Resolution No. 65

City of Lakewood
3401 Hadley Avenue
Old Hickory, TN 37138
615-847-3711

WHEREAS, the State of Tennessee is experiencing lower than expected tax collections and higher than expected increases in costs; and

WHEREAS, Governor Phil Bredesen has proposed a fiscal year 2003-2004 budget that includes estimated growth in revenues of $242 million, new spending of $629 million, state government budget cuts of $237 million, cuts in dedicated transportation revenues of $65.8 million, cuts in state-shared taxes of $60.7 million; and other cuts, reductions, and revenue redirections; and

WHEREAS, Tennessee's local governments are experiencing lower than expected tax collection and higher than expected increases in costs in the same manner as Tennessee state government; and

WHEREAS, state-shared tax revenues are a critical funding source for local governments; and

WHEREAS, state-shared tax revenues are critical and necessary to maintain stable bond ratings; and

WHEREAS state-shared tax revenues do not represent state spending, but, instead represent an efficient, centralized system of taxation to produce revenues for multiple levels of governments; and

WHEREAS, state-shared tax revenues, by law, are deemed to meet constitutional requirements for state mandate funding; and

WHEREAS, state-shared tax revenue losses could result in local property tax increases, reductions in local government services, or a combination of tax increases and service reductions; and

WHEREAS, residents, businesses, and community organizations of the City of Lakewood deserve, demand, and depend upon essential municipal services; and

WHEREAS, the services provided by the City of Lakewood have fostered and maintained a high quality of life for residents, a favorable business environment, and a strong community spirit; and

WHEREAS, Tennessee's local governments, which are already experiencing local budget problems, recognize the seriousness and importance of the state's budget problem;

NOW THEREFORE BE IT RESOLVED that the City of Lakewood urges the Governor and each member of the Tennessee General Assembly to propose, support, and remain open to options and alternatives to leave intact our system of revenue sharing, or, at a minimum, to reduce the magnitude of proposed state-shared tax reductions.

BE IT FURTHER RESOLVED that the City of Lakewood urges the Governor and each member of the Tennessee General Assembly to propose, support, and remain open to options and alternatives to reduce the detrimental effect of any reductions in state-shared taxes.

Approved this 10th day of April, 2003

APPROVED: Thom H. Fauck
Mayor

ATTEST: Virginia Moss
Recorder