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Embargoed to:

Wednesday, October 25, 2006, 5:30 am

PUBLIC OPINION ON PROPERTY TAX PROPOSALS

Qualified support of consolidation; split on tax shift

Over the past year, the *Monmouth University/Gannett New Jersey Poll* has taken a keen interest in tracking public opinion on property taxes – unquestionably the number one issue in the Garden State today. The special legislative committees are just three weeks away from making their final recommendations for property tax reform. The current poll examines public support for some key proposals now under consideration.

In general, the New Jersey public is wary about any plan to reduce property tax relief that shifts the burden to other taxes or merges local authorities. When asked to choose between these general types of proposals 33% prefer consolidation and only 14% prefer a shift in the tax burden to income taxes. Another 3% would do both, but 39% are not happy with either option. However, support for these approaches does increase when the question moves from general ideas to specific proposals.

A major tax shift proposal being discussed in Trenton is the SMART (Save Money and Reform Taxes) bill. Supporters of this legislation say it would issue the equivalent of a 50% property tax credit to every homeowner and renter by raising the income tax slightly on residents earning over \$50,000 a year. Public opinion on this plan is split – 47% feel that the SMART concept is a good idea, while 40% say it is a bad idea and 14% have no opinion. An important caveat for support of the SMART bill is that it does not address spending issues. Fully 3-in-4

New Jerseyans (76%) say that the SMART concept can lead to long-term savings only if it is accompanied by measures to keep spending under control.

“This poll along with our previous polling indicate that after being hit with a sales tax increase in the last state budget, voters are wary of any further increases, even if it would significantly cut their property taxes,” remarked Patrick Murray, director of the Monmouth University Polling Institute. “While we did not ask about the recent proposal to allow towns to add a penny to the sales tax, prior polls indicate that 6-in-10 residents would most likely be opposed to any such increase regardless of the taxing authority.”

Public Opinion of Property Tax Proposals	
Top Tier Ideas	
72%	Support municipal merger if property taxes go down by 50%
69%	Support county-wide school districts if property taxes go down by 50%
69%	Support Municipal Alignment Reorganization and Consolidation Commission if approved by voters
66%	Support constitutional convention if no significant progress
Majority Support	
60%	Support municipal merger if property taxes go down by 25%
55%	Support county-wide school districts if property taxes go down by 25%
Split Decision	
47%	SMART bill is a good idea
45%	Support Municipal Alignment Reorganization and Consolidation Commission if approved by legislature
39%	Incentive program for municipal mergers would be effective
Little Support	
38%	Support municipal merger if property taxes go down by 10%
36%	Support county-wide school districts if property taxes go down by 10%
32%	Leasing toll roads and selling naming rates is a good idea

Proposals that would consolidate either school districts or municipalities receive majority support from the New Jersey public as long as the property tax savings are significant. Fully 7-in-10 residents would support merging their town with up to three neighboring towns (72%) or merging their school district into a single county-wide district (69%) if it cut their property taxes in half. A majority would still support such mergers if the resulting property tax savings were only 25% – fully 60% for town mergers and 55% for school mergers. However, fewer than 4-in-

10 – 38% for towns and 36% for schools – would support mergers that led to just a 10% property tax cut. Levels of support for these consolidation plans are consistent across both party identification and community type.

The survey also found that public support for local mergers may decrease if the resulting savings take a long time to be realized. Among those who favor consolidation, about half (49%) would maintain their support even if it took at least five years before they saw any significant tax savings. A similar 44% say they would oppose consolidation if they did not see savings in a short period of time.

“New Jersey voters, whether Democrat, Republican or independent, feel that the best way to cut property taxes is to reduce the number of local authorities and the resulting administrative costs. However, the burden of property taxes has become so intolerable that many feel they are past the point where they can wait for relief,” commented Murray. “This is compounded by the fact that residents are split on whether we do in fact have too many local authorities, especially school districts.”

