

May 26, 2017

RE: WEEKLY UPDATE

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Dear Mayor:

As local officials, you know well that Memorial Day weekend is its time of reflection and commemoration of those who gave their all for our country. Before you begin that important task, please take a moment to review the issues we have summarized in this Friday Roundup. And perhaps, take a moment to share this information with your colleagues.

I. State Policy Issues

a. Bill Establishing Tax Parity Passes Assembly; Heads to Senate

On May 22, with a 45-29 vote, the Assembly passed [A-4587](#), which imposes State sales and use tax and hotel and motel occupancy fee on transient accommodations, and which authorizes various municipal taxes and fees on transient accommodations. The bill authorizes municipalities to impose, on transient accommodations, and where applicable: the Hotel Occupancy Tax; Municipal Occupancy Tax; Atlantic City Luxury Tax; Atlantic City Promotion Fee; Cape May County Tourism Sales Tax; Cape May County Tourism Assessment; Sports and Entertainment Facility Tax; and Meadowlands Regional Hotel Use Assessment.

The League **supports** A-4587 as it provides tax parity in the accommodation market place by taking into account the sharing economies. This is not a new tax but a logical extension of the current hotel tax and provides parity within the industry and fairness for taxpayers.

The bill is on the Senate Budget and Appropriations Committee's June 1 agenda. Please contact your Senator urging them to support A-4587.

Contact: Lori Buckelew, Senior Legislative Analyst, lbuckelew@njslom.org, 609-695-3481 x112.

b. 3rd Party Tax Appeal Bill Passes Senate; Heads to Assembly

S-2212, which prohibits certain third-party property tax appeals, passed the Senate, 25-8, on Thursday and now joins the companion bill ([A-3888](#)), awaiting consideration by the Assembly Appropriations Committee.

S-2212/A-3888 would prohibit third parties from filing property tax appeals with respect to the property of others. As you may know, current law allows any entity or individual that pays property taxes to challenge the assessment or exempt status of any other property in the county, in addition to their own. The sponsor's stated intention is to reduce the number of costly tax

appeals and bring certainty to local government finances, as local government representatives are best suited to challenge assessments or the exempt status of a property.

The League **supports** this common sense reform that will bring stability to municipalities, property taxpayers and property tax-exempt organizations.

Please contact your Assembly Representatives urging them to support S-2212/A-3888.

Contact: Lori Buckelew, Senior Legislative Analyst, lbuckelew@njslom.org, 609-695-3481 x112.

c. 2% Interest Arbitration Cap to Expire At End of Year

In June 2014, the Legislature unanimously approved and the Governor enacted an extension on the 2% cap on Interest Arbitration awards. That extension is set to expire on December 31, 2017. While the 2% property tax levy cap will continue, the cap on Interest Arbitration awards will expire on the same day that the final report and recommendations of the Police and Fire Public Interest Arbitration Impact Task Force is due, unless the Legislature and Governor act.

The temporary 2% cap on police and fire arbitration contract awards has been an effective tool to control increasing salary costs and provide a solution to assist local governments in keeping property taxes down and cost under control. However, we recognize that this change in arbitration reform needs a longer time to mature in order to see the benefits of the legislation and its actual impact on the cost of local government budgets and the impact on taxpayers.

We urge you to pass a resolution ([pdf](#)) urging the State Legislature and Governor to extend the 2% cap on Police and Fire Arbitration Contract Awards for an additional five years, at which time the Legislature will have hard data to examine and then make a final decision as to whether this law should be made permanent.

If the cap on interest arbitration expires, while the 2% property tax levy cap remains in effect, municipalities will be forced to reduce or eliminate municipal services in order to fund interest arbitration awards.

Contacts:

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II. Federal Policy Issues

a. NLC Submits Comments on U.S. EPA Regulatory Reform

The National League of Cities (NLC) has taken the lead on a number of matters important to New Jersey municipalities.

Under the direction of Executive Order 13777 on Enforcing the Regulatory Reform Agenda, NLC submitted comments to the U.S. Environmental Protection Agency (EPA) on regulations that may be appropriate for repeal, replacement or modification.

As co-regulators, municipalities play a vital role in implementing the Clean Water Act (CWA), the Safe Drinking Water Act, the Clean Air Act, and other statutes. Therefore, as partners in protecting America's water resources and ensuring clean air, it is important that federal, state and local governments all work together to craft reasonable and practicable rules and regulations to ensure that these proposals are effective, implementable, offer local flexibility, avoid a "onesize-fits-all" approach, and avoid unfunded mandates.

