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## October 2, 2020

- I. State
- II. Federal
- III. 2020 Annual League Conference

**Municipal Clerks:** Please forward to your Mayor, Governing Body and Department Heads.

To assist in providing guidance and information, we have created a [COVID-19 resource page](#). We will continue to update the page as we get pertinent information and include announcements in our Daily Updates.

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### I. State

#### a. COVID-19 Update

Today Governor Murphy announced that there were 796 new positive cases and an additional 4 confirmed deaths resulting from COVID-19. To date, there have been 206,629 confirmed cases, and 14,344 confirmed deaths. The rate of transmission is at 1.19. The positivity rate as of September 28 was 2.47%.

Since our last update, Governor Murphy has not issued any COVID-19 related executive orders.

On Tuesday, the Governor added Colorado and removed Arizona and Virginia from the list of state and territories subject to the [travel quarantine and advisory](#) list. There are currently 34 states and territories subject to the travel quarantine advisory.

On Thursday, Governor Murphy joined New York Governor Cuomo to announce the launch of COVID-19 exposure notification mobile apps for their respective state. [COVID Alert NJ](#) and [COVID Alert NY](#) are free regional COVID Alert apps that notifies users of

potential COVID-19 exposure. The apps will also notify users if they have been in close contact, within six feet for at least 10 minutes, with someone who has tested positive for COVID-19.

Also on Thursday, New Jersey Department of Community Affairs (DCA) [announced](#) \$7.5 million from the CARES Act for three programs to assist neighborhoods and vulnerable small businesses financially impacted by the pandemic. The [Main Street New Jersey \(MSNJ\) CoVID-19 Relief Program](#) will provide \$1.6 million in grant funds to District Management Organizations (DMO) that actively participate in MSNJ to fund eligible COVID-19 recovery activities and costs. Any DMO is eligible to participate. The [Neighborhood Preservation \(NPP\) COVID-19 Relief Program](#) will provide \$2.6 million in grant funding to municipalities with NPP plans for eligible COVID-19 response activities. The [Neighborhood Revitalization Tax Credit \(NRTC\) COVID-19 Relief Program](#) will provide \$3.1 million to organizations with NRTC neighborhood plans for eligible COVID response activities and costs.

For the week ending September 26, the New Jersey Labor Department received 27,168 new unemployment applications. The increase is primarily in Pandemic Unemployment Assistance, which is a federal benefit under the CARES Act to assist workers who are not eligible for regular unemployment.

**Contact:** Mike Cerra, Executive Director, [mcerra@njlm.org](mailto:mcerra@njlm.org), 609-695-3481 x120.

## **b. FY '21 State Budget Set. League Looks for Info on Additional Aid**

On Wednesday, Governor Murphy signed into law the State Fiscal Year 2020-2021 (FY '21) Appropriations Act. [Chapter 97 of the Public Laws of 2020](#) will govern State spending for the nine month period, which began yesterday, October 1, and which will end on June 30, 2021.

We thank Governor Murphy and Legislative Leadership for working together on a difficult budget that preserves vital municipal property tax relief funding.

The act will hold combined appropriations for Energy Tax Receipts Property Tax Relief (ETR) and Consolidated Municipal Property Tax Relief Aid (CMPTRA) level for the balance of the year.

It would do the same for Capital City Aid, Open Space Payments in Lieu of Taxes, and Highlands Protection Fund Aid. The enacted bill will also restore funding for the Affordable Housing Trust Fund, the State Recycling Trust Fund, the Clean Communities Trust Fund, and the Division of Local Government's Shared Services and School Consolidation assistance grants program.

The Legislature added \$10 million to the Transitional Aid program, allowing municipalities – large and small – experiencing fiscal distress to apply for a share of the over \$124 million appropriated for the State's upcoming Fiscal Year.

On Thursday, our League Officers contacted the Governor on another important funding matter.

When he unveiled his FY '21 budget proposal to the Legislature and the people of New Jersey in August, Governor Murphy indicated that his Administration would authorize a

\$120 million local government emergency fund, to be administered by the Department of Community Affairs (DCA). This program would be intended to defray eligible municipal public safety and public health expenses, in the 12 counties that did not receive direct federal funding through the CARES Act's Coronavirus Relief Fund (CRF). This fund is also meant to support municipal investments in emergency dispatch and public health resilience. The proposal would also provide \$32 million in federal funding to help those 12 counties, and municipalities therein, respond to the pandemic.

As October's property tax payments come due, this support would help local officials cover the costs of essential services and compensate for any declining collection rates. Our Officers asked Governor Murphy when we can expect this program to begin providing relief to local governments, across the State. We are anxious to inform our members of funding availability.

We will keep you posted.

**Contact:** Jon Moran, Senior Legislative Analyst, [jmoran@njlm.org](mailto:jmoran@njlm.org), 609-695-3481 x121.

### **c. Plastic Ban Legislation Passed**

On September 24, the State Legislature approved what is the strictest plastic ban legislation in the United States. For more information please see our recent [blog post](#). Also, we will also be hosting a League Conference Session on the plastic bag ban so don't forget to [sign up](#).

**Contact:** Andrew LaFevre, Legislative Analyst, [alafevre@njlm.org](mailto:alafevre@njlm.org), 609-695-3481 x116.

### **d. Senate Committee Set to Hear Hospital Property Tax Subsidy Bill**

Two pieces of legislation, which the League opposes and have reported on before, have been scheduled for a hearing before a Senate committee next week. [A-1135/S-357](#) and [S-624](#) are scheduled for consideration by the Senate Health, Human Services and Senior Citizens Committee on Thursday, October 8, 2020 at 1 p.m.

