

Resolution Requesting the Legislature to Restructure and Bring Fairness to Tax and Franchise Fees Imposed on Telecommunications and Cable Telecommunications Service Providers in New Jersey.

WHEREAS, the convergence of telecommunications technologies and regulatory reform has blurred the distinctions among the service providers as each provides a full range of voice, data and video service; and

WHEREAS, the public rights-of-way are an asset held in trust for the people of the State of New Jersey by state and local government; and

WHEREAS, taxpayers are entitled to compensation when private corporations use the public rights-of-way to generate profits; and

WHEREAS, telecommunication providers including but not limited to, direct broadcast satellites, open video system and cable television, employing various technologies and offering multiple services, play an increasingly important role in the life of corporate and individual citizens in New Jersey; and

WHEREAS, tax and right-of-way franchise fee policies, however, should not bias competition among service providers nor distort the efficient use of public properties; and

WHEREAS, the current state system of compensation to municipalities for the use of the public rights-of-way distorts efficient use of these public assets; and

WHEREAS, comparable telecommunication competitors face major anomalies in financial obligations to municipalities and the state; and

WHEREAS, service revenue continues to shift from traditional telecommunication services, such as, local and long distance to advanced services such as wireless/mobile, cable, broadband, and high speed internet access. This shift will continue to intensify over the next decade, further distorting the financial obligations to the state among competing telecommunication service providers; and

WHEREAS, the current situation has proven inequitable, among telecommunication competitors or between taxpayer-owners of the rights-of-way and telecommunication companies.

NOW, THEREFORE, BE IT RESOLVED, the Borough of Merchantville calls upon the State Legislature to restructure and bring fairness to tax and franchise fees imposed on telecommunication and cable telecommunication service providers in New Jersey; and

BE IT FURTHER RESOLVED, the Borough of Merchantville calls upon the Legislature to ensure consumers of telecommunication services receive competitively priced, high quality services which are taxed equitably; and

BE IT FURTHER RESOLVED, Borough of Merchantville calls upon the legislature to ensure municipalities are held harmless from the shifts in consumption of telecommunication services from traditional services to more advanced services; and

BE IT FURTHER RESOLVED, Borough of Merchantville calls upon the legislature to ensure tax revenue associated with the provision of telecommunications services be paid directly from the service providers to the local governments; and

BE IT FURTHER RESOLVED, that a copy of this resolution be forwarded to State Senator Diane A. Allen, our Assembly representatives, Herbert C. Conaway Jr, MD and Jack Conners, the Governor of the State of New Jersey and the New Jersey State League of Municipalities.

APPROVED:

ATTEST:

Frank M. North
MAYOR

Denise L. Brouse
BOROUGH CLERK

August 10, 2009