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## **March 6, 2019**

- I. Governor's Proposed SFY 2020 Budget
- II. Register Now for these Upcoming Seminars and Webinars
- III. 27<sup>th</sup> Annual Mayors Legislative Day

### **I. Governor's Proposed SFY 2020 Budget**

Yesterday in Trenton, Governor Murphy presented his second budget proposal to the Legislature and the people of New Jersey. From our perspective, municipal property tax relief funding is of paramount importance.

We thank the Governor for an appropriate increase in Transitional Aid. And we are happy to hear that he is looking to end the annual raids on Affordable Housing Trust Fund (a \$59 million restoration), and on Clean Energy (\$70 million), funding programs. More needs to be done to address the affordable housing crisis in New Jersey municipalities. But this is a welcome first step toward the State reentering the playing field to develop a statewide, rational housing policy.

Sadly, he is not proposing to end the diversion of Energy Tax Property Tax Relief, as well.

Regarding that, the Governor has proposed level funding for comingled Energy Tax and Consolidated Municipal Property Tax Relief Assistance (CMPTRA) property tax relief. Though better than a cut, we had hoped to see these funding sources restored to their previous levels. If the Governor's proposal is not changed, FY 2020 funding for Energy Tax and CMPTRA property tax relief will be \$190 million lower than it was before the Recession of 2008.

The Energy Tax and CMPTRA are all municipal revenue replacement programs. They are not, properly speaking, State aid. They were not meant to make things better for municipal property taxpayers. They were only intended to keep things from getting worse. But things

have gotten worse, since the State slashed funding in the years after the 2008 financial collapse.

In 2007, NJ municipalities divided \$1.63 billion in general property tax relief distributions. On average—and no town is average—that was about \$2.9 million, per town. It worked out to about \$188, per capita. For 2020, the Governor asks for only \$1.44 billion in municipal property tax relief. \$190 million less than was distributed before the Great Recession. On average, that would be about \$2.5 million, per town, or about \$161 per resident.

After over a decade of this failure to honor their statutory promise to local taxpayers, the time has come for policymakers in Trenton to recognize the fact that there is a connection between property tax relief funding and property tax relief.

We want to commend a couple of other initiatives that the Governor mentioned in his speech or that are, otherwise, included in the proposed Budget. Negotiated public employee health benefit reforms are projected to provide a total of \$400 million in savings, for local employers participating in the State Health Benefits Program or the School Employees' Health benefits Program. The budget would allocate \$2 million for outreach for the 2020 Census. And, in addition to \$9.8 million in Federal funding, the State will put \$10.8 million toward election access and security.

In addition to our advocacy on the matters already mentioned, the League will ask for a permanent fix to the telecommunications business personal property tax problem that costs more communities more tax revenues every year. Starting in 2008, when Verizon informed a handful of municipalities that it had decided to exempt itself from payment of taxes on all of the cables and electronic equipment it houses in local switching stations. In the years that followed, similar decisions by Verizon have led to cases affecting taxpayers in hundreds of other New Jersey municipalities.

After a court case that dragged on for 10 years, Hopewell Borough finally prevailed over Verizon. But that win only required Verizon to meet its obligations to the citizens of Hopewell for one year. Absent legislative action, every effected municipality will be faced with mounting legal bills in every year that Verizon claims an exemption.

A few years ago, Senator Smith and Assemblyman Caputo introduced legislation that would address this matter. We hope to see remedial bills again this year. And we hope, this time, to see them passed.

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## **II. Register Now for these Upcoming Seminars and Webinars**

### **a. The New Jersey Minimum Wage Increase: What It Means for Public Employers**

**Wednesday, March 13, 2019**

11:00 a.m. - 12:15 p.m.  
Location: Your Computer

**CEUs:** CMFO/CCFO-1.5 Fin/Debt; CPWM-1.5 Mgmt;RMC-1.5 Fin;QPA-1.5 Off Admin/Gen Duties; RPPPO/RPPS-1.5 M/S; NJCLE-1.5; CPA-Fin;CPC-1.0

For more information including registration forms and costs, please visit the [March 13 Minimum Wage Increase Calendar Announcement](#).

**b. Budget, Ethics, and Procurement Updates**

**Tuesday, March 19, 2019**

8:30 a.m. - 12:30 p.m.  
Conference Center at Mercer  
1200 Old Trenton Rd  
West Windsor, NJ 08550

**CEUs:** CMFO/CCFO-1.0 Acct,1.0 Bud,1.0 Fin/Debt Mgmt,1.0 Eth;CTC-1.0 Gen/Sec,1.0 Eth;CPWM-2.0 Govt,1.0 Eth;RMC-3.0 Fin,1.0 Eth;QPA-1.0 P/P,2.0 Off Admin/Gen Duties,1.0 Eth;CRP-3.5 Classroom;NJCLE-4.0 including 1.0 Eth;PACLE-3.5\*;RPPPO/RPPS-1.0 P/P,2.0 M/S, 1.0 Eth;CPA-3.0 Fin, 1.0 Eth;Registrar-1.0 Eth

For more information including registration forms and costs, please visit the [March 19 Budget, Ethics, and Procurement Seminar Calendar Announcement](#)

**c. Medical Marijuana: What Public Employers Need to Know in New Jersey**

**Wednesday, March 27, 2019**

8:30 a.m. - 12:30 p.m.  
Doubletree Hotel  
700 Hope Road  
Tinton Falls, NJ 07724

**CEUs:** CMFO/CCFO-4.0 Off Mgmt/Anc;CPWM-4.0 Mgmt;RMC-4.0 Prof Devel;QPA-4.0 Off Admin/Gen Duties; RPPPO/RRPS-4.0 M/S;CPA-4.0 PD;NJCLE-4.0 Pending;PACLE-3.5\*;CPC-3.5

For more information including registration forms and costs, please visit the [March 27 Medical Marijuana Seminar Calendar Announcement](#).

**d. Labor and Personnel Law Update**

**Wednesday, April 24, 2019**

8:30 a.m. - 12:30 p.m.  
Doubletree Hotel  
700 Hope Road  
Tinton Falls, NJ 07724

**CEUs:** CMFO/CCFO-4.0 Off Mgmt/Anc,CPWM-4.0 MGMT;RMC-4.0 Prof Devel;QPA-4.0

Off Admin/Gen Duties;CPA-4.0 PD;RPPO/RPPS-4.0 M/S;CRP-3.5;NJCLE-4.0 Pending, PACLE-3.5\*;CPC-3.5

For more information including registration forms and costs, please visit the [April 24 Labor and Personnel Law Update Calendar Announcement](#)

### III. 27<sup>th</sup> Annual Mayors Legislative Day

**Friday, April 5, 2019**  
8:30 a.m. - 1:00 p.m.  
The State House Annex, Committee Room 4  
125 West State Street  
Trenton, New Jersey

#### Invited Speakers for this event include:

- Lieutenant Governor Sheila Y. Oliver
- Attorney General Gurbir S., Grewal
- State Treasurer Elizabeth Maher Muoio
- Senate President Stephen Sweeney
- Assembly Speaker Craig J. Coughlin
- Assemblyman Republican Leader Jon Bramnick
- Mayor Colleen Mahr, Borough of Fanwood, League President
- Committeeman James J. Perry, Sr., Township of Hardwick, League 1<sup>st</sup> Vice President
- Mayor Janice Kovach, Town of Clinton, League 2<sup>nd</sup> Vice President

For more information including registration forms and costs, please visit the [April 5 Legislative Day Calendar Announcement](#)

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New Jersey State League of Municipalities

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