



Testimony
S2908 Would Undermine the Meadowlands Compact
Senate Budget and Appropriations Committee

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Mr. Chairman and members of the committee:

Thank you for considering our concerns on S2908, which revises responsibility for Meadowlands adjustment payments.

The Meadowlands regional planning program was set up in a careful and rational way to ensure development and redevelopment that makes economic and environmental sense. The regional tax-sharing system was established to make it fair for participating municipalities, by evenly allocating the costs and benefits of growth. Both the regional planning and the tax-sharing system have been in place for nearly 40 years, and they have worked well: the Meadowlands region continues to enjoy a successful transformation into a prosperous and healthy place.

That said, there have been occasions when the tax sharing formula needed some tinkering, and this may be one of those times. In particular, it may be time to find a new way to ensure that payments do not fluctuate significantly from year to year or, if they do, to exempt them from the 2 percent property tax cap. (This year, the New Jersey Meadowlands Commission was unable to fund a “stabilization fund” that had prevented towns’ payments from increasing more than 5 percent from the prior year.) But the statewide economic downturn is no reason to “throw the baby out with the bathwater” and jettison the Meadowland compact, which is what this legislation does.

Fairness is the real issue at hand today. S2908 would transfer the responsibility for ensuring the equitable allocation of costs and benefits in the Meadowlands region to the taxpayers all across New Jersey--who would, in effect, subsidize the region. Is this fair, especially at a time when the state is struggling to make ends meet and few other communities receive such assistance? Why would the state want to take on a new property tax subsidy program for a handful of towns, when a fair, regional alternative already exists?

This bill would also make the receiving municipalities in the Meadowlands dependent on annual legislative appropriations. Is it fair to subject them to the whims of future legislatures, especially when the state budget is under such great pressure?

We urge you to consider the Meadowlands regional tax sharing program as a successful arrangement that, with minor modifications, has stood the test of time, and reject wholesale changes.

New Jersey Future is a nonprofit organization that promotes smart growth-- growth that fuels a strong economy, strengthens our communities, preserves open spaces and makes it easier to get around.

Thank you for your consideration. For more information, please contact [Chris Sturm](#) at: 609-393-0008, x114.