

# **8<sup>th</sup> Legislative District**

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## **ERT, CMPTRA Fact Sheet**

- The Energy Tax Receipts Property Tax Relief Act was established in 1997 to collect taxes from utility companies – gas, electric, telecommunications, sewerage, water – which use municipal right of ways. It was previously referred to as gross receipts and franchise tax.
- Consolidated Municipal Property Tax Relief Aid was established in 1995 as the consolidation of 14 separate programs related to various fees, such as Financial Business Tax, Business Personal Property Tax and Class II Railroad Tax
- ERT related taxes, and most of CMPTRA related taxes, used to be collected by municipalities. The state took over collection to provide year-over-year stability and more timely collection, with the promise of redistributing the taxes to municipalities.
- Not long after, New Jersey started to skim off the top of these municipal relief funds to balance the state budget and started referring to the municipal revenue funds as state aid for municipalities.
- Both ERT and CMPTRA are written to be funded at the same levels of the previous year, plus yearly inflation, but state budget language has trumped the original intentions of each fund.
- In 2002, a poison pill was enacted for the ERT that would revoke the state's right to collect the taxes if it failed to redistribute to municipalities the same amount as the previous year plus annual inflation. The same poison pill was not enacted for CMPTRA.
- Since CMPTRA does not have a poison pill attached, each year the state takes money from both funds, but replenishes the ERT with money from CMPTRA so ERT doesn't reach the poison pill limit.
- This practice reached a fever pitch in 2011 when then Gov. Chris Christie slashed CMPTRA by \$272 million.
- Since the poison pill was enacted in 2002, **8<sup>th</sup> District municipalities have been underfunded by about \$146 million.**
- Two of the most underfunded townships include Pemberton Township at about \$26.3 million and Evesham at about \$23.5 million, since 2002.
- To bring funding levels up to where they would be, this year, if both programs were funded as intended since 2002, the state would need to **add about \$990 million** to property tax relief for its residents.

- The Property Taxpayer Protection Act calls for the state to return to 2009 levels plus inflation, which would increase CMPTRA by about **\$384 million compared to 2019 projected levels.**
- **Under the proposed amendment, Burlington County would get back about \$12.2 million.**
- Adding up the amount that was intended by law to be in CMPTRA verse what the state paid each year since 2002 accounts for a **\$9.67 billion loss.**

*Sources: New Jersey Office of Legislative Affairs, New Jersey League of Municipalities*

County	FY2009 Full Funding		Actual FY2019 CMPTRA Allocation	Difference between Actual and Proposed FY2019 CMPTRA
	FY2009 CMPTRA Allocation	(FY2009 Base and 2.5% Index)		
Atlantic*	4,268,660	4,375,377	33,496,550	(29,121,174)
Bergen	24,569,360	25,183,594	2,141,174	23,042,420
Burlington	13,577,462	13,916,899	1,724,354	12,192,545
Camden	65,054,090	66,680,442	66,596,763	83,679
Cape May	989,646	1,014,387	55,807	958,580
Cumberland	10,112,115	10,364,918	2,224,018	8,140,900
Essex	132,432,801	135,743,621	45,103,326	90,640,295
Gloucester	8,851,190	9,072,470	808,382	8,264,088
Hudson	94,236,289	96,592,196	33,219,954	63,372,242
Hunterdon	3,522,954	3,611,028	435,922	3,175,106
Mercer	61,202,946	62,733,020	31,581,303	31,151,717
Middlesex	44,700,476	45,817,988	8,360,977	37,457,011
Monmouth	25,188,097	25,817,799	9,760,688	16,057,111
Morris	14,630,832	14,996,603	1,298,100	13,698,503
Ocean	10,436,562	10,697,476	312,232	10,385,244
Passaic	53,765,705	55,109,848	14,637,957	40,471,891
Salem	5,130,348	5,258,607	1,280,974	3,977,633
Somerset	8,375,310	8,584,693	639,880	7,944,813
Sussex	4,660,208	4,776,713	502,047	4,274,666
Union	42,033,126	43,083,954	8,706,580	34,377,374
Warren	3,371,910	3,456,208	427,897	3,028,311

Note: Positive value indicates that more CMPTRA would be received under proposal; negative value (red) indicates that less CMPTRA would be received.

