

SENATE BILL NO. 762
(First Reprint)

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Senate Bill No. 762 (First Reprint) without my approval.

New Jersey taxpayers have long suffered from crippling property taxes. Prior to 2010, property taxes increased upwards of 7 percent per year, resulting in a tax burden that was the highest in the nation. Those soaring property taxes discouraged property ownership and encouraged people to flee the State, draining New Jersey of accumulated wealth and weakening its tax base. In the first year of my Administration, with bipartisan support, we enacted an historic property tax levy cap. That landmark reform helped stop the bleeding, and because of the property tax levy cap, property tax increases have slowed to less than 2 percent per year. While the overall tax burden in this State is still unacceptably high, the cap has proved an important tool on the long road to fiscal sanity.

This bill would take a step in the wrong direction, carving out yet another exception to the cap, and unnecessarily threatening to undermine what we have accomplished to slow skyrocketing property taxes. The existing law already affords local units sufficient flexibility to address its needs under these circumstances, including through a public question to the voters for permission to exceed the cap.

Further, flood insurance premium increases after Sandy are making it more difficult for New Jersey homeowners to carry flood insurance coverage for their own properties. At the same time, many of these families are still dealing with household budgets affected by considerable expenses associated with recovering from Superstorm Sandy. My Administration has made

recovery after Superstorm Sandy, including relief efforts at the local level, one of its chief priorities. For that reason, my Administration has aggressively pursued grant and funding opportunities available for local governments, has undertaken numerous efforts to educate municipalities on how to apply for those opportunities, and has worked tirelessly to ensure that those benefits are disbursed as quickly as possible upon approval. Raising property taxes for these affected households to address increases in flood insurance premiums that municipalities must pay to maintain coverage on municipal property is an additional financial burden many families may not be able to bear.

Accordingly, I am returning Senate Bill No. 762 (First Reprint) without my approval.

Respectfully,

/s/ Chris Christie

Governor

[seal]

Attest:

/s/ Paul B. Matey

Deputy Chief Counsel to the Governor