

May 19, 2017

RE: WEEKLY UPDATE

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I. State Policy Issues

a. Municipal Property Tax Relief Payments Delayed to Cover State Budget Miscalculations

As reported in our [May 17 Daily Update](#), State Treasurer Ford Scudder has lowered State revenue collection estimates for the State's current Fiscal Year, ending on June 30. In order to cover the new \$527 million gap, and allow the State to end the fiscal year with a balanced budget, Treasurer Scudder will, among other actions, delay about \$300 million in payments to municipalities. These payments are needed to cover the cost of property tax credits granted to taxpayers, in their May property tax bills. (Click here for the [State Treasurer's May '17 testimony](#).)

The State is required to reimburse municipalities for these credits given on property tax bills. As things currently stand, municipalities should expect those reimbursements sometime in July. This will put particular pressure on those municipalities that use the fiscal year budget cycle, since it delays the reimbursement until their next budget. We have been informed that the Division of Local Government Services is reaching out to those towns in order to provide guidance.

Once again, we compliment local officials for their continued ability to adjust carefully planned and adopted budgets, in order to provide a backstop for State-level deficiencies. Again, you will do so while providing counties and school districts with 100% of the funds they need to operate, while meeting your pension and health benefit responsibilities, and while providing your citizens with high quality services and programs.

We will keep you advised on further State budget developments, as we are made aware.

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

b. 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. While the 2% property tax levy cap will continue, the cap on the Interest Arbitration awards will expire the same day the final report and recommendations of the Police and Fire Public Interest Arbitration Impact Task Force is due, December 31, 2017, 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:

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

c. Oral Arguments Heard in Rahway SID Case

On Thursday, a NJ Appellate Court heard oral arguments in the case of Friends of Rahway Business, LLC v. Rahway Municipal Council and City of Rahway, a case in which the League joined as amicus curiae. This case involved the challenge of a Rahway ordinance which expanded the city's special improvement district (SID) to include all non-residential and nonpublic properties throughout the city. A group of local business owners challenged the city's authority under N.J.S.A. 40:56-65 to -85 to create a SID of this nature.

At this time there is no set date for when the Appellate Court will issue its ruling. However, it is anticipated that a ruling will be issued in late June or early July. The League will keep our members updated on this matter.

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

d. Survey of Adoption of State Housing Code – Deadline TODAY

The Division of Codes & Standards is gathering information regarding the usefulness of the New Jersey State Housing Code and seeks input from municipalities. If you have not done so already, you can submit today, Friday, May 19.

N.J.A.C. 5:28 contains rules for the maintenance of one- and two-family dwellings, and is effective only if a municipality adopts it by reference. If your municipality has adopted the State Housing Code under a property maintenance ordinance, please advise the Division of Codes and Standards by May 19th by sending an e-mail to cstandards@dca.nj.gov. **If a municipality does not respond by today, the default answer will be that the municipality has not adopted the State Housing Code.**

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

e. 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 enacted a moratorium on affordable housing 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 establishes 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 in a [PDF](#).

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.

You can [click here](#) for a sample resolution in favor of this bill.

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II. Federal Policy Issues

a. Transportation Secretary Testifies on Administration Infrastructure Investment Goals

At a Senate Environment and Public Works committee hearing on Wednesday, U.S. Transportation Secretary Elaine Chao testified about federal funding for the Administration's infrastructure plan, saying more details would come by the end of the month. Secretary Chao indicated that the Administration will look to public-private partnerships to provide the lion's share of funding for major infrastructure projects. She suggested direct federal funding would focus on projects that wouldn't qualify for public-private partnerships or where public sector incentives could not be offered.

The main focus of Secretary Chao's testimony on Wednesday emphasized actions to speed approval of infrastructure projects, rather than the question of funding. She said the Administration wants to reduce the number of reviews for projects such as roads and hospitals, reduce duplication between federal and local entities, and loosen requirements under the National Environmental Policy Act, which requires public and private projects to account for their environmental impact.

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

b. Federal Budget Proposal Scheduled for Release Next Tuesday

Next week, in Washington, Office of Management and Budget Director Mick Mulvaney is expected to present a detailed federal budget proposal. This is a major step toward action on Appropriations bills, which would govern spending in the Fiscal Year that begins on October 1. (Also in Washington next week, the Congressional Budget Office is expected to deliver its analysis of the House-passed health care reform bill.)

We will provide some specifics on the proposal next week. We ask you to follow developments on this matter and to contact the members of New Jersey's Congressional delegation on issues and programs important to local government officials and property taxpayers.

First review of the Administration's proposal will take place in the House Appropriation Committee, chaired by New Jersey Congressman Rodney Frelinghuysen. One matter that is sure to come up concerns vital infrastructure funding.

Please support our efforts to secure federal funding needed to repair and replace a crucial link, which contributes immeasurably to our State's, and our Nation's economic vitality. 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 Congressman 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, 609-695-3481 x121.

III. Also of Interest

a. 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.

b. 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.

c. 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=a07eduidlls1ee7fd51&llr=5izl8xcab&showPage=true>

Sincerely,

Michael J. Darcy, CAE
Executive Director