\* Difference due to Atlantic City CMPTRA, which received \$0 in FY2009 and about \$33 million in FY2019

8th District

8th District Towns

CMPTRA Aid Reduction	2009	2010	2011	2012	2013	2014	2015
Berlin Borough	\$ 221,853.00	\$ 218,941.00	\$ 312,448.00	\$ 333,949.00	\$ 372,444.00	\$ 394,584.00	\$ 400,262.00
Eastampton	\$ 221,382.00	\$ 236,639.00	\$ 274,122.00	\$ 288,618.00	\$ 314,182.00	\$ 329,078.00	\$ 332,860.00
Evesham	\$ 1,063,564.00	\$ 1,451,398.00	\$ 1,821,431.00	\$ 1,926,220.00	\$ 2,112,173.00	\$ 2,220,650.00	\$ 2,248,214.00
Hainesport	\$ 198,553.00	\$ 216,378.00	\$ 246,513.00	\$ 259,372.00	\$ 281,977.00	\$ 292,658.00	\$ 294,121.00
Hammononton	\$ 433,377.00	\$ 598,827.00	\$ 824,168.00	\$ 868,750.00	\$ 948,961.00	\$ 995,950.00	\$ 1,007,911.00
Lumberton	\$ 395,877.00	\$ 486,465.00	\$ 486,465.00	\$ 496,194.00	\$ 513,561.00	\$ 523,832.00	\$ 526,452.00
Mansfield	\$ 175,574.00	\$ 200,412.00	\$ 200,412.00	\$ 204,420.00	\$ 211,575.00	\$ 215,806.00	\$ 216,885.00
Medford	\$ 654,297.00	\$ 887,567.00	\$ 1,063,043.00	\$ 1,126,156.00	\$ 1,237,390.00	\$ 1,302,141.00	\$ 1,318,580.00
Medford Lakes	\$ 251,683.00	\$ 183,578.00	\$ 228,011.00	\$ 239,005.00	\$ 258,667.00	\$ 270,177.00	\$ 273,105.00
Mount Holly	\$ 353,707.00	\$ 561,073.00	\$ 979,920.00	\$ 1,036,635.00	\$ 1,140,718.00	\$ 1,201,993.00	\$ 1,217,625.00
Pemberton Borough	\$ 89,586.00	\$ 35,506.00	\$ 67,018.00	\$ 70,778.00	\$ 77,723.00	\$ 81,819.00	\$ 82,865.00
Pemberton Township	\$ 1,006,700.00	\$ 1,380,126.00	\$ 2,035,226.00	\$ 2,146,912.00	\$ 2,350,229.00	\$ 2,469,705.00	\$ 2,500,157.00
Pine Hill	\$ 306,401.00	\$ 423,422.00	\$ 597,855.00	\$ 630,227.00	\$ 688,721.00	\$ 723,029.00	\$ 731,766.00
Pine Valley	\$ 465.00	\$ 495.00	\$ 495.00	\$ 505.00	\$ 523.00	\$ 533.00	\$ 536.00
Shamong	\$ 264,500.00	\$ 281,738.00	\$ 330,277.00	\$ 346.00	\$ 884.00	\$ 376,233.00	\$ 393,351.00
Southampton	\$ 364,804.00	\$ 486,725.00	\$ 500,363.00	\$ 522,034.00	\$ 540,305.00	\$ 551,111.00	\$ 553,867.00
Springfield	\$ 223,046.00	\$ 209,249.00	\$ 224,134.00	\$ 237,243.00	\$ 250,775.00	\$ 255,791.00	\$ 257,070.00
Waterford	\$ 378,312.00	\$ 517,381.00	\$ 660,744.00	\$ 698,300.00	\$ 765,120.00	\$ 804,131.00	\$ 814,047.00
Westampton	\$ 296,341.00	\$ 331,589.00	\$ 363,670.00	\$ 384,311.00	\$ 414,439.00	\$ 422,728.00	\$ 424,841.00
Woodland	\$ 137,778.00	\$ 98,797.00	\$ 124,871.00	\$ 130,558.00	\$ 140,761.00	\$ 146,741.00	\$ 148,263.00

\*This list shows the amount of aid municipalities have missed out on since 2009 when comparing actual

CMPTRA levels to the levels they were intended to be funded at since the 2002 poison pill (Prior year plus inflation).

