

REVISED DRAFT RESOLUTION IN SUPPORT OF PHASED-IN FUNDING RESTORATION

WHEREAS, taxes on gas and electric utilities were originally collected by the host municipalities, and when the State made itself the collection agent for these taxes, it promised to dedicate the proceeds to municipal property tax relief; and

WHEREAS, just as municipalities collect property taxes for the benefit of school districts, counties and other entities; the State is supposed to collect Energy Taxes for the benefit of municipal governments; and

WHEREAS, for years, though, State budget makers have diverted funding from Energy Taxes to fund State programs; and

WHEREAS, the cumulative impact of years of underfunding has left many municipalities with serious needs and burdensome property taxes; and

WHEREAS, municipalities lost \$331 million in combined Energy Tax and Consolidated Municipal Property Tax Relief Aid (CMPTRA) funding in Fiscal Years 2009, 2010, and 2011, while also being denied scheduled incremental funding; and

WHEREAS, as a result of these cuts, in a number of municipalities property taxes are higher now, despite the fact that they are spending less, proving that the State's diversion of tax relief funding has overwhelmed local efforts to reduce property taxes; and

WHEREAS, S-1900, sponsored by Senators Paul Sarlo and Linda Greenstein, and A-2921, sponsored by Assemblyman Troy Singleton, would phase-in, over five years, the restoration of \$331 million in municipal property tax relief funding, and ensure that each municipality will be restored to the 2007 (SFY 2008) ETR/CMPTRA level.; and

WHEREAS, the sponsors recognize that the loss of those revenues has led to increased property taxes and has hampered local efforts to meet local needs; and

WHEREAS, the sponsors agree that the time has come to begin to restore to local budgets the millions that were cut to meet State needs in FY 2009, 2010 and 2011; and

WHEREAS, the restoration of \$66.2 million this year is a great first step, which should be easily manageable in a budget that is slated to grow to \$32.15 Billion in the coming year; and the restoration of \$331 million, in 20% increments, over five years will make a big difference in municipalities all around New Jersey; and

WHEREAS, the bill would apply the protection of the 'poison pill' to the SFY 2012 distribution of CMPTRA funding, which will prevent further shifts of CMPTRA funding;

and which will help to further restrain the appetites of future State policy makers for these municipal property tax relief resources; now therefore be it

RESOLVED, that the (governing body of name of municipality) salutes the sponsors for listening to the Mayors in their districts and all around New Jersey and for advancing this legislation; and be it further

RESOLVED, that we enthusiastically support S-1900/A-2921, together with any refinements that may be needed to account for any recent changes in the statutes governing local budgets in order to provide municipalities with appropriate budgetary flexibility; and be it finally

RESOLVED, that certified copies of this Resolution be forwarded to Governor Chris Christie, Lieutenant Governor Kim Guadagno, Department of Community Affairs Acting Commissioner Richard Constable, our State Senator \_\_\_\_\_, our Assembly(women) \_\_\_\_\_ and \_\_\_\_\_, and to the New Jersey League of Municipalities.