News from
SALEM COUNTY
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FREEHOLDERS ADOPT COUNTY BUDGET

2006 Budget will provide property tax relief by decreasing tax rate and saving approximately $880,000

(SALEM, NJ) – At the regular meeting of the Board of Chosen Freeholders on Wednesday evening, the Board of Chosen Freeholders adopted the 2006 County budget with no amendments. The motion to adopt the budget passed by a 5-2 vote. The 2006 Budget reduces the County tax rate by two cents for every $100 of assessed property value.

"I am very pleased that the Board of Chosen Freeholders have adopted this budget," said Freeholder Director Lee Ware. "This is a responsible budget that balances fiscal restraint and social responsibility because we are able to increase county services without increasing the costs to individual tax payers."

The 2006 Budget is $74,265,500.00, which increases spending by $4,493,920 over 2005 spending levels. However, the overall figure takes into account grants, surplus, and increased revenue and when these are deducted from the total; the overall increase of spending to be raised by taxes is $2,747,107.49. The County budget has increased every year since 1991, with the largest increase in 2000 with a budget increase of $6,087,269.30. While the budget has increased due to the rising costs of utilities, insurance, and pay wages, the county tax rate has not increased since 2002.

"The fact is that this administration of the Board is committed to providing tax relief," said Director Ware. "We are able to offset the increase in expenditures by using our surplus, which has been generated by three years of increased ratables coupled with cost-saving measures employed by the County. The Administration & Finance Committee believes that it is a good thing to have a healthy surplus in case of emergencies; however, we strongly believe that it would not be responsible to maintain an excessive surplus when the citizens need and deserve tax relief."

In 2005, the County surplus increased to $17,337,615, up from $15,441,178 in 2004. The 2006 Budget uses $7,476,115.53 to provide the two-cent tax decrease.

"The surplus is an important part of the County's finances because it provides a cushion in case of emergency," said County Treasurer Joanne Bell. "The reduction of the County surplus this year is within reason; however, if the County were to reduce the surplus even more, the effects could be detrimental."

(MORE)

While the County tax rate is being reduced by two cents, the largest decrease since 1991, the effect will not be seen in every municipality because of the varying equalization of the county tax rate as applied to each municipality. In rough figures, the County would have to reduce the tax rate in double digits for every municipality to see a reduction.

“If the County reduced the tax rate in double digits it would provide short-term tax relief, but it would be detrimental in the long run,” said Director Ware. “The loss of services would be enormous and many of the programs that the County now funds would be shouldered by the municipalities causing an increase in municipal taxes. We are not interested in shifting the burden; we are interested in reform and relief. This budget responsibly increases expenses, while decreasing the tax rate. We will continue to work with our State legislators to change the property tax system, so that we can provide relief to those who need it most.”

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