While 31% of residents say that New Jersey has too many school districts for a state of its size, 34% feel we have the right number and another 18% say we have too few. Those who say New Jersey has too few school districts tend to be renters living in the larger urban school districts. However, among the key stakeholder group of homeowners, 37% say New Jersey has too many school districts.

Another key issue in the merger debate has been whether to mandate or encourage consolidation. Residents are split on whether incentive programs to encourage town mergers would work. While 39% say such incentives would be effective, 43% feel they would not be effective. Political independents (47%) and those living in the state’s fastest growing municipalities (48%) are most likely to feel consolidation incentive programs would not work.

One plan to actually mandate municipal consolidation would put the decision-making process in the hands of an independent commission. The proposed Municipal Reorganization and Consolidation (MARC) Commission would present a list of town mergers to the state legislature for a straight up-or-down vote. Public opinion is split on this idea as well – 45% support the MARC Commission bill and 41% are opposed. However, if the commission’s list were put on the ballot for a public vote rather than a legislative vote, support increases to 69%.

Another proposal to reduce costs and thus cut property taxes currently making the rounds in Trenton would leverage the value of state-owned assets. This idea could include plans for

leasing the operation of New Jersey's toll roads and selling the naming rights to state properties like parks and train stations. If it were up to the New Jersey public, this idea would be a non-starter. Only 32% feel it is a good idea compared to a majority of 55% who say it is a bad idea.

Finally, the poll asked residents about their views on holding a constitutional convention if the current legislative process does not produce significant reforms. Fully 2-in-3 voters (66%) support putting this issue in the hands of a special convention if the legislature does not come through. Only 23% would oppose holding such a convention.

Moreover, if a constitutional convention is convened, most residents (51%) feel it needs to be empowered to deal with both the taxing and spending sides of the issue. Only 13% feel it should be limited to just tax relief as a way to make sure agreements can be reached by convention delegates. Another 30% say it makes no difference if one or both components of the fiscal equation are dealt with.

Murray noted, "In the end, New Jerseyans don't want to see spending cuts that would reduce the amount of money that goes directly into classrooms or that serves basic community needs. Residents do say they want more efficiency and greater accountability in how their property tax dollars are spent. And they appear willing to give up some local control in order to achieve this. The devil, of course, is in the details."

The latest *Monmouth University/Gannett New Jersey Poll* was conducted by telephone with 800 New Jersey adults from October 16-19, 2006. This sample has a margin of error of ± 3.5 percent. The poll was conducted by the Monmouth University Polling Institute and originally published by the Gannett New Jersey newspaper group (Asbury Park Press, Courier-Post, Courier News, Daily Journal, Daily Record, Home News Tribune, and Ocean County Observer).

DATA TABLES

The questions referred to in this release are as follows:

(* Some columns may not add to 100% due to rounding.)

1. Do you currently own or rent your home?

	TOTAL	REGISTERED VOTER		COMMUNITY TYPE		
		Yes	No	Urban	Stable town	Expanding suburb
Own	70%	77%	45%	49%	78%	75%
Rent	22%	16%	45%	39%	17%	18%
Other, live rent free	8%	8%	10%	12%	5%	7%
Unwtd N	800	670	130	148	312	331

2. As you may have heard, the state legislature is currently holding special committee meetings to reform property taxes. The major proposals for property tax reform generally fall into two categories – shifting some of the burden to income taxes - or - merging local authorities. If either set of proposals would significantly reduce your property tax bill, which would you prefer – shift some burden to income taxes, merge local authorities, or neither one?