These bills stem from a tax court decision which brought to light how the business model for modern hospitals does not comport with the original public policy reasons for exempting non-profit hospitals from property taxes.

While the League is supportive of a legislative solution to this issue we do not believe that A-1135/S-357 and S-624 provides a proper solution. As a threshold matter, the bill sets up an unconstitutional tax exemption. Notwithstanding the constitutional issues, A-1135/S-357 and S-624 pose other concerns as it attempts to create a Community Service Contribution (CSC) fee which would be paid by hospitals organized as non-profits in lieu of any property tax. The contemplated CSC fee would be far smaller than any property tax bill which these hospitals would otherwise be subject to, effectively serving as a subsidy to an otherwise profitable industry, paid for by all other property tax payers of host communities.

We urge our members, especially those hosting non-profit hospitals, to review A-1135/S-357 and S-624, and to reach out to [your legislators](#) and members of the Senate Health, Human Services and Senior Citizens Committee expressing how this legislation would impact you and your taxpayers.

The League will continue to advocate for municipal interests and will continue to keep our members informed as this matter continues to evolve.

**Contact:** Frank Marshall, Esq., Associate General Counsel, [fmarshall@njlm.org](mailto:fmarshall@njlm.org), 609-695-3481 x137.

### **e. New Jersey Minimum Wage to Rise to \$12 an Hour on January 1, 2021**

The New Jersey Department of Labor and Workforce Development [announced](#) that New Jersey's hourly minimum wage will increase by \$1 an hour to \$12 an hour on January 1, 2021. Seasonal, small employer, and farm workers minimum wage will increase .14 cents to \$10.44 an hour.

The hourly minimum wage will continue to increase by \$1 each year until it reaches \$15 per hour in 2024. After that, the state Constitution specifies that it continue to increase annually based on any increase in the Consumer Price Index. The minimum wage rose from \$8.38 in 2016 to \$8.44 in 2017 and to \$8.60 at the beginning of 2018.

Amended in 2019, the New Jersey Wage and Hour Law requires the state to revise the minimum hourly wage rates annually by either the amount specified in the law, or by an amount based on any increase from the prior year in the Consumer Price Index, whichever is higher.

Municipalities that employ hourly and seasonal workers should be aware of this increase for budgeting and forecasting purposes.

**Contact:** Paul Penna, Legislative Analyst, [ppenna@njlm.org](mailto:ppenna@njlm.org), 609 695-3481, x110.

## **II. Federal**

### **a. House Advances New COVID Relief Bill with Local Fiscal Relief**

As negotiations between the Administration and Congressional Democrats restart after months of inaction, the U.S. House of Representatives has approved a scaled-back \$2.2 trillion coronavirus relief package.

[This pared-down HEROES Act](#) (HEROES 2.0) — \$1.2 trillion less than the original bill passed by the House in the middle of May — includes, among other priorities, \$436 billion in emergency aid for state and local governments. Included in that amount is a proposed 'Coronavirus Local Fiscal Relief Fund,' which would distribute a total of \$179 billion according to a formula, previously negotiated by our federal partners at the National League of Cities (NLC), as follows:

- \$62.65 billion directly to municipalities that qualify for Housing and Community Development Block Grant (CDBG) funding, to be distributed based on the CDBG formula.
- \$26.85 billion, through state governments, based on population, to all municipalities that do not qualify for CDBG funding, and

- \$89.5 billion to counties.

Regarding allowable uses of the 'Local Fiscal Relief Funding,' HEROES Act 2.0 states, '...any entity receiving a payment from funds made available under this heading in this Act shall only use such amounts to respond to, mitigate, cover costs or replace foregone revenues not projected on January 31, 2020 stemming from the public health emergency, or its negative economic impacts, with respect to the Coronavirus Disease (COVID-19) ...'

The legislation also includes some technical improvements to the CARES Act, namely, expanding CARES fund eligibility to cover lost revenues and extending the expenditure deadline through the end of FY2021. Please [see a summary of the state and local sections](#) of the bill.

Though we have not seen the specifics, press reports on the renewed negotiations state that Treasury Secretary Steven Mnuchin, the top White House negotiator, has put forward a counteroffer of \$1.62 trillion, with \$250 billion for state and local governments.

HEROES 2.0 was attached to an unrelated initiative, which had already passed both chambers. That procedure prevented Floor Amendments, which might have delayed the process.

**Contact:** Jon Moran, Senior Legislative Analyst, [jmoran@njlm.org](mailto:jmoran@njlm.org), 609-695-3481 x121.

### III. 2020 Annual League Conference

#### a. Register for the 105<sup>th</sup> Annual NJLM Conference, Presented Virtually

Join nearly 2,000 of your peers in local government this November at the [105<sup>th</sup> Annual Conference](#) presented virtually - no need to travel. The League is here to help our members navigate through the pandemic & plan for recovery. Earn CEUs at live sessions, and watch recorded sessions on-demand for up to one year. Learn about new vendor solutions and network with peers from the convenience of your home town.

A [preliminary schedule is now online](#) and in 2020 the printed Conference Program with sessions and exhibitors will be online, on the Conference platform, and included as an insert in the November issue of *NJ Municipalities* magazine.

[Register now](#) before October 16 for the discounted rate and join your peers this November.

#### Benefits of Attending the 2020 NJLM Virtual Conference

- Over 75 sessions
- Earn CEUs
- Networking chat rooms  
Learn about vendor solutions by visiting the virtual exhibit hall
- Discuss products with exhibitors in live chats
- No need to travel

- Save on hotel costs

Join us online this November. [Register before October 16](#) to take advantage of the discounted early registration price.



New Jersey State League of Municipalities

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