Source: Office of Legislative Services

8th District

8th District Towns

CMPTRA Aid Reduction	2016	2017	2018	2019	Total
Berlin Borough	\$ 417,199.00	\$ 41,719.00	\$ 422,884.00	\$ 448,864.00	\$ 3,585,147.00
Eastampton	\$ 339,198.00	\$ 338,198.00	\$ 339,889.00	\$ 348,387.00	\$ 3,362,553.00
Evesham	\$ 2,330,360.00	\$ 2,330,360.00	\$ 2,357,994.00	\$ 2,438,207.00	\$ 22,300,571.00
Hainesport	\$ 298,533.00	\$ 298,533.00	\$ 300,026.00	\$ 307,526.00	\$ 2,994,190.00
Hammonton	\$ 1,043,802.00	\$ 1,043,802.00	\$ 1,055,807.00	\$ 1,115,297.00	\$ 9,936,652.00
Lumberton	\$ 534,348.00	\$ 534,348.00	\$ 537,020.00	\$ 550,446.00	\$ 5,585,008.00
Mansfield	\$ 220,139.00	\$ 220,136.00	\$ 221,239.00	\$ 226,770.00	\$ 2,313,368.00
Medford	\$ 1,341,333.00	\$ 1,341,333.00	\$ 1,348,039.00	\$ 1,381,740.00	\$ 13,001,619.00
Medford Lakes	\$ 281,872.00	\$ 281,872.00	\$ 284,813.00	\$ 299,354.00	\$ 2,852,137.00
Mount Holly	\$ 1,264,946.00	\$ 1,264,946.00	\$ 1,280,637.00	\$ 1,359,373.00	\$ 11,661,573.00
Pemberton Borough	\$ 86,041.00	\$ 86,041.00	\$ 87,091.00	\$ 92,385.00	\$ 856,853.00
Pemberton Township	\$ 2,601,031.00	\$ 2,601,031.00	\$ 2,622,606.00	\$ 2,775,297.00	\$ 24,489,020.00
Pine Hill	\$ 758,038.00	\$ 758,038.00	\$ 766,809.00	\$ 810,400.00	\$ 7,194,706.00
Pine Valley	\$ 544.00	\$ 544.00	\$ 547.00	\$ 560.00	\$ 5,747.00
Shamong	\$ 407,491.00	\$ 407,491.00	\$ 409,528.00	\$ 419,767.00	\$ 3,291,606.00
Southampton	\$ 562,175.00	\$ 562,175.00	\$ 564,986.00	\$ 579,110.00	\$ 5,787,655.00
Springfield	\$ 260,926.00	\$ 260,926.00	\$ 262,230.00	\$ 268,794.00	\$ 2,710,184.00
Waterford	\$ 843,637.00	\$ 843,637.00	\$ 853,581.00	\$ 893,794.00	\$ 8,072,684.00
Westampton	\$ 431,214.00	\$ 431,214.00	\$ 433,370.00	\$ 444,204.00	\$ 4,377,921.00
Woodland	\$ 152,829.00	\$ 152,829.00	\$ 154,359.00	\$ 161,945.00	\$ 1,549,731.00
					\$ 135,928,925.00

\*This list shows the amount  
CMPTRA levels to the level:

Source: Office of Legislative

Fiscal Year	Statewide CMPTRA		Inflation Rate	Fully Funded		Annual Difference
	Allocation			Statewide CMPTRA		
1999	756,053,443		-			
2000	<b>767,719,709</b>		1.5%	767,394,245		<b>325,464</b>
2001	786,932,761		2.5%	786,579,101		353,660
2002	835,291,548		4.0%	818,042,265		17,249,283
2003	<b>835,291,548</b>		2.5%	838,493,321		<b>(3,201,773)</b>
2004	816,638,918		1.0%	846,878,255		(30,239,337)
2005	816,638,918		2.5%	868,050,211		(51,411,293)
2006	789,261,408		3.5%	898,431,968		(109,170,560)
2007	753,905,033		4.5%	938,861,407		(184,956,374)
2008	710,695,411		5.5%	990,498,784		(279,803,373)
2009	<b>631,110,087</b>		5.0%	1,040,023,724		<b>(408,913,637)</b>
2010	536,165,783		6.5%	1,107,625,266		(571,459,483)
2011	264,729,948		0.0%	1,107,625,266		(842,895,318)
2012	244,145,284		2.0%	1,129,777,771		(885,632,487)
2013 *	207,401,677		3.5%	1,169,319,993		(961,918,316)
2014	256,235,448		2.0%	1,192,706,393		(936,470,945)
2015	250,693,971		0.5%	1,198,669,925		(947,975,954)
2016 *	233,986,463		1.5%	1,216,649,974		(982,663,511)
2017 *	252,216,463		0.0%	1,216,649,974		(964,433,511)
2018 *	275,563,755		0.5%	1,222,733,223		(947,169,468)
2019	263,314,885		2.5%	1,253,301,554		(989,986,669)

**Bold font indicates newly acquired information**

Full Funding Calculation: (Current Year CMPTRA) = (Prior Year CMPTRA) X (1 + Inflation Rate)

\* Actual CMPTRA total does not include amounts of Transitional Aid received as CMPTRA during the year.

Source: Office of Legislative Services