



MANCHESTER TOWNSHIP

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Manchester, New Jersey 08759
732-657-8121

August 31, 2011

Governor Chris Christie
State House
P.O. Box 001
Trenton, New Jersey 08625-0001

Re: Property Tax Assessments

Dear Governor Christie:

We were fortunate to attend the March 2, 2010 assemblage in Trenton at which you spoke the words about righting the tough course in New Jersey by "holding hands and jumping off the cliff together." You reminded us of that in the first paragraph of your letter of July 1, 2010. After listing the many successes that we've shared since that time, you concluded your letter by stating that challenges remain and "let's continue to work together."

Now, we are respectfully calling on you to help us solve a problem which municipalities face and which we feel needs immediate attention. Not only are we confronted with increasing delinquent and unpaid property tax collections, but we also face a vast number of assessed valuation appeals fostered by a declining economy. As if these appeals in themselves are not burden enough, municipalities must not only bear their own share but also those of the school district. This is a municipality disaster which is waiting to happen.

Our tax assessor has supplied us with the following statistics which estimates the Manchester maximum municipal and school taxes which would be refunded as a result of assessment appeals:

	2009	2010	2011
Loss of Assessment	\$19,531,900	\$13,100,000	\$87,309,800
Refunds:			
Municipal	\$78,323	\$59,474	\$448,773
School	\$177,936	\$123,402	\$860,002
Total	\$256,259	\$182,876	\$1,308,775

(Note that the school's burden which the municipality must remit to the school even though it may not be collected amounts to 66.4% or 2/3 of the total).

This is unconscionable and perhaps in some cases could lead to critical financial difficulties. What must this amount be statewide when the other municipalities are added to it. We understand this has no effect on the taxpayers; however, it does place a terrible drain on municipality's ability to remain under the 2% tax levy cap.

There may be very little or possibly no salvation for this fast-growing cancer. We could, if legally possible, receive some relief by floating bonds, but that may exhaust much of our ability to bond for future capital projects and the like for which bonding is meant; and, for certain, the solution is not in property tax increases. Also, if the school's fair share burden is shifted to them, then perhaps the additional aid that may be granted to them could be ear-marked for this purpose. Transitional aid to the municipalities is another alternative.

Since a "quick-fix" to the problem is probably not in the offering, then there has to be a temporary way to alleviate the problem. However, what can be done is to make schools bear their fair share and not allow them to use the municipality as a safe haven.

Governor Christie, probably other municipalities have reached out to you on this subject, so please add ours to this list. Something has to be done soon. Let's hold hands and jump off that cliff together!

Respectfully,

Councilman Kenneth Vanderziel

Councilman Warren Reiter

Manchester Township

WR:tlf

Cc: Mayor Fressola