



# SUBURBAN TRENDS

September 12, 2007

## Tax fairness for Highlands towns

BY JAY WEBBER  
Guest Contributor

Three years after passage of the Highlands Act, the Trenton Democrats have failed to find a way to fix the problems they have caused our communities.

The burdens of the Act fall especially hard on those watershed host towns – such as West Milford, Kinnelon and Ringwood – that are 95 percent or more in the Act's Preservation Zone, where no development is permitted. That prohibition on building prevents municipalities from improving their ratables base to control and reduce property taxes. So on top of destroying the rights of private property owners by eliminating the most profitable uses of their land, the Act imposes an additional unfair burden on our communities by way of higher property taxes.

If I am privileged to serve in the Assembly, I will propose the Tax Fairness for Highlands Communities Act to help alleviate this problem. A Democrat candidate for the Assembly recently criticized my proposal in an edition of *Suburban Trends*. But that criticism is based on basic misunderstandings of the proposal and what it could mean for taxpayers in the region.

The legislation would allow taxpayers residing in municipalities that are 95 percent or more in the Highlands Preservation Zone the option to have 10 percent of their New Jersey State Income Tax sent back directly to the municipality in which they live for property tax relief. The option could be exercised by the taxpayer annually and would be

made part of the State of New Jersey Income Tax – Resident Return. Under the legislation, when taxpayers choose to give their tax dollars to their municipality, the State would then send the total collected back to the municipalities as municipal aid to offset local property taxes. The designated municipalities and their citizens would realize millions of dollars in aid to ease their property tax burdens. For example, West Milford could realize about \$2 million per year in additional state aid; Kinnelon could see an increase approaching \$3 million.

Contrary to the misplaced assertion of my opponent, no cajoling of those outside of the several most-affected watershed communities is needed – only taxpayers in a handful of towns are given the option of keeping their tax dollars home. My proposal empowers those taxpayers to ask themselves the following question: to whom do they entrust their tax dollars – their municipal governments, or the state government? The governing body, municipal or state, that governs best will get the taxpayer money. That choice will foster competition between levels of government, which will increase government's responsiveness and efficiency, especially at the local level. In West Milford and Kinnelon, I am sure the large majority of taxpayers would reject Trenton and reward their municipal leadership.

That leads to a correction of a second misunderstanding about the proposal's effect on tax revenue. How, it was mistakenly asked again, will Trenton com-

pensate for the loss of its revenue? The response to my opponent is rather simple – the money is not Trenton's; it is ours. And if under this modest plan we aren't asking the government to cut spending and let us keep more of what we earn (we should do that as well with other proposals), at least my plan gives people a say over where some of our tax dollars are directed.

Make no mistake, there can be no substitute for the State government doing what it should have done long ago: fairly compensating Highlands property owners, and their municipalities, for the economic harm the Highlands Act has caused them. The Tax Fairness for Highlands Communities Act, however, recognizes we have to find ways to correct the worst effects of the Highlands Act for families and their communities right now.

I am pleased to be running on the Republican ticket with Senate candidate Joe Pennacchio and Assembly Republican Leader Alex DeCroce. Together we are committed to finding constructive and innovative solutions to the State's most pressing problems. The Democrats have been in control for six years now, and they have done great damage to our state, and the Highlands Region in particular. The remedy to our problems is not to send more Democrats down to Trenton to bounce the rubble their party has created. The remedy is to try new solutions, like the Tax Fairness for Highlands Communities Act.

*Jay Webber is a Republican candidate for Assembly, District 26.*