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**Lashway, Lisa**

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**From:** Lashway, Lisa  
**Sent:** Saturday, February 18, 2012 9:39 AM  
**To:** Greenbaum, Rob; Canning, Sean  
**Cc:** Maniscalco, Sherry; Barsanti, Rose  
**Subject:** Correspondence - FW: Property Tax

Please see information below.

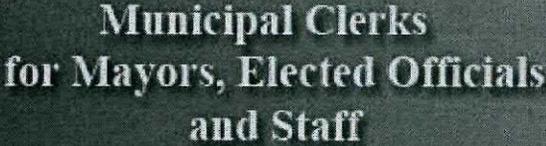
Michelle Masser  
Deputy Clerk

Township of Mount Olive  
P.O. Box 450  
Budd Lake, NJ 07828  
973-691-0900 Ext. 7290

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**From:** NJLM to Municipal Officials [mailto:njlm-clerks@cityconnections.com]  
**Sent:** Friday, February 17, 2012 4:32 PM  
**To:** Lashway, Lisa  
**Subject:** Property Tax

To view an online version of this email, click [here](#).



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February 17, 2012

RE: State Budget Proposal Coming Next Week  
Property Tax Relief News Awaited

Dear Mayor:

Next week in Trenton, Governor Christie will present his State budget proposal to the Legislature. Soon thereafter, the Senate and Assembly Budget Committees will schedule a series of public hearings. League President, Mayor Art Ondish will present testimony on behalf of all local officials. That testimony will focus on the number one property tax relief issue in our State. On behalf of Mayors all around New Jersey, but more importantly, on behalf of the property taxpaying citizens of our State, we have asked Governor Christie and State Legislators to end local taxpayer subsidies of the State budget and to provide full funding for vital municipal revenue replacement programs.

You know that municipalities collect taxes for school districts, counties and other public entities. And even though collection rates never reach 100%, the municipality, through its budget, provides those entities with every dollar they require. Similarly, the State collects revenues for municipalities.

New Jersey's two main formula-driven general municipal property tax relief programs are the Energy Tax Receipts Property Tax Relief program (Energy Tax) and the Consolidated Municipal Property Tax Relief Act program (CMPTRA). Though often referred to as "State Aid" programs, both are actually revenue replacement programs, intended to replace property tax relief funding that was, formerly, generated through taxes assessed and collected, specifically, to fund municipal programs and services.

Chapter 168, P.L. 1999, provided that in each year subsequent to State FY 2002, Energy Tax and CMPTRA distributions would annually increase at the rate of the Implicit Price Deflator – used to measure the impact of inflation on governmental spending. According to a decision rendered by our State Supreme Court in the 1980s, however, the State can supersede permanent statutes simply by including a provision, to that effect, in the Annual Appropriations Act. For the past ten years, that is exactly what has happened.

If the State had complied with those statutory funding requirements, the \$1,590,292,000 which municipalities shared in 2001 would have grown to \$2,182,502,000 in 2011. Instead, only \$1,293,794,000 was distributed. In last year alone, therefore, the State budget was balanced by \$888,708,000 that should be returned to municipalities for property tax relief. And the total amount diverted from property tax relief in order to cover State spending over the past 10 years is a staggering \$3.4 billion.

League First Vice-President, Mayor Janice Mironov brought this issue to the fore at the League's 2010 Conference. Her advocacy led to the formation of a special committee, which she chairs. She

has met with Christie Administration budget advisors and with key Legislators to explain the problem. Along with Vice-Chairman, Hamilton Township Mayor John Bencivengo, she has met with the Editorial Board of the Times of Trenton.

([http://www.nj.com/mercer/index.ssf/2012/02/east\\_windsor\\_and\\_hamilton\\_mayo.html#incart\\_mrt](http://www.nj.com/mercer/index.ssf/2012/02/east_windsor_and_hamilton_mayo.html#incart_mrt))

These courageous leaders will continue advance our arguments for full statutory funding.

On their behalf, and on behalf of your property taxpayers, we urge you to add your voices to this cause.

I

f you agree that State compliance with the laws regarding Energy Tax and CMPTRA funding is important to you and your taxpayers:

- Please visit our “Energy Tax Restoration Resource Center” page on our website. (<http://www.njslom.org/energy-tax-resource-center.html>) It includes facts and information on the history of these crucial property tax relief programs. It includes a calculator that will help you to quantify the impact of State skims on your local property taxpayers. And it includes articles on this matter written by Mayor Mironov and others.
- Please contact Governor Christie and your Legislators – in both the State Senate and the Assembly – and urge them to dedicate property tax relief funding to property tax relief.
- Please join with a Mayor in a neighboring municipality to ask to meet with the Editorial Board of your local newspaper.

We commend Governor Christie and Legislative Leaders in both Houses and both Political Parties for their courageous leadership in bringing discipline to State spending and in advancing common sense solutions to local cost drivers. It will take the same courage and discipline to wean the State off of these local revenues.

If you have any questions, if you need more information or if you need any other assistance in order to advance this effort, please contact Jon Moran at 609-695-3481, ext. 121 or [jmoran@njslom.com](mailto:jmoran@njslom.com).

The diversion of local resources to cover State spending needs to end. We need to call on State policy-makers to honor the letter and spirit of Chapter 168, P.L. 1999. We ask it not for own benefit, but in order to relieve the worst-in-the-nation property tax burden born, for too long, by the people of New Jersey.

We thank you for your consideration of these concerns.

Very truly yours,

William G. Dressel, Jr.  
Executive Director

\*If you would like to be removed from receiving faxed advisories please contact Shirley Cade at [scade@njslom.com](mailto:scade@njslom.com) or 609-695-3481 ext. 114 with the name of your municipality and fax number.  
Thank you.

New Jersey League of Municipalities  
222 West State Street, Trenton, NJ 08608  
609-695-3481

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