

October 6, 2017

**RE: WEEKLY UPDATE**

I. State Issues—

II. Federal Issue— Federal Tax Reform Update

III. 102nd Annual League Conference IV. Also of Interest Dear Mayor: **I. State Issues**

**a. Interest Arbitration**

We are now 87 days away from the expiration of the 2% cap on interest arbitration and to date there is still no clear direction whether the Legislature will act in time to keep this necessary tool to curtail property taxes.

Now is the time to take action to assure this tool is extended. If you haven't done so already, please adopt the League's model resolution ([pdf](#)) urging the State Legislature and Governor to extend the 2% interest arbitration cap. Please communicate regularly with your State Legislators and urge them to push for the extension when the Legislature reconvenes after the elections. Please educate your residents on this issue and urge them to contact their Legislators.

The evidence and facts are clear and unambiguous. For more on this data and information, [please click here](#). You can also [click here for the League's Town Crier](#) blog post on this issue.

Please act now!

**Contacts:**

- Michael Cerra, Assistant Executive Director, [mcerra@njslom.org](mailto:mcerra@njslom.org), 609-695-3481 x120;
- Lori Buckelew, Senior Legislative Analyst, [lbuckelew@njslom.org](mailto:lbuckelew@njslom.org), 609-695-3481 x112.

**b. Voters Asked to Approve New Funding for Libraries**

On July 21, the Governor signed [PL 2017, c. 149, the "New Jersey Library Construction Bond Act."](#) This bill, upon voter approval, authorizes the issuance of \$125,000,000 in general obligation bonds to finance capital projects at public libraries. As a result, on Election Day, New Jersey voters will cast their ballots on **Public Question 1**, the **"Bonds for Public Libraries Measure."**

The League joined the New Jersey Library Association in support of the enabling legislation, particularly since the funding must be approved by the voters. This will allow, if the voters of the State agree, for much-needed funding to provide for the construction, reconstruction, development, extension, improvement, and furnishing of New Jersey's public libraries. Specifically, for any approved project financed by bond proceeds, the grant award will support 50% of the cost of the project, and the appropriate local governing entity in the area served by the public library will support 50% of the cost of the project.

For more, [please click here for the League's Town Crier post.](#)

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

### **c. Local Governments Using Lawsuits in Fight Against Opioid Crisis**

States and local governments across the country are gearing up for a legal battle with pharmaceutical companies over their role in the nationwide opioid epidemic. New Jersey is no exception, with the State's Attorney General Office announcing it has already opened its own investigation into the matter and the recent announcements from two NJ municipalities of their plans to file lawsuits against the pharmaceutical companies.

The League is working in conjunction with our national counterpart, the National League of Cities, to monitor this important issue and we will keep our members informed of any developments. For more on this, please visit our recent blog post, [here](#), where this matter is discussed in more detail.

**Contact:** Frank Marshall, Esq., League Staff Attorney, [fmarshall@njslom.org](mailto:fmarshall@njslom.org) or 609-695-3481 x137.

### **d. Mayors Survey**

Mayors, have you completed the 2017 Mayors survey? By now, you should have received via regular mail a letter from the League dated September 6, which included the 2017 Mayors Survey and other information. If you misplaced a copy, please email [mcerra@njslom.org](mailto:mcerra@njslom.org). Please take the time to complete the survey as soon as possible.

## **II. Federal Issues**

### **a. Federal Income Tax Reform Update**

The release, last week, of the "Unified Framework for Fixing Our Broken Tax Code" (the Framework), raised red flag concerns for New Jersey local officials, and those who represent our State in Congress.

On Monday, League President, Mayor Al Kelly of Bridgeton, and Executive Board Member, Mayor Ras Baraka of Newark, participated in a bi-partisan conference, hosted by New Jersey Congressmen Leonard Lance, Bill Pascrell and Donald Payne, to raise public awareness of the threat that reform efforts in Washington could pose for homeowners and local officials, all around our Garden State.

With tax reform, the Federal Government looks to accomplish three goals. First, policymakers want to spur economic activity by reducing taxes on individuals and businesses. Second, they want to simplify the tax code by eliminating most itemized deductions. Third, by eliminating deductions, they also want to limit the impact of reform on the federal deficit. (The only deductions that the Framework declares sacrosanct are those for mortgage interest and charitable

giving.) The ultimate effect of reform on individual taxpayers and on the deficit will be determined by the balance – or lack, thereof – that is established among those three priorities. The balance will also determine whether tax reform can win enough votes to pass in the House and the Senate.

While the Framework lacked specifics on how to strike that balance, two possibilities pose particular problems for New Jersey taxpayers and municipalities.

First, an elimination of the federal income tax exemption of the interest earned on municipal bonds would force municipalities and states to increase rates of return, in order to compete with other investment opportunities. That, in turn, would increase a local government's costs that would, ultimately, be shouldered by our property taxpaying residents and businesses. And that would mean fewer vital investments in our public infrastructure, less economic activity and fewer jobs.

Second, an elimination of the state and local tax (SALT) deduction would result in a double taxation and increase constraints on local budgets. Obviously, this deduction is critical to New Jersey's taxpayers. New Jersey is a "donor state," with our residents already paying more into the federal treasury than we receive back in federal funding.

Despite that long-established fact, Treasury Secretary Mnuchin and Administration Press Secretary Huckabee Sanders claim that the SALT deduction 'unfairly' forces the Federal government to 'subsidize' states like New Jersey. Elimination of this deduction would subject our taxpayers to a federal income tax liability on the dollars already dedicated to state and local programs and services, providing direct benefits to the public.

