



BOROUGH OF HIGHLANDS
COUNTY OF MONMOUTH

RESOLUTION 25-113

CALLING FOR THE RESTORATION OF ENERGY TAXES TO MUNICIPALITIES

WHEREAS, taxes on gas and electric utilities were originally collected by the host municipalities to be used for local purposes and to compensate the public for the use of their rights of way; and

WHEREAS, when the State made itself the collection agent for these taxes, it promised to dedicate the proceeds to municipal property tax relief; since, just as municipalities collect property taxes for the benefit of school districts, counties and other entities; the State is supposed to collect Energy Taxes for the benefit of municipal governments; and

WHEREAS, for years State budget makers have diverted funding from Energy Taxes to fund State programs; and instead of being spent on local programs and services and used to offset property taxes, the money has been spent as successive Legislatures and Administrations have seen fit; and

WHEREAS, while the State may need to have the right to override the statutory dedication of these revenues to local governments, in order to deal with emergencies and crises that may occur; current State policymakers should not exercise that right automatically; and

WHEREAS, while that right should be the exception, it has become the rule; and

WHEREAS, by keeping flat funding of the appropriation for CMPTRA year-over-year, State Budget makers have been able to continue collecting Energy Taxes, while keeping additional revenue that should have been returned to provide property tax relief; and

WHEREAS, in SFY 2023, the State did provide some much-needed relief in the allocation of \$75 million of new funds identified as the Municipal Relief Fund; and

WHEREAS, in SFY 2024, the State allocated \$150 million in Municipal Relief Funds, however, in SFY 2025 and, as proposed in SFY 2026, no allocation will exist; and

WHEREAS, in SFY 2024 the Energy Tax Receipts Program should have received over \$350 million to restore municipalities back to 2008 levels, however, the State's diversion of Energy Taxes has continued to grow causing more of a financial gap; and

WHEREAS, the cumulative impact of years of flat funding and underfunding has left many municipalities with serious needs and burdensome property taxes; and

WHEREAS, local elected officials are in the best position to decide the best use of these resources, which were always intended to fund local programs and services.

NOW, THEREFORE, BE IT RESOLVED, that the Borough of Highlands, in the County of Monmouth, calls for the immediate restoration of funding diverted from Energy Taxes intended for local use; and

BE IT FURTHER RESOLVED, that we, respectfully, call on State policy makers to end the diversion of our municipal resources to cover State spending and to provide us with this important tool to relieve the worst-in-the-nation property tax burden borne, for too long, by the people of New Jersey; and

BE IT FURTHER RESOLVED that a copy of this Resolution be forwarded to Assemblywoman Victoria A. Flynn and Assemblyman Gerry Scharfenberger, Senator Declan J. O'Scanlon, Jr., the Commissioner of the Department of Community Affairs Jacquelyn Suárez, the State Treasurer Elizabeth Maher Muoio, the Lieutenant Governor Tahesha Way, the Governor of the State of New Jersey Phil Murphy, and the New Jersey State League of Municipalities.

Motion to Approve R 25-113:

	INTRODUCED	SECOND	AYE	NAY	ABSTAIN	ABSENT
CERVANTES						
CHELAK						
MELNYK						
OLSZEWSKI						
BROULLON						

This is a Certified True copy of the Original Resolution on file in the Municipal Clerk's Office.

DATE OF VOTE: May 7, 2025

Nancy Tran, Municipal Clerk
Borough of Highlands