

Resolution Urging the Swift Passage of S-2762/A-4084

WHEREAS, Senator Buono and Assemblyman Coutinho have introduced S-2762 and A-4084, respectively, which permits a municipality to pay commercial and industrial property tax refunds for tax year 2010 and 2011 over subsequent three local budget years; and

WHEREAS, municipalities do rely and encourage business development in their community for economic growth; and

WHEREAS, unlike a residential tax appeals, commercial and industrial property owners must submit an income statement when filing their appeal as net income generated by property has a direct bearing on the ability to market the property and therefore it is value; and

WHEREAS, successful tax appeals shifts the burden of the appeal to the rest of the taxpayers within the community; and

WHEREAS, S-2762 and A-4084 will provide municipalities with a temporary tool to assist in planning and controlling their financial budgets during this influx of appeals; and

WHEREAS, the governing body of (*insert name of municipality*) supports the need for the legislation to address property tax refunds for commercial and industrial properties and firmly believes that by allowing phased refunds on successful commercial and industrial property appeals, these bills will provide substantial relief for many residential taxpayers; and

WHEREAS, the League of Municipalities recently conducted a survey that measured the extent to which property owners filed and won tax appeals in 2010, in which 150 municipalities, representing a cross section of the state, participated; and

WHEREAS, those participating in the survey reported property value declines of more than \$87,900,000, which resulted from 19,788 tax appeals filed in 2010; and

WHEREAS, those responding to the survey indicated that 13,760 appeals were filed in 2009, compared to 19,788 in 2010, representing an increase of 43.7%; and

WHEREAS, while a municipality will often experience an increase in tax appeals because they have conducted a revaluation, only 5 of the 150 municipalities, which participated in our survey, indicated that their 2010 appeals resulted from revaluations compared to the 23 of the participating municipalities conducted revaluations in 2009, when fewer tax appeals were presented to the County Tax Boards; and

WHEREAS, the 2010 spike in appeals should be attributed to the economic down-turn, which lowered property values and placed increased stress on the income of property owners, all around our Garden State; and

WHEREAS, although the survey was a snapshot picture in time, it can be used to project what might follow in 2011 and beyond, since the reductions, which were granted by the County Tax Boards will have a multiplier effect; and

WHEREAS, while New Jersey and this nation struggle to recover from one of the worst economic crisis since the Great Depression, municipalities must be given the tools to prevent increasing property taxes on already strained tax payers; and

WHEREAS, successful tax appeals impact fund balances and place additional pressures on the local budget;

NOW, THEREFORE, BE IT RESOLVED, by the governing body of the (*insert name of municipality*) urge for the swift passage of S-2762 and A-4084 to provide municipalities with an additional tool to prevent increasing property taxes on already strained taxpayers; and

BE IT FURTHER RESOLVED, that copies of this Resolution be forwarded to New Jersey Governor Christopher Christie, to Senate President Stephen Sweeney, to Assembly Speaker Sheila Oliver, to our State Senator, to our two Representatives in the General Assembly, and to the New Jersey League of Municipalities.

DISTRIBUTION LIST

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