



STATEMENT

## Testimony on S2908 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.

As you know, the Meadowlands regional planning program has transformed the region from a blighted area dominated by landfills into a prosperous, healthy place to live, work and play. This transformation was enabled by the regional tax sharing system, created by the legislature in 1972, which ensured that the regional plan in the Meadowlands was fair to all municipalities. This system allowed for sound regional planning and environmental principles to guide the area's renaissance, rather than competition for ratables. The tax sharing system was upheld by the New Jersey Supreme Court in 1972, and has been in place for nearly forty years, becoming a national model for sustainable regional planning during that time.

Today, unfortunately, municipalities in the Meadowlands are not immune from the economic challenges facing the rest of the state. But that does not mean that the regional tax sharing system is not working or that the taxpayers of New Jersey can or should shoulder their property tax obligations, as proposed by S2908. Regional tax sharing in the Meadowlands is highly effective and should not be replaced by a state property tax subsidy program.

That said, it may be time to examine whether the Meadowlands tax sharing formula should be adjusted or updated. The Legislature has made other adjustments in the past. 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% 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% from the prior year.)

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. 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.

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