

**LAFAYETTE TOWNSHIP  
SUSSEX COUNTY, NEW JERSEY**

RESOLUTION 2010-11

RESOLUTION URGING THE ELIMINATION OF THE  
FOUR (4%) PERCENT CAP ON LOCAL TAX LEVY

WHEREAS, as a result of the 2006 Legislature's Special Session on Property Tax, P.L. 2007, c. 62 implemented the Joint Committee's recommendations of establishing homestead credits to reduce property taxes, imposing a four (4%) percent cap on local tax levies and permits the Local Finance Board to define capital and non-bondable current expenses; and

WHEREAS, in the preamble of the law it states that the "...Joint Committee found that property tax levy caps have been shown to hold down rising property taxes, and therefore, the Legislature should develop a property tax levy cap that accomplishes this goal but does not lead to unintended, adverse consequences"; and

WHEREAS, in the face of its own budget problems, the state eliminated the availability of the homestead relief to all but seniors and the disabled, yet failed to adjust the levy cap, which continues to cause problems in local budgeting; and

WHEREAS, the four (4%) percent cap on local tax levies was touted as crucial to controlling government spending and would force governments to "live within their means and encourage public officials to elevate the public interest" has adversely impacted not only municipal budgets but the ability of local officials to make sound decisions that meet the needs of their town and the demands of the taxpayers; and

WHEREAS, the four (4%) percent tax levy cap has proven to be counterproductive to sound fiscal policies forcing municipalities to draw down fund balances and reserves during good economic times and increase taxes during bad economic times; and

WHEREAS, the tax levy cap has forced municipalities to postpone infrastructure maintenance, eliminate programs and services for the needy and defer statutory expenses; and

WHEREAS, the four (4%) percent cap does not take into consideration expenses outside the control of local officials such as tax appeals, utility and other energy costs, state mandates, library appropriations or arbitrator's decisions; and

WHEREAS, prior to the levy cap municipalities could reduce their debt, realize savings and use that savings to implement new programs without increasing taxes; with the levy cap municipalities must reduce their levy by the savings; and

WHEREAS, after several budget cycles municipalities have attempted to make short-term and long-term structural changes to their budget to bring down long term cost.

NOW, THEREFORE, BE IT RESOLVED that the Township Committee of the Township of Lafayette in the county of Sussex, State of New Jersey does hereby urge the Legislature to eliminate the arbitrary four (4%) percent tax levy cap.

BE IT FURTHER RESOLVED, that a copy of this resolution be forwarded to Governor Christopher Christie, Senator Steve Oroho, Assemblywoman Alison McHose, Assemblyman Gary Chuisano, the NJ State League of Municipalities and Sussex County Municipalities.

CERTIFICATION

Certified as a true copy of a Resolution adopted by the Lafayette Township Committee, Sussex County, New Jersey at a meeting held on February 16, 2010.

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Anna Rose Fedish, RMC  
Municipal Clerk