

Restore revenue to towns

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As payers of some of the highest property taxes in the country, there's a phrase that never fails to perk up the ears of Garden State residents — property tax relief.

But there is a way to ease the burden — something many property owners may not be aware of — energy-tax receipts revenue.

Until the 1940s, utility companies made payments directly to municipalities in exchange for hosting the utility's pumping stations or transmission lines. Energy tax receipts compensated towns for providing fire and police protection for these nontaxable utility structures and offered property tax relief to its residents.

Sounds simple enough, right?

But it's more complicated now. Much more. This is New Jersey, after all.

The state eventually took over the collection of energy tax receipts, and in the 1980s, it began keeping some of the revenue for its own budget before redistributing the money back to towns, a practice that was codified into law in 1997.

Bass River's Deborah Buzby-Cope and Burlington Township's Brian Carlin are among member mayors working with the New Jersey League of Municipalities to educate the public and work with the Legislature and administration to put more of that money back into local hands.

We believe it's an issue of fairness. The money belongs to the towns.

The state takes an administrative fee. That's not unreasonable. But New Jersey is keeping a larger and larger share of this revenue for its own general fund. And in the last few years, the state has increased its take. It kept \$505 million of towns' energy-tax receipts revenue in 2011, about 50 percent of the total.

This will soon put municipalities, such as Burlington Township and Bass River, which are already sharing services and cutting costs after reduced or flat state aid awards, in a difficult spot: Raise taxes or start eliminating basic services.

A 1999 statute created a formula that tied these energy tax payments to municipalities to an inflation index. But the state can ignore this law by stipulating that it is doing so in the annual budget. When the budget is voted into law, it supercedes the statute.

We get it. To an extent, it's nothing more than a shell game. New Jersey isn't exactly rolling in dough. Returning a larger share of these energy tax receipts to municipalities will mean the state has to come up with other sources of revenue or cut programs.

But allowing the state to serve as middleman has cost property taxpayers about \$3.4 billion over 10 years, according to Jon Moran, a senior legislative analyst for the League of Municipalities.

While it seems ridiculously complicated, what it really comes down to is: At what level of government do we want this money spent? We believe the revenue should go to those better suited to determining its use — the municipalities, where it might actually result in real property tax relief for weary residents.