

**RESOLUTION OF THE MAYOR AND BOROUGH COUNCIL  
OF THE BOROUGH OF MOUNT ARLINGTON, IN THE COUNTY OF  
MORRIS, NEW JERSEY, CALLING ON THE STATE LEGISLATURE AND  
THE GOVERNOR TO EXEMPT THE RESERVE FOR  
UNCOLLECTED TAXES FROM THE 2% CAP**

**WHEREAS**, on July 13, 2010, Governor Christie signed into law P.L. 2010, c. 44, which reduced the cap on the property tax levy from 4% to 2% and limited the number of exemptions; and

**WHEREAS**, when the property tax levy was reduced, the exemption for the Reserve for Uncollected Taxes was removed; and

**WHEREAS**, in addition to collecting property taxes for its own operations, the municipality also serves as the collection agency for the county, school districts, fire districts and other special local entities; and

**WHEREAS**, the municipality must provide those entities with the full amount they deem necessary for their operations, regardless of the actual collection rate; and

**WHEREAS**, due to myriad factors beyond local control, the actual collection rate never equals the total local levy, especially during an economic downturn, when unemployment soars and property values plummet, causing an increase in tax appeals, which the municipality must defend and which subject the municipal budget to further losses, when successful; and

**WHEREAS**, to account for the shortfall and potential losses, State law requires the municipality to budget an appropriation in a line item known as the Reserve for Uncollected Taxes, which is generally determined through a formula driven calculation in which the variables change year to year; and

**WHEREAS**, without a levy cap exemption, municipalities will be forced to further cut their own operations, in order to meet the 2% tax levy cap to provide the county, school districts, fire districts and other special local entities the full amount they deem necessary for their operations; and

**WHEREAS**, those other local entities, which do not have to budget for collection rate short-falls or the impact of declining property values, have been granted levy cap exceptions to address factors beyond their control; and


**WHEREAS**, Assemblymen McKeon and Burzichelli have recently introduced A-3603, which excludes increases in appropriations to the Reserve for Uncollected Taxes in excess of two percent, from calculations of the municipal adjusted tax levy.

**NOW, THEREFORE, BE IT RESOLVED**, by the Mayor and Borough Council of the Borough of Mount Arlington, that they hereby urge the swift passage and signing of A-3603; and

**BE IT FURTHER RESOLVED**, that consideration also be given to providing a levy cap exception to account for the impact of tax appeals on local operations; and

**BE IT FURTHER RESOLVED**, that copies of this Resolution be forwarded to NJ Governor Christopher Christie, to Senate President Stephen Sweeney, to Assembly Speaker Sheila Oliver, to our State Senator, to our two Representatives in the General Assembly, and to the NJ League of Municipalities.

This is to certify that the above is a true and correct copy of a resolution adopted by the Borough of Mount Arlington at a meeting held on January 18, 2011.



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Linda DeSantis, RMC, Borough Clerk