

Resolution of the Township Council of the Township of Mount Olive Urging the new Jersey Legislature to Support the Municipal Revenue Restoration Act of 2008

WHEREAS, all New Jersey businesses pay local taxes on their real property, the New Jersey personal property tax is paid by a handful of petroleum refineries and only three local exchange telecommunications companies – *Verizon, Embarq and Warwick Valley* – that provide 51% or more of the telephone/voice service in a particular community; and

WHEREAS, due to increased competition and strained market conditions, the cost of communications property has steadily declined over the years and is no longer a stable tax base that New Jersey municipalities can depend on; and

WHEREAS, fewer providers are meeting the 51% threshold, causing municipal revenues collectively to experience and aggregate loss of \$440 million since 1997; and

WHEREAS, estimates project at least 50 New Jersey municipalities will lose their personal property tax funding by 2009, a number that could grow to 150 within the next year; and

WHEREAS, the Municipal Revenue Restoration Act proposes to replace the current funding system with an expanding sales tax, already applicable to telecommunications services and digital goods sold by communications companies, by simply including video services; and

WHEREAS, this approach would ensure that all video service providers within a market that offer the same “product” are taxed at the same rate; and

WHEREAS, the proposal would reverse the declining municipal tax revenue trend by replacing current laws with an equitable and stable funding system tied to the growing use of video services in our state, and

WHEREAS, municipalities and their residents have a significant special interest in preserving a steady and stable funding source;

NOW, THEREFORE, BE IT RESOLVED that the New Jersey League of Municipalities urges the New Jersey Legislature, in the strongest possible manner, to support and enact the Municipal Revenue Restoration Act of 2008; and

BE IT FURTHER RESOLVED that a copy of this resolution shall be certified and forwarded to Governor Jon S. Corzine, Senate President Richard Codey, House Speaker Joseph Roberts, Senate Majority Leader Shirley Turner, House Majority Leader Bonnie Watson Coleman, Senate Minority Leader Tom Kean, House Minority Leader Alex Decroce and members of the Legislature’s Senate Budget and Appropriations Committee.

Russell Tepper
Council President

I, HEREBY CERTIFY the foregoing to be a true copy of a resolution adopted by the Mount Olive Township Council at a duly convened meeting held on February 17, 2009.

Lisa M. Lashway
Township Clerk