

May 6, 2016

RE: Weekly Policy Update

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Dear Mayor:

Here is summary of some issues of interest to local governments.

I. Atlantic City Impasse Continues

Yesterday, the anticipated vote on A-3614 did not occur. A-3614 is sponsored by Speaker Vince Prieto and would establish a payment-in-lieu-of-taxes (PILOT) for casino properties. The PILOT is intended to establish a certain and reliable tax revenue stream for Atlantic City. The new legislation would also create a new five-member committee to develop a financial plan for the city. A-3614 would set benchmarks that, if not met in yearly increments, would increase the oversight role of the committee. If benchmarks are not met for two consecutive years, then the committee would implement a state takeover of the city government. A-3614 is supported by Mayor Guardian, the Governing Body, and the public sector unions.

Without the needed 41 votes, and with some members absent, the Speaker indicated that he would continue to work on a compromise to aid Atlantic City and would reschedule a vote for next Wednesday. The Senate has already passed alternative state takeover legislation (S-1711), which also includes PILOT funding. S-1711 is sponsored by Senate President Sweeney and has the support of the Governor.

Contact: Mike Cerra at mcerra@njslom.org or 609-695-3481, ext. 120.

II. Bill Introduced to Address Volunteer Firefighters Public Employee Retirement Benefits

In 2014, the Division of Pension and Benefits issued guidance on post retirement employment restrictions for public employees. The guidance noted that there must be a bona fide severance of employment, in order not to jeopardize the employee's retirement benefits. If an individual returns to public employment with the former employer, even as a volunteer, prior to satisfying the requirements of a bona fide severance from employment, the employee will be required to repay all retirement benefits received from the date of retirement and may be required to re-enroll in the same or different retirement system. As a result, volunteer firefighters, who are public employees, have been required to resign as a volunteer firefighter in order to receive their retirement benefits.

Senators Sarlo and Kean have introduced S-2107, which would permit a person with a pre-existing volunteer relationship as a firefighter with their employer to retire from service covered by PERS or PFRS and continue to serve that employer as a volunteer. Assemblywoman Schepisi and Assemblyman Bucco have sponsored the companion bill A-536.

The League supports S-2107/A-536. Volunteers are the backbone of communities providing services to the residents at no cost to taxpayers while freely giving of their time and expertise. Employees affected by the Division of Pensions ruling are at least 55 years of age. In their volunteer positions, they often serve as mentors to the new and younger members, typically providing guidance and direction. While well intended the Division of Pensions has created an unintended consequence which, if not changed, will impact every public employee who volunteers in the state and will not only drive up property taxes, but would also reduce the quality and level of essential public services.

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III. Statute of Limitation Liberalization Could Hurt Taxpayers

Companion bills (S-280/A-865) and similar legislation (A-853) have been introduced, which would:

Completely eliminate (or, in the case of A-853, extend to 30 years) the statute of limitations for bringing civil actions for sexual abuse

Waive sovereign (and charitable) immunity to make public entities (and charitable institutions) equally liable

Include actions brought against an employer or volunteer supervisory person or entity for actions alleging negligent hiring, supervision or retention by any organization, including charitable organizations.

We will ask that these bills be amended to exempt public entities from these provisions.

Current law allows a person to bring suit within two years of 'the time of reasonable discovery of the injury and its causal relationship to the act of sexual abuse' and allows a court to toll the SOL because of the 'plaintiff's mental state, duress by the defendant, or any other equitable grounds.'

The statute of limitations for the crime of sexual abuse has been eliminated.

This initiative applies to civil – not criminal – suits. Civil suits are decided on a 'preponderance of the evidence' standard, and need not be proved 'beyond a reasonable doubt.' Under this bill, a defendant would have to present evidence to prove that he, she or it did not do something 30 or more years ago.

Those who violate a minor's trust and commit child abuse should be prosecuted, and punished, to the full extent of the law. However, local taxpayers, who may not have lived in the municipality, or even been alive, at the time of the abuse, should not be penalized for heinous crimes over which they had no control. Yet, the difficulty in proving a negative could force municipalities, school districts, youth sports organization, social service agencies to settle false claims.

Contact Jon Moran at 609-695-3481, ext. 121 or jmoran@njslom.org

IV. Federal Tax 'Reform' Blueprint Coming in June

In our Nation's Capitol, House Ways and Means Committee Chairman Kevin Brady has announced his intentions to release an outline for a long-range overhaul of the tax code by June. According to Congressman Brady, the outline will be a key part of an economic platform being developed by House Speaker Paul Ryan in time for the peak campaign season.

As the Committee continues work on examining the tax code, NLC and the New Jersey League of Municipalities will continued to call for preservation of the tax exemption for municipal bonds and the authority of local governments to set their own tax. Past tax 'reform' initiatives have targeted those crucial local public policy, tax relief and economic development tools. We will keep you posted, and ask for your help on these priorities, as the debate progresses.

Contact: Jon Moran at jmoran@njslom.org or 609-695-3481, ext. 121.

V. Call for Submissions for Inaugural Public Private Partnership Awards – P3

This is a CALL FOR SUBMISSIONS for the inaugural public private partnership awards.

P3's are all around us and should be recognized as a vital method for municipalities to achieve public goals. Click for more details <http://www.njbiz.com/section/Public-Private-Awards-Nom>

VI. Healthiest Cities & Counties Challenge

The Aetna Foundation, in partnership with the American Public Health Association, the National Association of Counties, and CEOs for Cities, is accepting applications from small to mid-sized municipalities, and from counties working to improve the health of their residents.

The goal of the Healthiest Cities & Counties Challenge is to develop practical, evidence-based strategies that improve measurable health outcomes and promote health and wellness, equity, and social interaction. Through the challenge, the foundation will award more than \$1.5 million in grants.

Phase 1 applications must be received no later than May 31, 2016. Upon review, selected applicants will move on to Phase 2 of the challenge.

For complete program guidelines and application instructions, see the Healthiest Cities & Counties Challenge website.

[Click here](#) to link to the complete RFP. Or [click here](#) to read the full announcement on the League's Grant News and Information page, part of the League's Grant Resource Center.

VII. Cops in Shops College Summer Shore Initiative Program

Division of Alcoholic Beverage Control (ABC) is seeking applications from municipal police departments New Jersey serving shore communities, or in towns that serve as gateways to shore communities, and which undergo a large influx of vacationers during the summer months. For more information please visit <http://www.nj.gov/oag/abc/grant-apply-CIS.html>. Applications are due by 4:30 p.m. on Monday, May 23.

Sincerely,

Michael J. Darcy, CAE

Executive Director