



MAYOR CHRIS BOLLWAGE

# CITY OF ELIZABETH PRESS RELEASE



FOR IMMEDIATE RELEASE

Contact: William Reyes  
Public Information Officer  
908-820-4124

## **CHRISTIE PROPOSAL LARGEST MIDDLE CLASS TAX HIKE IN NEW JERSEY**

**ELIZABETH, NJ, MARCH 16, 2010**—City of Elizabeth Mayor Chris Bollwage is calling on Democrats to support municipal fiscal stability and taking action against proposed drastic budget cuts.

“These cuts, made under the guise of strengthening New Jersey’s economy, will actually impede local government operation,” warned Mayor Bollwage. “This budget proposal seems to have been developed in a vacuum; void of recognition for financial consequences to municipalities as well as residents.”

The proposed “hard” 2.5 percent cap on annual property tax increases would have far reaching adverse effects. The cap would restrict municipalities in terms of capital improvements. Towns and schools would not be able to issue debt to repair an already faltering infrastructure. If a town cannot exclude debt increases they will not be able to perform new improvements. In addition, bond ratings, a financial indicator to potential investors, would suffer as towns will have less ability to raise taxes.

Quality of life programs by municipal government will slowly be eliminated or require fees to be instituted in order to pay for the vital services residents have come to rely on. Programs that would be impacted include: senior centers, recreational initiatives, social services and community events. If a hard cap is imposed then the costs mandated by Trenton should not exceed the 2.5 percent; otherwise it will be impossible for municipalities to manage operations effectively. Government officials also need civil service reform and tools to address binding arbitration and contractual agreements, which have always exceeded a 4 percent cap.

This year the State Health Benefits Program increased rates 18 percent. As this increase was not a local decision, municipalities should not have to lay off half their work force to pay for health care for the other half.

Mayor Bollwage is also concerned about the elimination of the Urban Enterprise Zone (UEZ) program. In addition to creating and promoting jobs in New Jersey’s municipalities, the UEZ program also promotes smart growth and investment, as well as provides property tax relief through the financing of infrastructure, sanitation and public safety initiatives, which in many cases, would not be fundable through sole municipal budgets. The UEZ Program supports more than 139,000 full-time jobs and has attracted \$26.4 billion in private investment. During this time of economic difficulty, elimination of programs and reduction of overall funding, New Jersey’s municipalities and urban centers depend on the Urban Enterprise Zone program for economic revitalization, stabilization, and success now more than ever. Taking the municipal share of the 3.5 percent sales tax, will adversely impact job growth and over all income tax collections.

--more--

“While the middle class bears the brunt of such sweeping budget cuts, residents earning more than \$400K receive tax breaks. The logic seems skewed and not very rational to say the least,” stated Mayor Bollwage. “Just because these budget cuts look good on paper it does not negate their devastating and lasting repercussions on already struggling families throughout New Jersey.”

As if attacking quality of life and economic development programs assisting urban centers were not enough, educational funding is also at risk under this proposal. “This budget clearly becomes a class budget,” said Mayor Bollwage, “instead of providing assistance to those in need, it harms a great majority of New Jersey’s residents, creating additional challenges instead of reasonable solutions.”

Reiterating the importance of this issue Mayor Bollwage stressed the need for all individuals to stand together and let Trenton know how these cuts will impact their lives. From local officials to members of the business community, these budget cuts will be severe and be detrimental to the health, safety, and well-being of families throughout New Jersey.

Mayor Bollwage, a Democrat, is calling on the State’s Democratic legislators to restore fiscal stability to New Jersey municipalities. “This is beyond sacrificing and belt tightening... this will set back municipalities decades and negatively alter the quality of life of every resident. My hope is that the Legislature restores a sense of balance and fairness, ensures that basic needs and investments are met, and finds the will to not allow the budget to be balanced on the backs of the state’s cities.”