The joint NLC letter notes that local governments, residents and businesses are spending tremendous resources to comply with numerous environmental and non-environmental federal and state unfunded mandates, while the capacity of local governments to respond to federal demands is limited due to fiscal constraints.

The NLC letter offers comments on the items below, including several current rules or regulations, potential forthcoming regulations where municipalities have some concerns, as well as suggestions for strengthening a policy that in itself is designed to provide more local government flexibility in meeting requirements under the CWA:

- Wastewater and Stormwater Mandates
 - Combined Sewer Overflows, Sanitary Sewer Overflows and Consent Decrees
 - Integrated Planning for Municipal Stormwater and Wastewater
 - Financial Capability Guidance
 - Total Maximum Daily Loads
 - National Pollution Discharge Elimination System
- Blending and Bypass (Iowa League of Cities v. EPA)
- Clean Water Rule/"Waters of the U.S."
- Lead and Copper Rule
- National Ambient Air Quality Standards for Ozone
- National Ambient Air Quality Standards for Particulate Matter
- Risk Management Program for Chemical Facilities
- PCB Light Ballasts in Schools and Daycares

More information about the Agency's regulatory reform is available on the [EPA website](#).

Contact: Jon Moran, Senior Legislative Analyst, jmoran@njslom.org, 609-695-3481 x121.

b. Attorney General Issues Memo on Sanctuary Cities' Federal Grant Eligibility

On May 22, 2017, U.S. Attorney General Jeff Sessions issued a [memorandum](#) to all Justice

Department grant-making components. General Sessions' memo addressed Executive Order 13768, issued earlier this year.

As you may recall, [Executive Order 13768](#) iterated the Trump Administration's policy to ensure the enforcement of federal immigration laws. To carry out this policy, the Executive Order directed the Attorney General and the Secretary of Homeland Security to find sanctuary jurisdictions ineligible for federal grants.

In his memo, General Sessions clarified that the Justice Department views the Executive Order's directive to deny federal grants to sanctuary cities to apply only to grants which are administered through the Justice Department. This memo gives clarity to the issue, as previously the Executive Order was viewed as precluding sanctuary cities from receiving any federal grant money.

The memo not only provides clarity but also a certain amount of peace-of-mind to purported sanctuary cities worried about losing much needed federal grant money. However, the controversy surrounding this Executive Order is not over with many groups calling it unconstitutional, even with the clarifications provided in the Attorney General's memo.

Contact: Frank Marshall, Esq., League Staff Attorney, fmarshall@njslom.org, 609-695-3481 x137

c. NLC Urges President to Involve Local Leaders in Policy Discussions

Last week, our Federal partner, the National League of Cities (NLC) offered to assist the Administration in gaining the local perspective on important public policies. [NLC sent a letter to President Trump](#) urging him to consider local elected officials as a resource in helping to solve our Nation's most pressing challenges. To strengthen the federal-local partnership in furtherance of mutual goals, NLC asked President Trump to open up a direct channel for local government elected leaders by appointing a municipal leader within the White House Office of Intergovernmental Affairs, to serve as the critical voice of local government on policy matters.

Second, as the Administration prepares an infrastructure proposal to improve our nation's airports, bridges, highways, ports, tunnels and waterways, the President was asked to consider the following [local government principles](#).

- America's municipalities and counties are paying more than their fair share: over two-thirds of all public infrastructure projects in the United States are locally financed by municipal bonds.
- While the demands on America's infrastructure grow each year, federal funding has fallen to historically low levels, placing the economic and physical well-being of our localities in jeopardy.
- Municipal leaders are best positioned to identify where infrastructure needs are greatest, and should be given a stronger voice in how limited federal dollars are spent.

Specifically, NLC asked President Trump to propose an infrastructure package that: protects the tax exemption for municipal bonds; includes direct funding for local governments and uses existing mechanisms and programs for funding and financing; and includes transportation, water and broadband. Local leaders can help to craft an infrastructure investment plan that is forward looking and makes investments that are built for the 21st century, is accessible for both small and large municipalities, and includes workforce development.

