

Testimony of William J. Corboy, Mayor
West Amwell Township, Hunterdon
County, N.J.
Senate Budget and Appropriations Committee
March 20, 2008

The Governor's proposed budget eliminates \$1,127,996.00 of aid to our municipality.

This money constitutes three quarters of our municipal budget.

The loss of this money for municipal aid purposes will increase our municipal tax rate by more than 113%.

The aid received by my town (\$1,127,996) is comprised of CMPTRA which includes a franchise tax reimbursement for the loss of same when in 1989 AT&T was deregulated and West Amwell was held "harmless" for the loss of the franchise tax. The franchise tax reimbursement to West Amwell Township is \$972,000.00. Telecommunications companies were then made subject to State Corporation Tax, Business Personal Property Tax and State Sales Tax which garnered the State \$37,000,000 in 1990. Also included in the our CMPTRA Assistance is Municipal Efficiency Performance Program (\$9,849), Municipal Homeland Security Assistance (\$25,000) and Municipal Property Tax Assistance (\$27,152).

-over-

The franchise tax reimbursement to the Township of West Amwell is clearly delineated in our budgets from 1991-1994. Then, in 1995, the State opted to bundle these monies with CMPTRA, resulting in the franchise tax losing its unique identity. The State now wants to take a further step by making it disappear in 2008. I believe that the monies received by the State, from AT&T and other public utilities, should continue to fund franchise tax reimbursement as we still house the facilities and equipment upon which the reimbursement was predicated. This was clearly stated in P.L. 1989, Ch. 2., and by law this franchise tax loss reimbursement clearly belongs to West Amwell. It is also my understanding that other town's franchise tax reimbursements were never bundled in CMPTRA in 1995 and thus are not threatened by the Governor's budget proposal

We are a community of less than 3,000 people in a rural setting. Our municipality of 21 square miles surrounds Lambertville. We operate a mutually housed court with another municipality and are studying unifying our police and public works work force. We share a tax collector, an assessor, and a financial officer with other municipalities. In the Governor's words, our "urge to merge" to be more efficient is being satisfied, but we have no urge to lose our identity. I would hope that our efforts would be favorably recognized rather than summarily punished.

We have attempted to preserve our farms and open space with more than thirty percent of our town now so utilized. We believed that was the intent of the legislation that promotes the theme of open space and farmland preservation and that it still is the desire of the State in this preservation process to "prevent urban sprawl". However, since we are now reduced to a second or third tier town, equal protection and fairness as demonstrated by halving or eliminating our municipal assistance in an arbitrary

manner would say we have done it wrong. We believe we have done it right! To gain equal treatment, apparently we must now increase our population by threefold which will necessitate that we fill the open space and farms fields with homes. Well, we all know that this will not happen, nor would we want it too, having spent the time to follow an open space agricultural theme which was promoted by State policy.

Please excuse me if I'm confused with regard to the message being sent from Trenton. We have been directed by State agencies to preserve, encourage and retain agriculture in our Township, yet we are being denied aid because we are a small farming, rural, non urban sprawl community.

I thank you for your time and consideration of our dilemma.