

April 28, 2017

**RE: WEEKLY UPDATE**

- I. State Policy Issues
- II. Federal Policy Issues III. Also of Interest Dear Mayor:

**I. State Policy Issues**

**a. PFRS Legislation Update, S-3040**

The Governor has until May 8 to take action on a bill ([S-3040/A-99](#)) that could lead to dramatic property tax increases or drastic cuts to vital services. This legislation would disproportionately shift control of the Police and Fire Retirement System (PFRS) from balanced labor-management control to a union dominated (7-5) decision making structure. In its current form, the bill will allow public safety union members and retirees to enhance their own benefits; while forcing their public employers and New Jersey taxpayers to assume a disproportionate amount of the risk.

The League, the New Jersey Conference of Mayors and the New Jersey Association of Counties oppose this bill. **Please continue to communicate with the Governor's office and your Legislators to convey your concerns. If the Governor either vetoes or conditionally vetoes the bill, it will go back to the Legislature for further action.**

For more information please visit our [blog posting](#).

**Your continued engagement is vital.**

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

**b. We Ask Your Assistance in Advancing These Bills of Interest to Municipalities**

The League **supports** both [A-4666/S-3080](#) and [A-4667/S-3081](#). Both bills are a response to the current affordable housing impasses in the State and lack of a statewide housing policy and guidance for municipalities.

Specifically, A-4666/ S-3080 enact a moratorium on affordable litigation through December 31, 2017. The bill would not impact any judgement or settlement issued or agreed to before the effective date of the bill. Current litigation would be stayed until the moratorium expires.

A-4667/ S-3081 establish the Affordable Housing Obligation Study Commission. This commission will study prior court decisions, the effectiveness of past affordable housing practices, and analyze projected population increases and corresponding housing need. The commission will hold public hearings and is required to publish a report of its findings at the end of the year.

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

**Take Action:** Click here to ask your State Legislators to support these bills.

You can click here for a sample resolution in favor of these bills, which can be downloaded as a [PDE](#).

The League also **supports** [A-2452](#), which would create new liquor licenses for restaurants meeting certain criteria. This bill creates a restricted restaurant license (R1) which permits the holder to sell any alcoholic beverages for consumption on the premises of certain restaurants. In addition, the bill creates a restricted beer and wine license (R2) which permits the holder to sell only beer and wine by the bottle or can. These licenses would only be available to restaurants that meet certain square footage requirements, and that maintain a full-service kitchen. The bill provides that alcoholic beverages could only be sold in connection with the service of food at a table by an employee of the restaurant. A license holder would be prohibited from providing a bar area for customers of the restaurant to congregate and consume alcoholic beverages.

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

**Take Action:** Click here to use our Voter Voice system to ask your Legislators to advance this important economic development initiative.

**Contacts:**

Michael Cerra, Assistant Executive Director, [mcerra@njslom.org](mailto:mcerra@njslom.org) , 609-695-3481 x120; Lori Buckelew, Senior Legislative Analyst, 609-695-3481 x112, [lbuckelew@njslom.org](mailto:lbuckelew@njslom.org); Jon Moran, Senior Legislative Analyst, 609-695-3481 x121, [jmoran@njslom.org](mailto:jmoran@njslom.org).

**c. Bill Would Give Freeholders the Power to Force Court Consolidation**

The League of Municipalities opposes [A-4418](#), which would give Freeholder Boards the power to usurp a legitimate local prerogative. Under the provisions of this bill, locally elected and locally responsive governing bodies would have no real choice, but to rubber stamp a county decision to create “county-municipal courts,” with unlimited, countywide jurisdiction.

Within two years of action by the Freeholders, each municipality within a county that establishes a county-municipal court would have to agree to have all cases heard in the new court. A municipality that agrees to the county's will would not be responsible for any administrative costs associated with the operation and maintenance of the new court. However, if a municipality failed to agree within the two-year period to have violations heard by the new court, the Assignment Judge of the vicinage for the county would order that any violations occurring in the non-compliant municipality be heard in the new court, and the municipality would be responsible for all administrative costs specified in the judge's order until such time as it agreed to have violations heard by that court.

