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Media Advisory

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League President Testifies on Governor’s Budget Proposal

League of Municipalities President and East Rutherford Mayor James L. Cassella spoke to the Senate Budget and Appropriations Committee on behalf of all local elected officials in our State. His testimony concerned Governor Murphy’s proposed budget for the State’s next Fiscal Year.

Mayor Cassella noted the proposal’s request for level Energy Tax and Consolidated Municipal Property Tax Relief Aid (CMPTRA) funding. “That’s better than a cut,” stated the League President. “But we had hoped to see some indication that these dedicated municipal property tax relief funding sources will begin to be restored to their previous levels. Unless the Legislature adjusts the proposal, this will be the eighth straight year of level funding. And in the three preceding years, as the State struggled to balance its budget during the great recession, the level was lowered by about \$320 million.”

Mayor Cassella then alerted the Legislators to a concern about the future of municipal property tax relief payments.

The budget plan jeopardizes, “...the most significant and reliable source of municipal revenues, other than the property tax, in futures state budgets. ...these energy tax receipts were established to restore monies from sources that were originally assessed and collected by municipalities. These are, by and large, revenue replacement funds, meant to protect our property taxpayers. Thus, we will strongly oppose any proposal that changes the Energy Tax Receipts Property Tax Relief Fund from a dedicated source of local revenues, which the state can only reduce at some risk to its own revenues, to another discretionary aid program, which the state can cut, in future years, to meet some other priority.”

Cautioning against an over-reliance on shared services as the final solution to New Jersey’s property tax crisis, Mayor Cassella offered the League’s assistance on any serious effort to remove unnecessary obstacles and state-imposed requirements to implement cost savings.

The full text of Mayor Cassella’s testimony can be found at <https://nj-njslom.civicplus.com/DocumentCenter/View/6485>

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