

SAMPLE

RESOLUTION CALLING FOR THE RESTORATION OF ENERGY TAXES TO MUNICIPALITIES

**WHEREAS**, taxes on gas and electric utilities were originally collected by the host municipalities to be used for local purposes and to compensate the public for the use of their rights of way; and

**WHEREAS**, when the State made itself the collection agent for these taxes, it promised to dedicate the proceeds to municipal property tax relief; since, 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 instead of being spent on local programs and services and used to offset property taxes, the money has been spent as successive Legislatures and Administrations have seen fit; and

**WHEREAS**, while the State may need to have the right to over-ride the statutory dedication of these revenues to local governments, in order to deal with emergencies and crises that may occur; current State policy makers should not exercise that right automatically; and

**WHEREAS**, while that right should be the exception, it has become the rule; and

**WHEREAS**, by using tactics such as reducing CMPTRA, which is also comprised of revenues that should be returned to municipalities, State Budget makers have been able to continue collecting Energy Taxes, while keeping additional revenue that should have been returned to provide property tax relief; and

**WHEREAS**, from \$72 million in State Fiscal Year 2005, to \$505 million in State Fiscal Year 2011, the State's diversion of Energy Taxes has continued to grow; and

**WHEREAS**, in 2008, 2009 and 2010 (SFY 2009, 2010 and 2011), funding for municipal revenue replacement was slashed by about \$26 million in 2008 and \$32 million in 2009, followed by losses of about \$271 million in 2010; and

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

**WHEREAS**, local elected officials are in the best position to decide the best use for these resources, which were always intended to fund local programs and services;

**NOW THEFORE BE IT RESOLVED**, by the Mayor and Governing Body of \_\_\_\_\_, that we join with the League of Municipalities in calling for the immediate restoration of funding diverted from Energy Taxes intended for local use; and

**BE IT FURTHER**

**RESOLVED**, that we, respectfully, call on State policy makers to end the diversion of our municipal resources to cover State spending and to provide us with this important tool to relieve the worst-in-the-nation property tax burden borne, for too long, by the people of New Jersey; and

**BE IT FINALLY**

**RESOLVED**, that copies of this Resolution be forwarded to the Governor of the State of New Jersey, our State Legislators and the League of Municipalities.