Contact: Jon Moran, Senior Legislative Analyst, jmoran@njslom.org, 609-695-3481 x121.

d. Contact New Jersey Senators and Your Representative in the House on Federal Budget Proposal

On Wednesday, the White House released its [full Fiscal Year 2018 budget proposal](#), which includes unprecedented cuts that would slash or eliminate crucial programs that invest in municipalities and create jobs. (See our [May 24 Town Crier blog](#) for some more details.) While based on the previously released “skinny budget” that proposed \$54 billion in cuts to domestic programs, the full budget proposal includes even more severe cuts to social welfare spending.

Cutting these essential programs would impose a crippling burden on state and local governments. The President’s budget proposal not only asks municipalities and counties to do a lot more with a lot less, it represents a vision of unprecedented withdrawal of federal investment in America’s neighborhoods and communities and an abandonment of the role the federal government traditionally plays as a stakeholder in local governments.

If Congress honors the Administration’s proposal, the impact on municipalities will be devastating. The plan eliminates dozens of successful programs, including the Community Development Block Grant program, TIGER grants for transportation projects and the HOME Investment Partnerships Program. The proposal would have major consequences for municipalities throughout America — regardless of size, location or economic outlook. Instead of lifting up our communities, it cuts the [very programs that allow them to thrive and prosper](#).

We have already begun to coordinate our efforts with our partner in Washington, the National League of Cities. But to save the vital programs that make our State and our municipalities strong and stable, we need your help. **Click here to send a letter to your members of Congress** today and tell them how the Administration’s budget proposal will impact your community. By sharing real examples of how your hometown leverages federal funds to build your community, we can stop this budget proposal from becoming reality.

Contact: Jon Moran, Senior Legislative Analyst, jmoran@njslom.org, 609-695-3481 x121.

III. Also of Interest

a. NLC State of the Cities Report

National League of Cities' annual State of the Cities report is a content analysis of Mayors' own words. It identifies both top-level issues, such as economic development and infrastructure, and specific policies, such as workforce training and transit in 120 Mayoral speeches from across the country. Economic development and public safety continue to be dominant themes. To see the full report and to gain a better understanding of the State of Cities throughout the country [click here](#).

b. The 2nd Annual Population Health Summit

New Jersey Health Commissioner Cathleen Bennett will be holding the 2nd Annual Population Health Summit on Friday, June 7, 2017 from 8:30 a.m. to 3:30 p.m. at Rider University.

This free event will include a Roundtable Discussion, among deans of New Jersey academic on "What are you doing to ensure the Health of your population?" and panel discussions on municipal leadership driving population health improvements and community based approaches to promote a culture of health. Members of the Population Health Action Team (Commissioners Connolly, Richman, Martin, and Bennett) will close out the summit by presenting Population Health Hero Awards to this year's winners.

Click [here](#) to register for this free event.

c. 2017 Financial Disclosure Statements Guidance Issued

The Division of Local Government Services has issued [guidance](#) on the filing of the 2017 Financial Disclosure Statements. The deadline to file the Financial Disclosure Statements (FDS) is on or before April 30th. However, while the Local Finance Board has no statutory authority to extend the filing deadline, due to the delay in opening the 2017 FDS system for filers, **the Local Finance Board is expected to delay enforcement of the statutory deadline until May 30, 2017.** For information please see our [Town Crier blog](#) on this issue.

Contact: Lori Buckelew, Senior Legislative Analyst, lbuckelew@njslom.org 609-695-3481 x112.

d. League Affiliate Offers Drone Certification

Are you thinking about getting a drone to support municipal operations; for building inspections, doing an emergency loss assessment, determining the health of trees, searching for a lost child, inspecting bridges, or evaluating the environment during a building fire or flood? These are just a few areas to consider when using this new technology.

Public entities, performing inherently government functions, can self-certify their pilots and their aircraft. But how do you self-certify? And how do you know if the certification process will satisfy the Federal Aviation Administration (FAA)? Who can fly the drone? What certification

do they need? And most importantly, how do municipalities protect themselves by making sure your personnel are trained properly? Click below to learn about the 2-day training program available from League Affiliate Jersey Access Group for municipal operators of unmanned aircraft systems (UAS) or drones.

<http://events.r20.constantcontact.com/register/event?oeidk=a07euidlls1ee7fd51&lr=5izl8xcab&showPage=true>

Sincerely,

Michael J. Darcy, CAE Executive
Director