	TOTAL	REGISTERED VOTER		PARTY ID			COMMUNITY TYPE			HOMEOWNER	
		Yes	No	Dem	Ind	Rep	Urban	Stable town	Expanding suburb	Yes	No
Shift some burden to income taxes	14%	14%	12%	18%	10%	16%	15%	13%	13%	15%	12%
Merge local authorities	33%	36%	25%	32%	37%	32%	23%	40%	34%	37%	29%
Neither one	39%	36%	49%	35%	41%	39%	47%	33%	40%	34%	47%
(VOL) Both	3%	3%	0%	3%	2%	3%	3%	1%	4%	3%	0%
(VOL) Don't Know	12%	11%	13%	12%	10%	11%	12%	13%	9%	11%	11%
Unwtd N	800	670	130	262	315	196	148	312	331	634	128

3. One proposal says it will cut property taxes in half by increasing income taxes on those earning over \$50,000. Most New Jerseyans, including homeowners and renters, will see a net savings. For example, income taxes for residents earning over \$50,000 may go up by \$500 to \$1,000 but property taxes for everyone would get cut in half. From your own point of view, does this plan sound like a good or bad idea?

	TOTAL	REGISTERED VOTER		PARTY ID			COMMUNITY TYPE			HOMEOWNER	
		Yes	No	Dem	Ind	Rep	Urban	Stable town	Expanding suburb	Yes	No
Good idea	47%	47%	46%	53%	42%	47%	42%	51%	46%	46%	45%
Bad idea	40%	40%	38%	34%	43%	44%	40%	38%	41%	41%	39%
(VOL) Don't Know	14%	13%	16%	13%	15%	10%	18%	11%	13%	13%	16%
Unwtd N	800	670	130	262	315	196	148	312	331	634	128

4. Do you think this plan will lead to long-term savings on its own or are other measures needed to keep spending under control?

	TOTAL	REGISTERED VOTER		PARTY ID			COMMUNITY TYPE			HOMEOWNER	
		Yes	No	Dem	Ind	Rep	Urban	Stable town	Expanding suburb	Yes	No
Long term savings on own	9%	8%	14%	12%	7%	10%	14%	7%	8%	6%	15%
Spending control measures needed	76%	80%	62%	73%	79%	78%	68%	80%	78%	80%	69%
(VOL) Don't Know	15%	12%	24%	14%	14%	11%	18%	13%	14%	13%	16%
Unwtd N	800	670	130	262	315	196	148	312	331	634	128

5. Turning to school districts. In your opinion, does New Jersey have too many, too few or the right number of school districts for a state this size?

	TOTAL	REGISTERED VOTER		PARTY ID			COMMUNITY TYPE			HOMEOWNER	
		Yes	No	Dem	Ind	Rep	Urban	Stable town	Expanding suburb	Yes	No
Too many	31%	35%	17%	27%	31%	36%	22%	32%	33%	37%	16%
Too few	18%	16%	26%	17%	22%	10%	30%	13%	17%	14%	26%
Right number	34%	33%	40%	36%	32%	39%	38%	33%	34%	32%	39%
(VOL) Don't Know	17%	17%	17%	19%	15%	14%	10%	22%	16%	17%	19%
Unwtd N	800	670	130	262	315	196	148	312	331	634	128

6. One proposal would create county-wide school districts with one superintendent per county. Would you support or oppose a proposal to merge your school district with all the other school districts in your county if it cut property tax bills by 25 percent? *IF YES:* How about if it cut property taxes by 10 percent? *IF NO:* How about if it cut property taxes by 50 percent?

	TOTAL	REGISTERED VOTER		PARTY ID			COMMUNITY TYPE			HOMEOWNER	
		Yes	No	Dem	Ind	Rep	Urban	Stable town	Expanding suburb	Yes	No
By 10%	36%	38%	30%	36%	32%	44%	39%	37%	34%	36%	35%
By 25%	19%	18%	24%	21%	20%	14%	15%	17%	23%	20%	16%
By 50%	14%	13%	16%	17%	14%	11%	16%	16%	11%	12%	18%
Oppose at any level	22%	21%	22%	18%	23%	26%	17%	21%	25%	24%	20%
Not Sure	10%	10%	8%	9%	11%	5%	12%	9%	8%	8%	12%
Unwtd N	800	670	130	262	315	196	148	312	331	634	128

7. And how about merging municipal governments. Would you support or oppose a proposal to merge your town with one to three neighboring towns if it cut property tax bills by 25 percent? *IF YES:* How about if it cut property taxes by 10 percent? *IF NO:* How about if it cut property taxes by 50 percent?

