

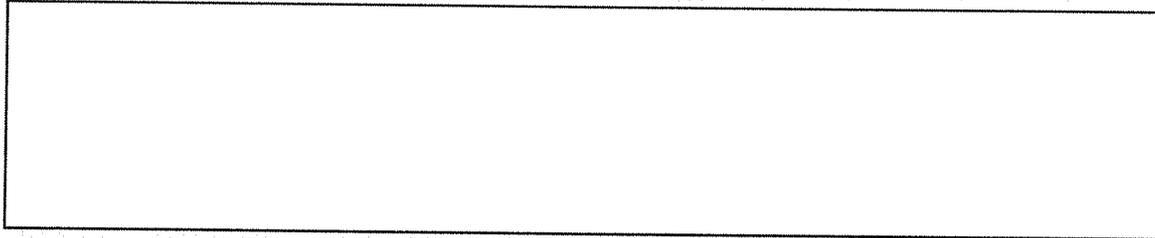
(C)

Masser, Michelle

From: Lashway, Lisa
Sent: Tuesday, March 26, 2013 4:26 PM
To: Canning, Sean; Masser, Michelle
Subject: FW: USE LEAGUE RESOURCE TO CALCULATE STATE SKIM IMPACT ON YOUR PROPERTY TAXPAYERS

Lisa Lashway
Mt. Olive Twp. Clerk
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Budd Lake, NJ 07828

From: NJLM to Municipal Officials [mailto:njlm-clerks@njslom.org]
Sent: Tuesday, March 26, 2013 2:12 PM
To: Lashway, Lisa
Subject: USE LEAGUE RESOURCE TO CALCULATE STATE SKIM IMPACT ON YOUR PROPERTY TAXPAYERS



Mayors Advisory

March 26, 2013

**Re: USE LEAGUE RESOURCE TO CALCULATE STATE SKIM IMPACT ON YOUR
PROPERTY TAXPAYERS**

Dear Mayor:

You know that 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 most of the past twelve years, that is exactly what has happened.

Recognizing the State's continuing failure to honor its commitment to municipal property tax relief, Wharton Borough Administrator and CFO Jon Rheinhardt has updated a spreadsheet, which he developed in 2011. It can be used to calculate your municipality's annual and 12-year aggregate Energy Tax/CMPTRA losses. Based on that, you can determine what your taxpayers should have received in prior years, and would be receiving this year, if the State complied with the aggregate funding requirements every year, and if it distributed to your municipality the same proportion of the total that your taxpayers originally received in 2001. If you have access to the excel program, you can open that spreadsheet at www.njslom.org/documents/ETR-Impact-Calculation.xls.

Just ask your CFO to enter your municipality's actual annual receipts, in column c, and the program will complete the calculations and show your annual and 12-year losses.

You can use this resource to show your local property taxpayers the amount of relief that they have been denied, by the State, from these sources. You can, also, share this information with your State Legislators and with the local press.

Very truly yours,

Janice S. Mironov
President, New Jersey State League of Municipalities

Mayor, East Windsor Township

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

Please be advised that the information you receive is not legal advice. You must consult your town attorney to make sure that any of the material you receive is in accordance with current state law and your particular facts and situation.

Please be advised that the New Jersey State League of Municipalities is subject to the New Jersey Open Public Records Act. As such, any email sent or received by the League may be subject to a records request.

New Jersey League of Municipalities
222 West State Street, Trenton, NJ 08608
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