

**BOARD OF EDUCATION  
School District of South Orange-Maplewood  
525 Academy Street  
Maplewood, New Jersey 07040**

*Cheryl Schneider  
Business Administrator/Board Secretary*

*973-762-5600 ext 1800  
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Via email & regular mail

February 9, 2015

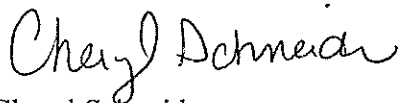
Mr. David R. Bean, CPA  
Director of Research and Technical Activities  
Governmental Accounting Standards Board  
401 Merritt 7  
P.O. Box 5116  
Norwalk, CT 06856-5116

Dear Mr. Bean:

Enclosed is Resolution 3248 that was approved by the South Orange-Maplewood Board of Education to urge the Governmental Accounting Standards Board to reconsider and require the reporting of all PILOT agreements as part of the new standard, and that it further require the reporting of the specific private entities and the amounts of tax abatement they have received.

We appreciate your consideration in this matter.

Sincerely,



Cheryl Schneider  
Board Secretary  
/dw

Encl. Resolution 3248

**SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD, NJ**  
**PUBLIC BOARD MEETING**  
~~**January 26, 2015**~~  
**February 2, 2015**

**RESOLUTION**                      **3248**

**FOR ACTION**

**SUBJECT:**                      **General Accounting Standards Board Resolution**

WHEREAS, the school district's tax levy represents over 57% of the total local tax levy; and

WHEREAS, the local tax burden, on an equalized basis, is regularly among the top twenty in the state of New Jersey; and

WHEREAS, a number of large properties are off the tax rolls for purposes of the school tax levy due to tax abatements granted over the years by the South Orange Village Trustees or the Maplewood Township Committee to local developers in the form of "Payment in Lieu of Taxes" arrangements (known as "PILOT" agreements); and

WHEREAS, this places an additional marginal burden on other property owners; and

WHEREAS, the Governmental Accounting Standards Board is proposing new rules for state and local governments to report on the costs of tax-based economic development subsidies, with public comments on the proposed standards invited through January 29, 2015; and

WHEREAS, the current draft standard fails to require the inclusion of such PILOT agreements in the contemplated reporting;

NOW, THEREFORE, BE IT RESOLVED that the Board of Education urges the Governmental Accounting Standards Board to reconsider and require the reporting of all such PILOT agreements as part of the new standard, and that it further require the reporting of the specific private entities and the amounts of tax abatement they have received; and

BE IT FURTHER RESOLVED that the Board of Education directs the Board Secretary to convey to submit a copy of this resolution through the appropriate channels to the Governmental Accounting Standards Board before the close of the comment period.

## **BACKGROUND**

The Governmental Accounting Standards Board defines all of the financial reporting standards for state and local governments. Individual states enshrine GASB standards in subsequent statute and regulation. The contemplated GASB standard may take effect as early as 2017, but may take multiple years after that date for implementing state regulation. The impact of the resulting regulations will be to require municipal governments to reveal, in their annual financial reporting, the amounts of all tax abatements, and the amount by which other taxpayers' rates might be reduced were those abatements not in force.