	TOTAL	REGISTERED VOTER		PARTY ID			COMMUNITY TYPE			HOMEOWNER	
		Yes	No	Dem	Ind	Rep	Urban	Stable town	Expanding suburb	Yes	No
By 10%	38%	40%	32%	32%	38%	49%	31%	41%	40%	41%	27%
By 25%	22%	23%	19%	30%	21%	15%	27%	24%	19%	22%	26%
By 50%	12%	11%	18%	15%	10%	12%	13%	9%	15%	11%	18%
Oppose at any level	18%	17%	20%	14%	22%	18%	16%	18%	18%	18%	17%
Not Sure	9%	9%	11%	9%	10%	7%	13%	8%	8%	8%	11%
Unwtd N	800	670	130	262	315	196	148	312	331	634	128

8. Another proposal would provide incentives for municipal governments to merge with one another. Do you think a state incentive program to encourage town mergers would be effective or not?

	TOTAL	REGISTERED VOTER		PARTY ID			COMMUNITY TYPE			HOMEOWNER	
		Yes	No	Dem	Ind	Rep	Urban	Stable town	Expanding suburb	Yes	No
Would be effective	39%	40%	37%	41%	37%	43%	44%	42%	35%	37%	44%
Would not be effective	43%	43%	44%	39%	47%	44%	41%	40%	48%	46%	41%
(VOL) Don't Know	17%	17%	19%	20%	16%	13%	15%	18%	16%	17%	15%
Unwtd N	800	670	130	262	315	196	148	312	331	634	128

9. Another proposal would create an independent commission of people knowledgeable in local government. This commission would come up with a list of towns to be merged. The state legislature would then have to make a straight up or down vote on the entire list. Individual politicians could not change the list. Would you support or oppose this proposal?

	TOTAL	REGISTERED VOTER		PARTY ID			COMMUNITY TYPE			HOMEOWNER	
		Yes	No	Dem	Ind	Rep	Urban	Stable town	Expanding suburb	Yes	No
Support	45%	44%	47%	42%	48%	45%	46%	45%	44%	44%	40%
Oppose	41%	40%	47%	41%	41%	44%	40%	39%	44%	41%	47%
(VOL) Don't Know	14%	16%	7%	17%	11%	11%	14%	16%	12%	15%	12%
Unwtd N	800	670	130	262	315	196	148	312	331	634	128

10. Would you support or oppose this merger proposal if the commission's list were put on the ballot for the public to vote on?

	TOTAL	REGISTERED VOTER		PARTY ID			COMMUNITY TYPE			HOMEOWNER	
		Yes	No	Dem	Ind	Rep	Urban	Stable town	Expanding suburb	Yes	No
Support	69%	69%	69%	72%	69%	67%	66%	74%	67%	68%	72%
Oppose	22%	21%	26%	20%	22%	28%	25%	16%	26%	23%	21%
(VOL) Don't Know	9%	10%	4%	8%	10%	5%	8%	10%	7%	9%	7%
Unwtd N	800	670	130	262	315	196	148	312	331	634	128

11. Some people have said that any municipal or school district mergers would have to be in place for years before taxpayers saw any real savings. Would you support or oppose such mergers if it took at least five years before you saw any significant tax savings?

	TOTAL	REGISTERED VOTER		PARTY ID			COMMUNITY TYPE			HOMEOWNER	
		Yes	No	Dem	Ind	Rep	Urban	Stable town	Expanding suburb	Yes	No
Support	49%	51%	42%	48%	48%	55%	38%	55%	51%	49%	48%
Oppose	44%	42%	54%	44%	46%	41%	56%	37%	44%	44%	45%
(VOL) Don't Know	7%	7%	5%	7%	7%	3%	6%	8%	6%	7%	7%
Unwtd N	682	566	116	225	268	169	127	270	279	539	110

12. As another way to lower taxes, some have proposed leasing New Jersey's toll roads for private operation and selling the naming rights to state properties such as parks and train stations. Does this sound like a good or bad idea to you?

