New Jersey State League of Municipalities Conference Resolution No. 2018-02

Resolution Calling for a Renewed State Commitment to Making Municipal Property Tax Relief a Priority

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, the 2019 State Budget includes a diversion of dedicated energy tax receipts to the State's General Fund, replacing the loss with unreliable funding from the State's Income Taxes, an action that further jeopardizes this critical property tax relief funding in future years; 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 policymakers 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, 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 of these resources, which were always intended to fund local programs and services.

NOW, THEREFORE, BE IT RESOLVED, that the League of Municipalities, in conference assembled, calls for the immediate restoration of funding diverted from Energy Taxes intended for local use and that State budget makers do not repeat the action taken in the State Budget for Fiscal 2019 and rightfully restore to municipalities dedicated energy tax receipts, as directed by statute; and

BE IT FURTHER RESOLVED, that the League calls on State policy makers to end the diversion of our municipal resources to cover State spending and to provide municipalities 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 FURTHER RESOLVED, that a copy of this Resolution is forwarded to the members of the New Jersey General Assembly, the New Jersey State Senate, the State Treasurer, the Commissioner of the Department of Community Affairs/Lieutenant Governor, and the Governor of the State of New Jersey.

Sponsor:

The Hon. Janice Mironov,
Mayor, East Windsor
Past President, NJLM

Co-Sponsor

The Hon. Gayle Brill Mittler
Mayor, Highland Park Borough