

**LAFAYETTE TOWNSHIP
SUSSEX COUNTY, NEW JERSEY**

RESOLUTION 2011-26

**RESOLUTION SUPPORTING A-3412 SHARING THE BURDEN
OF PROPERTY ASSESSMENT APPEAL REFUNDS**

WHEREAS, when County Tax Board appeals are granted, the municipality must reimburse the property taxpayer 100% of the appealed tax levy, which includes the municipal, school, county and any special districts tax; and

WHEREAS, the municipal tax collector makes the adjustment from the appeal as a credit on the 4th quarter tax bill resulting in the municipality's fund balance for the preceding year to diminish, if not completely deplete; and

WHEREAS, a recent League of Municipalities' survey has measured the extent to which residents have filed and won tax appeals in 2010; and

WHEREAS, one hundred fifty (1590) municipalities, representing all both large and small municipalities in all 21 counties, that participated in the survey reported property value declines of more than \$87,900,000, which resulted from 19,788 tax appeals filed in 2010;

WHEREAS, those responding to the survey indicated that 13,760 appeals were filed in 2009 compared to 19,788 in 2010, representing an increase of 43.7%; and

WHEREAS, a municipality often experiences an increase in tax appeals because they have conducted a revaluation; however, only 5 of the 150 municipalities, which participated in the survey, indicated that their 2010 appeals resulted from revaluations; and

WHEREAS, as a way of comparison, 23 of the participating municipalities conducted revaluations in 2009, when fewer tax appeals were presented to County Tax Boards; and

WHEREAS, the 2010 spike in appeals should be attributed to the economic down-turn, which lowered property values and placed increased stress on the income of homeowners all around our Garden State; and

WHEREAS, the survey, also, indicated that in 2010 the various County Tax Boards have granted average property value reductions of close to \$5,000 per appeal; and

WHEREAS, fifty-six (56%) percent of those responding indicated that the successful tax appeals would have an impact on fund balances and place additional pressures on local officials during 2011; and

WHEREAS, although the survey was a snapshot picture in time, it can be used to project what might follow in 2011, since the reductions, which were granted by County Tax Boards in 2010, will have a multiplier effect when neighbors learn of their neighbor's tax reduction, which will likely increase the appeals and, in the alternative, Tax Assessors could be forced to adjust property values based upon the appeal information; and

WHEREAS, successful tax appeals have a three-fold negative impact on municipal budgets. First, the municipality, as the collector of taxes for the school district, county and special districts, must fund the full cost of the legal defense of the assessment. Second, since State law guarantees to the county and school district 100% of their levies, the municipality bears the full cost of any re-imbursements resulting from the appeal (as

well as the full burden for any uncollected taxes). Third, the end result will be further decline in the property tax base used to support municipalities, county governments and school systems; and

WHEREAS, in light of the revenue limitations that have been placed on all levels of local government by the Legislature (2% cap), such declining values will compound and add additional stress to local public officials, as they grapple with the issues confronting the tax paying public; and

WHEREAS, Assemblyman Carroll has recently introduced A-3412, which requires fire districts, school districts, and county governments to share in the burden of property assessment appeal refunds.

NOW, THEREFORE, BE IT RESOLVED that the Township Committee of the Township of Lafayette hereby urge the swift passage and signing of A-3412; and

BE IT FURTHER RESOLVED that copies of this Resolution be forwarded to Governor Chris Christie, Senate President Stephen Sweeney, Assembly Speaker Sheila Oliver, Senator Steven Oroho, Assemblyman Gary Chiusano, Assemblywoman Alison McHose, NJ League of Municipalities and all Sussex County municipalities.

CERTIFICATION

I hereby certify that the above Resolution was adopted by the Township Committee of the Township of Lafayette at their regular meeting held on June 8, 2011.

AnnaRose Fedish, RMC
Municipal Clerk