	TOTAL	REGISTERED VOTER		PARTY ID			COMMUNITY TYPE			HOMEOWNER	
		Yes	No	Dem	Ind	Rep	Urban	Stable town	Expanding suburb	Yes	No
Good idea	32%	30%	36%	29%	29%	40%	40%	30%	29%	31%	34%
Bad idea	55%	56%	53%	59%	59%	47%	49%	58%	56%	55%	57%
(VOL) Don't Know	13%	14%	10%	12%	12%	14%	11%	12%	15%	15%	9%
Unwtd N	800	670	130	262	315	196	148	312	331	634	128

13. Would you support or oppose holding a constitutional convention to deal with property taxes if the current legislature does not pass significant reforms?

	TOTAL	REGISTERED VOTER		PARTY ID			COMMUNITY TYPE			HOMEOWNER	
		Yes	No	Dem	Ind	Rep	Urban	Stable town	Expanding suburb	Yes	No
Support	66%	66%	65%	66%	64%	76%	61%	70%	66%	68%	59%
Oppose	23%	23%	22%	26%	24%	16%	24%	20%	24%	21%	27%
(VOL) Don't Know	12%	11%	12%	9%	13%	8%	15%	10%	10%	11%	13%
Unwtd N	800	670	130	262	315	196	148	312	331	634	128

14. Some people say that a constitutional convention to reform property taxes needs to address government spending, such as school aid formulas, in order to achieve real reform. Others say that a constitutional convention should only focus on taxes or it will be difficult for the delegates to come to agreement. Which do you support more – a constitutional convention that includes both taxes and spending or one that focuses only on taxes, or does it make no difference to you?

	TOTAL	REGISTERED VOTER		PARTY ID			COMMUNITY TYPE			HOMEOWNER	
		Yes	No	Dem	Ind	Rep	Urban	Stable town	Expanding suburb	Yes	No
Includes both taxes and spending	51%	52%	47%	50%	55%	46%	48%	54%	51%	54%	45%
Focuses only on taxes	13%	13%	12%	13%	12%	15%	15%	11%	13%	13%	13%
No difference	30%	28%	35%	32%	27%	32%	33%	30%	28%	25%	39%
(VOL) Oppose both ideas	2%	2%	0%	2%	3%	1%	1%	2%	2%	2%	1%
(VOL) Don't Know	5%	4%	5%	3%	3%	6%	2%	4%	5%	5%	2%
<i>Unwtd N</i>	800	670	130	262	315	196	148	312	331	634	128

TREND:	October 2006	April 2006
Includes both taxes and spending	51%	42%
Focuses only on taxes	13%	20%
No difference	30%	31%
(VOL) Other/Don't Know	7%	6%
<i>Unwtd N</i>	800	803

Results for this *Monmouth University/Gannett NJ Poll* are based on telephone interviews conducted by the Monmouth University Polling Institute on October 16-19, 2006 with a statewide random sample of 800 adult residents. For results based on the total sample, one can say with 95% confidence that the error attributable to sampling has a maximum margin of plus or minus 3.5 percentage points. Sampling error increases as the sample size decreases, so statements based on various population subgroups, such as separate figures reported by gender or party identification, are subject to more error than are statements based on the total sample. In addition to sampling error, one should bear in mind that question wording and practical difficulties in conducting surveys can introduce error or bias into the findings of opinion polls.

It is the Monmouth University Polling Institute's policy to conduct surveys of all adult New Jersey residents, including voters and non-voters, on issues which affect the state. Specific voter surveys are conducted when appropriate during election cycles.

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