Municipal officials should not be compelled to defer to the decisions of officials at the county. Permissive legislation is vastly preferable to this. That would allow those elected officials, who serve closest to the people and who are in the best position to assess and address local needs, to take appropriate action. We oppose A-4418, which has been referred to the Assembly Judiciary Committee.

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

## **II. Federal Policy Issues**

### **a. FCC Proposes Sweeping New Restrictions on Local Land Use Authority**

The Federal Communications Commission (FCC) recently released drafts of proposed rules that, if finalized, could dramatically preempt local governments. The two proposed rules regarding wireline and wireless service, which are intended to streamline and promote broadband deployment, suggest that local government requirements and practices are inhibiting the deployment of broadband internet, and should be preempted. The proposals suggest a series of changes that could limit local government control over the rights-of-way, further limit local review of wireless facilities, hamper local government protection of consumers of copper landline phone services, and restrict local efforts to stop redlining by telecommunications providers.

Municipalities can comment on the first proposed rule, “[Accelerating Wireline Broadband Deployment by Removing Barriers to Infrastructure Investment](#),” using WC Docket 17-84, and can comment on the second proposed rule, “[Wireless Infrastructure NPRM](#),” using WT Dockets 17-79 and 15-180. Our friends at the National League of Cities (NLC) will continue to monitor this rulemaking and will comment on the proposals.

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

### **b. Federal Shutdown Averted, At Least for a Week**

Earlier today, the House of Representatives and the Senate approved a one-week continuing resolution to avert a federal Government shutdown. It is anticipated that the President will sign the resolution. Enactment of another Continuing Resolution will allow the federal government to remain open for business, after midnight tonight. (See our [March 31 Weekly Update](#) for a brief discussion of this deadline, and other immanent Federal fiscal pressure points.) Municipal officials know the importance of prudent budgeting. Good planning leads to predictability, which increases confidence in the competence of government and prevents recurring crises, throughout the fiscal year. We hope that Washington policy makers can, during the next seven days, produce a prudent spending plan that can carry the government through to September 30 – the end of the current fiscal year.

We will keep you posted.

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

### **c. President's Income Tax Reform Plan Could Hamstring Infrastructure Investments**

Please contact your Representative in the U.S. House and New Jersey's two U.S. Senators – Senator Bob Menendez and Senator Cory Booker on this important matter.

On Wednesday in Washington, the Administration's income tax reform plan was announced by Treasury Secretary Steven Mnuchin and National Economic Council Director Gary Cohn, during a White House press briefing. The plan has not yet taken the form of proposed legislation. Rather, Secretary Mnuchin and Chief Economic Advisor Cohn presented a broad outline of the proposal, which is meant to deliver "the biggest tax cut" in US history.

You can read [Director Cohn's Press Release](#) for a general overview of the plan. In part to simplify the income tax system, the proposal is said to eliminate all income deduction, except those for charitable contributions and for mortgage interest costs.

From a local government perspective, one concern stands out.

For more than a century, states and local governments have depended on the issuance of municipal bonds for essential capital projects. The federal income tax exemption of the interest earned on those bonds has kept the cost of issuance well below other investment options. It has allowed for vital investments in our public infrastructure, at a discount to those taxpayers. Loss of that advantage would force municipalities and states to increase rates of return, in order to compete with other investment opportunities. That, in turn, would increase costs that would, ultimately, be shouldered by our property paying residents and businesses.

Nearly two-thirds of core infrastructure investments in the United States are financed with municipal bonds. In 2015 alone, more than \$400 billion in municipal bonds were issued to finance these vital projects. These are the pro-growth investments which spur job creation, help our economies grow, and strengthen our communities. A combination of local control and local responsibility makes municipal bonds an incredibly effective and efficient tool.

Over the last decade overall state and local borrowing has actually declined in proportion to the economy, while still financing more than \$2 trillion in new infrastructure investments. And, if simply left alone, municipal bonds likely will finance another \$3 trillion in new infrastructure investments by 2026. Keeping infrastructure costs low is critical to job creation and to the infrastructure investments that are the backbone of our economy. Savings from affordable financing through tax-exempt bonds allows for greater infrastructure investments and savings passed directly to taxpayers and ratepayers in the form of reduced taxes and fees. **Contact:** Jon Moran, Senior Legislative Analyst, [jmoran@njslom.org](mailto:jmoran@njslom.org), 609-695-3481 x121.

