

BOARD OF EDUCATION OF THE CITY OF BAYONNE
HUDSON COUNTY, NEW JERSEY

RESOLUTION ON PAYMENT IN LIEU OF TAX (PILOT) AGREEMENTS

WHEREAS, the Bayonne Board of Education (the "Board") is committed to maintaining the fiscal health of the City of Bayonne School District (the "District") and recognizes careful fiscal planning as a key factor in attaining the District's educational goals and priorities; and

WHEREAS, the Board's budget development shall be organized and planned to ensure thorough understanding of the District's financial needs within the context of the community's fiscal resources; and

WHEREAS, the State of New Jersey has implemented an unprecedented number of unfunded mandates that have placed additional significant financial pressure on the District; and

WHEREAS, the District has seen a significant decline in State and Federal Aid over the last several years that has shifted the burden of education funding to the local taxpayer; and

WHEREAS, the District remains grossly underfunded under the current State of New Jersey School Funding Formula; and

WHEREAS, the Board has been forced to make difficult choices to balance the budget with reduced revenue, including but not limited to, making programmatic cuts, personnel and staff changes, and grant repurposing; and

WHEREAS, the Board recognizes that all avenues of school funding and revenue should be exhausted before burdening the taxpayers of the City of Bayonne due to the District's inadequate funding; and

WHEREAS, a number of significantly sized properties are off the tax rolls for purposes of the school tax levy due to tax abatements granted over the years by the City of Bayonne to property developers in the form of "Payment in Lieu of Taxes" arrangements (known as "PILOT" agreements); and

WHEREAS, while the City of Bayonne PILOT agreements may serve to supply revenue to the City of Bayonne, they also have the negative effect of limiting the District's tax levy base – as the District receives no benefit from the PILOT agreements; and


WHEREAS, the Board can no longer overlook the adverse financial implications that the District endures as a result of the City of Bayonne's PILOT agreements;

NOW, THEREFORE, BE IT RESOLVED, that the Bayonne Board of Education urges the City of Bayonne to reconsider its current use and allocation of PILOT funds received, and require that a fair and equitable percentage apportionment of said funds received from its PILOT agreements be allocated to the general budget of the District; and

BE IT FURTHER RESOLVED, that a copy of this resolution be forwarded to the New Jersey School Boards Association.

This Resolution shall be read at the regularly scheduled meeting of the Board and be posted on the Board's website.

TRUSTEE


Moved that the foregoing resolution be adopted.

SECONDED BY TRUSTEE



ADOPTED AT BOARD MEETING HELD FEBRUARY 28, 2017