk which ignore the overall fiscal impact of their spending proposals. This is the old way of Trenton politics, which always ends with the taxpayers footing the bill and has created the fiscal crisis we have spent the last year beginning to turn around. Now is not the time for a return to the way business was done in Trenton in the past. If we are truly going to reestablish New Jersey as a premier State for economic growth in order to attract new businesses and jobs, we must depart from the old ways and demonstrate a real commitment to fiscal responsibility. We must have the political courage both to advance new ideas for improving the State's business environment and to make the necessary choices to pay for them.

While I do not agree with the substance of all of the economic initiatives in the Legislature's "package" of bills, a number of these bills appear to embody elements of laudable and worthwhile reforms. In fact, I am pleased that the Legislature has embraced some of my own proposals. I believe we should jointly reconsider these ideas during the upcoming budget

negotiation process, and, equally importantly, identify the corresponding spending cuts to pay for them.

In this regard, it is my intention to present some of these reforms in my own budget proposal. I look forward to working with the sponsors, both Republicans and Democrats, to advocate on behalf of these ideas in enacting a balanced budget. For every dollar that the Legislature seeks to spend on these new proposals, one less dollar must be spent on other existing programs. I ask the Legislature to join me in making the tough choices to dedicate additional funding to economic growth and job creation -- which they claim is their primary budget priority -- without raising taxes. Only in that context will we be able to reach a responsible budget that fulfills our obligations to the people who elected us, and put the State back on the road to economic growth.

Accordingly, I herewith return Senate Bill No. 2394 (First Reprint) without my approval.

Respectfully,
/s/Chris Christie
Governor

[seal]

Attest:

/s/Jeffrey S. Chiesa
Chief Counsel to the Governor