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August 20, 2021

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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.

I. State Issues

a. Cannabis Regulatory Commission Approves Initial Rules

On Thursday, the NJ Cannabis Regulatory Commission (CRC) approved its [initial set of rules](#) for adult use cannabis. The 160-pages of rules cover application fees and licensing requirements, along with a host of other topics, focused primarily on the cultivating, manufacturing, and retail class of licenses, while rules focused on the other class of licenses, such as delivery, will be forthcoming.

The initial rules became effective on August 19, upon CRC's adoption and filing with the Office of Administrative Law. These rules are in effect for a period of one year. The CRC anticipates that these initial rules will see some revisions within the next few months as stakeholders have a better opportunity to review them. Unlike the initial rules, future rules will be subject to the Administrative Procedures Act, which requires publication and public

comment prior to adoption.

We anticipate that CRC will be releasing a FAQ shortly.

League staff is still reviewing the initial rules and will have further analysis available shortly.

Contact: Frank Marshall, Esq., Associate General Counsel, fmarshall@njlm.org, 609-695-3481, x137.

b. Acting Governor Signs Urban Enterprise Zone Legislation

On Tuesday, Acting Governor Sheila Oliver signed [S-3600/A-5880](#), which Restores and Revises the [Urban Enterprise Zone Program](#) (UEZ). There are 32 UEZ zones in 37 municipalities and 7,267 certified UEZ businesses. The reduced sales tax to the consumer and exemption for construction materials and goods remains in the program.

The changes made to the Urban Enterprise Zone program include:

- creation of new permitted spending categories including loans, grants, and public safety;
- requirement for municipalities to update zone development plan;
- appropriation of \$42.5 million for zone assistance funds for FY 22;
- creation of a \$100,000 limit cap on larger businesses; and
- alternations to the method of tax distribution to UEZ's.

The new funding formula for UEZ now applies to each municipality a fifty percent weight to their Municipal Revitalization Index Distress Score, the average number of unemployed persons in their municipality and the number of commercial and industrial parcels located within their municipality. The funding would apply a fifty percent weight to the gross taxable sales in the municipality subject to reduced sales tax.

The League has long advocated for these changes, including the adoption of a [2016 Conference Resolution](#). We want to thank League Past President and Elizabeth Mayor Chris Bollwage and the New Jersey Urban Mayors Association for their hard work and dedication on this issue.

Eligible municipalities should review these changes with their Administrator and Chief Financial Officers.

Contact: Paul Penna, Legislative Analyst, ppenna@njlm.org, 609 695-3481, x110

c. Court Decision Clarifies Municipal Vacancy Law

A published court decision this week from the NJ Appellate Division provided some clarity to a previously ambiguous provision of the Municipal Vacancy Law. [In Linden Democratic Committee v. City of Linden](#), an Appellate panel examined the provision of the Municipal Vacancy Law dealing with the appointment of a vacant and unexpired municipal council seat.

The matter centered on whether the governing body was **required** to fill a vacant seat –

which would mean selecting from a list of three candidates provided by the incumbent's political party – or if the governing body could use their discretion to leave the seat vacant – allowing for an interim period between the occurrence of the vacancy and the general election where the seat would remain vacant.

The Appellate Panel determined that there was a divergence in the Municipal Vacancy Law which created differing requirements regarding the filling of vacant seats, based on whether a municipality holds partisan elections or non-partisan. The court ruled that a municipality holding a partisan election indeed had discretion on whether or not to fill the vacant seat, whereas those municipalities holding non-partisan elections are required to fill the seat, using the list of three names from the incumbent's political party, where applicable.

It is uncertain at this time if the appellate decision will be appealed. The League encourages you to review this decision with your municipal attorney, municipal clerk, and other professionals for more information.

Contact: Frank Marshall, Esq., Associate General Counsel, fmarshall@njlm.org, 609-695-3481, x137.

II. Federal Issues

a. American Rescue Plan Supplemental Compliance & Reporting Guidance

This week, the Division of Local Government Services released [Local Finance Notice 2021-13](#), American Rescue Plan Supplemental Compliance & Reporting Guidance. For more information, please see the League's [recent blog post](#).

Contact: Paul Penna, Legislative Analyst, ppenna@njlm.org, 609 695-3481, x110.

III. COVID-19 Weekly Update

According to various news accounts Governor Murphy will be announcing shortly that New Jersey teachers will soon be required to get a COVID vaccine. In addition, it is reported that the Governor has directed cabinet members and other high level state officials not to travel out-of-state on official business.

COVID Data for August 20, 2021:

- 2,407 new positive cases for a total of 934,069 confirmed cases
- 9 new confirmed deaths for a total of 24,018 confirmed deaths
- The rate of transmission is at 1.27
- 10,846,722 vaccine doses have been administered, including 5,958,724 who have received at least one dose and 5,286,394 who are fully vaccinated. 57% are Pfizer, 39% Moderna, and 4% J&J.

Vaccine Information

As a reminder, the Department of Health is providing access to individuals COVID vaccination records through NJ Docket, a [secure and free smartphone app Docket](#), which is CDC approved.

Homebound residents who have not yet connected with their local health department, or a home health agency, and who need an in-home vaccination should visit www.covid19.nj.gov/homeboundvax or contact the call center at 855-568-0545.

IV. Also of Interest

a. 2021 Governor's Conference on Housing and Economic Development

The 2021 Governor's Conference on Housing and Economic Development virtual conference will be held on September 29-30, 2021. The [agenda](#) includes sessions addressing lessons learned from the pandemic, what has changed, and efforts the state has taken to stabilize and adapt to address the needs of impacted homeowners, renters, businesses and communities. [Registration](#) fee is \$75 before August 25 and \$85 thereafter. More information on the Governor's Conference is available on their [conference's website](#) or by contacting njhousingconference@njhmfa.gov.

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