



August 4, 2010

An Open Letter to the New Jersey State Legislature: Please Enact the Governor's Tool Kit for Local Government

Dear Legislator:

We urge you to build upon your recent efforts to reform the state by enacting Governor Chris Christie's "tool kit" for local government.

Our members have expressed to us their serious concerns about New Jersey's fiscal health. The state has an unfavorable business tax climate and one of the highest per capita state and local tax burdens in the nation. What's more, billions of dollars in chronic budget deficits plague the state and destroy the public's confidence in the government.

But recent efforts by the Governor and State Legislature give our members hope that a solution is possible. On June 29th, Governor Christie signed a balanced \$29.4 billion budget that eliminated a projected shortfall without broad-based tax increases. Two weeks later, on July 13th, the Governor signed into law a cap on annual property tax increases. Although not as comprehensive as some may have wished for, this sensible cap is welcome news for our members and all New Jerseyans who have been burdened with the nation's highest property taxes.

While we applaud these bipartisan efforts to hold the line on state spending and limit property taxes, these are only the first steps in the long journey to resolve New Jersey's many fiscal problems. To save New Jersey from financial ruin, the cost of government, especially at the local level, must be contained and reduced.

We believe that the Governor's proposed "tool kit," a package of 33 reforms that aims to reduce the burdens on local taxpayers, reshape education, and overhaul elections, is what New Jersey needs now. Among the reforms is a 2.5 percent cap on arbitrators' salary and benefit awards, service sharing, more furlough authority for municipalities, and limits on paid vacations and sick leave. In a state with 1,600 government entities, these reforms will go a long way in containing the cost of government at a more manageable level, one where chronic deficits and the pressure for higher taxes are greatly diminished.

We hope that you will continue your commendable, bipartisan efforts to rescue and revive New Jersey by enacting the Governor's tool kit as soon as possible. We look forward to working with you to achieve real reform, not only for the benefit of our members but for all of New Jersey as well.

Sincerely,

Jerry Cantrell
President
New Jersey Taxpayers Alliance

Jeffrey T. Kaszerman
Director, Government Relations
New Jersey Society of CPAs

Deborah Dowdell
Executive Director
New Jersey Restaurant Association

Neil Coleman
President
New Jersey Taxpayers Association

Sal Risalvato
Executive Director
New Jersey Gasoline-C Store-Automotive
Association

John Galandak
President
Commerce and Industry Association of New
Jersey

John Stephenson
State Government Affairs Manager
National Taxpayers Union

Joshua Culling
State Government Affairs Manager
Americans for Tax Reform

Mark Williams
President
GRAND Institute

Henry Levari
Business Director
Excellent Education for Everyone

Laurie A. Ehlbeck, Esq
State Director
NFIB/New Jersey