



**State of New Jersey**  
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**CHRIS CHRISTIE**  
*Governor*

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*Lt. Governor*

**ANDREW P. SIDAMON - ERISTOFF**  
*State Treasurer*

**TO:** David J. Rosen  
Legislative Budget and Finance Officer

**FROM:** Andrew P. Sidamon-Eristoff *AS-E*  
State Treasurer

**DATE:** May 25, 2011

**SUBJECT:** Assembly Budget Committee Follow-up

**Assemblymen Greenwald and Burzichelli:**

**Question:** The Governor's FY 2012 Budget proposes a \$140.4 million appropriation to the Senior and Disabled Citizens' Property Tax Freeze program. As in FY 2011, the program would be closed to new applicants, the income threshold for participation would remain at \$70,000 (instead of the statutory \$80,000 limit), and payments would remain capped at FY 2010 benefit amounts. Please indicate the amount that would have to be budgeted if the program were to operate according to the statutory program layout in FY 2012. In addition, please delineate the components of the savings the State is estimated to realize relative to statutory requirements from restricting the program as proposed in the Governor's FY 2012 Budget. Lastly, please indicate by income bracket the number of applicants who would have been eligible for program benefits in FY 2011 had the FY 2011 Appropriations Act not excluded them from the payment of benefits.

**Answer:** Under the statutory program layout, the Senior and Disabled Citizens' Property Tax Freeze program would cost an estimated \$235 million in FY2012.

The savings components due to the continued program restrictions as proposed in the Governor's FY2012 Budget are as follows:

- Keeping the program closed to new participants (up to \$80,000 income): \$26.2 million
- Continuing to hold payments to FY2010 levels for remaining participants: \$68.4 million

The number of applicants, by income bracket, who would have been eligible in FY2011 absent the FY2011 Appropriations Act program restrictions are estimated as follows:

- See Attachment.

**Assemblyman Coutinho:**

**Question:** General Provision #89 in the FY 2011 Appropriations Handbook reduced by at least 50 percent the amounts that Urban Enterprise Zones (UEZ) were to receive under statutory provisions from the reduced 3.5 percent sales tax rate charged in the UEZs. It also authorized a transfer of moneys to the zones for specific projects out of uncommitted amounts in the Business Employment Incentive Program account if the State Treasurer certified on May 1 that there were such uncommitted balances in the account. Please indicate whether the certification has been made and explain the rationale for making or not making the certification.

**Answer:** General Provision #89 requires the State Treasurer to provide a certification if there are funds available in the Business Employment Incentive Program account on May 1. No certification was made on May 1 because no funds were available. The entire \$175 million Business Employment Incentive Program appropriation was fully committed by May 1.

<b>GROSS INCOME</b>	<b>NUMBER</b>
<b>0.00 - 9,999.99</b>	<b>941</b>
<b>10,000.00 - 19,999.99</b>	<b>2,471</b>
<b>20,000.00 - 29,999.99</b>	<b>4,211</b>
<b>30,000.00 - 39,999.99</b>	<b>5,699</b>
<b>40,000.00 - 49,999.99</b>	<b>7,395</b>
<b>50,000.00 - 59,999.99</b>	<b>8,751</b>
<b>60,000.00 - 69,999.99</b>	<b>7,907</b>
<b>&gt;= 70000</b>	<b>2,040</b>
<b>TOTAL</b>	<b>39,415</b>