The state and local tax deduction was one of six deductions in the original tax code in 1913. The principle that no government should tax another strikes at the heart of federalism and any reversal would be an overreach by the federal government. This preemption would result in a double taxation and increase the constraints of local budgets, which, unlike the federal budget, must be balanced at all times.

According to the Tax Policy Center, full repeal of the SALT deduction would raise 1.3 trillion deficit reduction dollars over 10 years. With that in mind, members of the House Ways and Means Committee could consider compromise proposals that would generate less than the full \$1.3 trillion, but a still significant sum. Possibilities include a means test allowing only middle-income filers to claim the deduction, allowing claims for either income or property tax payments (but not both), or replacing the deduction with a non-refundable tax credit.

While all members of New Jersey's Congressional delegation have spoken, publicly, in opposition to complete repeal, Congressman Tom MacArthur is working on a compromise "homeowner deduction," which would basically merge the current mortgage interest deduction with the property tax portion of the SALT deduction.

Please contact Senators Menendez and Booker and your Congresswoman or Congressman. Thank those who have stood up for New Jersey municipalities and taxpayers on these issues. Ask them how you can help to protect these vital provisions. And please, let us know what they say.

**Contacts:**

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Frank Marshall, League Staff Attorney, [fmarshall@njslom.org](mailto:fmarshall@njslom.org), 609-695-3481, x137.

**III. 102nd Annual League Conference**

**a. 2017 Conference App is Available Now!**

The 2017 Conference App is available now. [Visit your device's App Store to download.](#) Download to view the full session schedule, including descriptions. Filter the schedule by CEU or group hosting. View the full exhibitor listing and create a custom schedule.

You must download and register for the 2017 version to view information for the 102nd Annual Conference; the 2016 version will not be updated.

The 2017 Conference App is Exclusively Sponsored by Phoenix Advisors, LLC.

**b. Don't Use Unauthorized Hotel Reservation Services**

Every year there are unauthorized firms soliciting housing and hotel reservations from attendees at the Annual League Conference.

**We assure you that the only firm authorized to handle our conference housing reservations is A.C. Central Reservations.**

This information is on the top of the official conference housing form sent to all municipal clerks and posted on our web site: <http://nj-njslom.civicplus.com/302/2017-Conference>

**c. Plan Now for November: Exhibit Highlights**

The Exhibit Hall at the League's Annual Conference offers a wide variety of services and products. Each day at the conference, take the opportunity to enjoy the exhibit floor by stopping in for a nice lunch and visits to the booths for every municipal need, concern, and interest.

Begin to make your list of exhibitors to visit including current favorites and the 62 new exhibiting companies—or contact them now! Plan today by visiting our interactive map at <https://shows.map-dynamics.com/NJLM2017/>

**d. NJLM 2017 Conference CEU List Has Been Posted!**

The first version of Annual Conference CEU list has been posted. You can view this list by clicking the following link: <http://nj-njslom.civicplus.com/DocumentCenter/View/347>

Please note, the Annual Conference CEU list is not final, please continue to check the conference page <http://nj-njslom.civicplus.com/302/2017-Conference> frequently for updates.

#### **e. Don't Forget! CEU Tracking System Procedures for 102nd Annual NJLM Conference**

Badge Scanners will be used to track CEU Credits and Attendance at the NJLM 102nd Annual Conference.

#### **For Sessions that Have CEU credit Available**

- All Attendees looking to earn credit must scan-in and scan-out of these qualifying sessions\* to earn their CEU credits.
- Attendees will claim their certificates after the conference via the League website <http://nj-njslom.civicplus.com/300/Conference>

For more information or for a complete list of procedures please click the following link for <http://nj-njslom.civicplus.com/302/2017-Conference>

*\* Please note, the procedures described above only apply to educational sessions. **Business Meetings and vendor sessions are not included** in the scanning system*

#### **IV. Also of Interest**

##### **a. League Professional Development Webinar**

##### **“OPRA Spotlight: The Lyndhurst Decision and Police Records”**

**Date:** October 18, 2017 **Time:**  
11:00a.m.-12:15p.m.

**Location:** Your Computer

The recent New Jersey Supreme Court decision in North Jersey Media Group, Inc. v. Township of Lyndhurst confirmed that most written records created during a criminal investigation are beyond the reach of Open Public Records Act requests, but the Court found that police Use of Force reports are subject to OPRA unless the government can show that disclosure would be “inimical to the public interest.” The Court’s reasoning has opened the door to arguments that police dash camera and body camera footage may be subject to OPRA based on the extent that the Attorney General’s Law Enforcement Directive 2015-1 constituted a “law” requiring that footage be created. Even if courts continue to hold that police camera footage is not subject to OPRA, the Supreme Court’s Lyndhurst decision has opened the door wide open to common law

“right to know” requests for police camera footage. This webinar will discuss the implications of this case, how to handle such a request, and what it means for Municipal Records Custodians with regards to these types of OPRA requests.

**CEUs:** CMFO/CCFO-1.5 off Admin/Anc; CTC-1.5 Gen/Dec; CPWM-1.5 GOVT; RMC-1.5 Rec; QPA-1.5 Off Admin/Gen Duties; RPPO/RPPS-1.5 M/S

**Link for Registration:** <http://nj-njslom.civicplus.com/799/Seminar-and-Webinar-Handouts>

Sincerely,

Michael J. Darcy, CAE  
Executive Director