### **d. Please Support Efforts to Save and Strengthen Vital Infrastructure**

Please support our efforts to secure federal funding needed to repair and replace a vital piece of decaying infrastructure. Please ask New Jersey Congressman and House Appropriations Committee Chairman Rodney P. Frelinghuysen to consider directing \$500 million in funding, from the Federal-State Partnership for State of Good Repair grant program, toward the Northeast Corridor in the Fiscal Year (FY) 2018 Transportation, Housing and Urban Development (THUD) appropriations bill.

The importance of Amtrak's Northeast Corridor (NEC) to New Jersey residents and businesses cannot be overstated. It is a vital artery, without which major sectors of American commerce and the economy would soon cease to function. But the NEC is currently in a state of disrepair. According to both *The Wall Street Journal* and *The New York Times*, as well as operators such as Amtrak and New Jersey Transit, the corridor's rail infrastructure will fail without major investment. A sustained infrastructure failure of this magnitude portends serious challenges for transportation infrastructure not only in the Northeast, but throughout the United States. According to the Northeast Corridor Commission, "the loss of the NEC for a single day could cost the country \$100 million in added congestion, productivity losses, and other transportation impacts."

As our State is the most densely populated state in the Nation, so our roads are the most heavily used. Any sustained shift of traffic from rail to road would result in unprecedented gridlock. It would mean increased commuting times, increased accidents, increased wear and tear on our roads and bridges and significantly decreased economic activity. Of even greater concern, it would also lead to increased response times for our public safety first responders, in the event of emergency.

We have posted a [Draft Letter to Chairman Frelinghuysen](#) on our website. Please tailor this draft to express your local concerns and send it off to the Congressman, as soon as possible. We would appreciate receiving a copy of your correspondence, as well.

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

### **III. Also of Interest**

#### **a. Municipal Land Use Law Re-Forum**

The Municipal Land Use Law (MLUL) Re-Forum is for experienced practitioners, decisionmakers and opinion leaders who seek the opportunity to share their vision for how the MLUL could be updated –to authorize the use of innovative planning tools in your communities; to prevent internal inconsistencies between master plans, zoning ordinances and reexamination reports that confound even the attorneys; and to improve the local review process, to name just a few examples. With the help of experienced facilitators, the open meeting format will allow participants to shape the agenda, lead the discussion and leave with a set of action items for putting changes in place.

The League, along with affiliate organization the New Jersey Planning Officials (NJPO) is a partnering with a broad range of other groups, including the New Jersey Chapter of the American Planning Association, on this program. The event, designed for experienced municipal officials, planners, land use attorneys, developers, architects, environmentalist or anyone else interested in the MLUL, will held on Friday, May 19, 8am to 4pm at the Hyatt Regency in New Brunswick.

You can register now at: <http://njplanning.org/event/mlul-re-forum/>

### **b. Great Resource to Explain Our Chronic Over-Reliance on Property Taxes**

Just a reminder, the League has a number of resources on its [website](#) that are meant to help local officials explain the property tax crisis to their constituents. One of the best is a look at the history of local utility taxes called “State Aid. Or Is It?” This was prepared by Wharton Borough Administrator Jon Reinhardt, a few years ago. The facts presented in that Power Point have not changed a bit since then. You can access that item at <https://nj-njslom.civicplus.com/DocumentCenter/View/6050>

### **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, [lbuckelew@njslom.org](mailto:lbuckelew@njslom.org) , 609-695-3481 x112.

### **c. Fire & Burglar Alarm Installers Proper Licensing**

The Division of Consumer Affairs Fire, Burglar Alarm and Locksmith Advisory Committee has received complaints from consumers and some contractors about fire and burglar alarm installers doing work without proper licenses. Please bring to the attention of your building department so that they can in turn notify contractors.

Fire, burglar alarm installers and locksmiths, are required to have State licenses regardless of any local licenses or permits they may hold. Security systems include CCTV systems, access control systems, and intercom systems. The Committee directs your attention to NJSA 45:5A-36.

Questions may be directed to the Committee Executive Director Philameana Tucker at 609-504-6255. More information can be found at <http://www.njconsumeraffairs.gov/fbl/Pages/alerts.aspx>.

Sincerely,

Michael J. Darcy, CAE

Executive Director