Lashway, Lisa

From: NJLM to Municipal Officials [njlm-clerks@cityconnections.com]
Sent: Monday, March 05, 2012 3:49 PM
To: Lashway, Lisa
Subject: Assembly Budget Committee to Consider Restoration of Municipal Property Tax Relief Funding

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NJLM
New Jersey State League of Municipalities

Municipal Clerks for Mayors, Elected Officials and Staff

March 5, 2012

Re: Assembly Budget Committee to Consider Restoration of Municipal Property Tax Relief Funding

Dear Mayor:

As reported in our March 2 letter (http://www.njslom.org/letters/2012-0302-property-tax.html), the Assembly Budget Committee met in Trenton today to discuss the distribution of revenue replacement funding to municipalities, pursuant to the Energy Tax Receipts Property Tax Relief Act.

We thank Committee Chairman Assemblyman Vincent Prieto for focusing the Budget Committee on our most important property tax relief priority for 2012. Personal testimony was presented by Mayors Antonia Ricigliano of Edison, Michael Gonnelli of Secaucus and John Bencivengo of Hamilton Township in Mercer. Mayor Bencivengo serves as Vice-Chair of our Statutory Funding Compliance Committee. Mayor Ricigliano also serves on

our Committee.

League staff provided the committee with some background on the history of the State use of these municipal revenues to balance its budget.

The Committee members who spoke at the hearing, from both sides of the aisle, seemed to recognize that the time has come to end local taxpayer subsidies of the State budget. If that consensus develops, the debate, going forward, will be about the highest and best use of the funding – whether it should be distributed back to local government to provide full funding for vital municipal revenue replacement programs, or sent back to taxpayers in the form of rebates.

The cumulative impact of years of underfunding has left many municipalities with unmet needs. Whether they be related to deferred investments in local infrastructure, the loss of public safety personnel, dangerously low fund balances, or any other local need, local elected officials are in the best position to decide. Further, these monies were always intended to fund local programs and services.

Rebates or credits to residential taxpayers will not fix one road or bridge. They will not put another officer on the street or another fireman on duty. They will not promote modernization of our environmental infrastructure. They will provide no benefit to our local business owners. And they will not promote prudent budgeting, by locally elected and locally accountable municipal officials.

We will need to remind State Legislators that keeping the money in the State Budget doesn't save one taxpayer one dime. It only changes the level of government that spends the money. And it also changes the purpose for which the money is spent.

Instead of being spent on local programs and services and used to offset property taxes, the money has for the past ten years, and for many years before that, been spent as successive Legislatures and Administrations have seen fit.

We don't doubt that it was put to good use and spent on good programs. But they are not the uses intended in the original laws.

For starters, we will ask the Legislature to restore funding to the 2009 funding level (SFY 2010). That would bring every municipality back to where they were before the $271 million cuts.

The revenues are coming in. The taxpayers are paying the taxes. The diversion hasn't saved them a penny.

The time has come, we believe, to begin to put those revenues to the use for which they have always been intended.

PLEASE URGE YOUR STATE LEGISLATORS TO END THE STATE SKIM OF VITAL ENERGY TAX AND CMPTRA PROPERTY TAX RELIEF AID FUNDING. FOR THIS STATE BUDGET YEAR, URGE THEM TO RESTORE THE $271 MILLION TAKEN TO BALANCE THE STATE'S TROUBLED BUDGET IN 2010 (SFY 2011).

If you have any questions, contact Jon Moran at 609-695-3481, ext. 121 or jmoran@njslom.com.

Very truly yours,

William G. Dressel, Jr.
Executive Director

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New Jersey League of Municipalities
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