June 15, 2018

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I. State Issues
a. League Asks Legislators to Oppose Energy Tax Changes in State Budget

Earlier this week, League President and East Rutherford Mayor Jim Cassella wrote to every member of the State Senate and General Assembly, urging them to oppose the Governor’s proposed re-appropriation of dedicated Energy Tax Receipts (ETR). As State budget discussions approach the June 30 finish line, it is important that your Legislators hear from you on this shift.

Specifically, the Governor’s proposal would open the ETR “lock box,” which has always been funded through taxes (Sales and Corporate) levied on energy supplying utilities. Instead, the upcoming budget would deliver level funding with Income Tax dollars. This change, we have been told, will be effected not by the passage of a new statute, but instead by the insertion of new budgetary language.

We appreciate the fact that the Administration’s proposal has, for FY 2019, guaranteed the distribution of funding equal to the amount municipalities would otherwise have received, through the ETR. Likewise, we appreciate Treasurer Muoio’s strong public statements on that commitment.

But the Governor’s plan may jeopardize the most significant and reliable source of municipal revenues, other than the property tax, in future state budgets. For over 100 years, municipalities have been able to count on certain taxes paid by energy producing utilities. These were originally assessed and collected locally, to compensate local citizens for the utilities’ use of public rights of way and for local services provided to power suppliers. When the State decided to centralize tax collection in 1980, the statute
promised to distribute the proceeds to New Jersey municipalities. That promise wasn’t always kept, but when utility taxes were reformed in the 1990s, the new statute set up a dedicated fund—the Energy Tax Receipts Property Tax Relief Fund—and assured annual distribution amounts.

The Governor’s proposal would shake the foundations of the Energy Tax Receipts Property Tax Relief Fund (ETR), which, for more than 20 years, has delivered reliable and significant property tax relief to municipal home- and business-owners, all around our Garden State.

Please urge your Legislators to oppose this shift.

Contact: Jon Moran, Senior Legislative Analyst, jmoran@njslom.org, 609-695-3481, Ext. 121.

b. State Shutdown Possible

State policy makers continue to work towards an agreement on revenues and appropriations for New Jersey’s next fiscal year. Serious disagreements remain, however, regarding revenue raising options. Still, Governor Murphy and Legislative Leaders, and their respective representatives, continue to meet as the June 30 deadline for budget adoption looms.

Failure to come together by the deadline would result in a partial state shutdown. The Governor has ordered a freeze on state hiring and spending, pending a budget agreement. He has also ordered State Executive Branch departments and agencies to draw up operational plans, should no resolution be reached.

We will keep you posted on any developments.

Contact: Jon Moran, Senior Legislative Analyst, jmoran@njslom.org, 609-695-3481, Ext. 121.

c. OPRA and OPMA Bills Released from Committee

By a vote of 4-0, the Senate State Government Committee amended and released S-106, which revises the Open Public Meetings Act (OPMA), and S-107, which revises the Open Public Records Act (OPRA). The League testified, along with the New Jersey Association of Counties and the School Boards Association in opposition.

The bills have been referenced to the Senate Budget Committee. Senator Weinberg made a commitment to continue to work with the stakeholders, including the League, over the summer to address the remaining issues. We are currently reviewing the amendments and will provide a detailed analysis.

Contact: Lori Buckelew, Senior Legislative Analyst, lbuckelew@njslom.org, 609-695-3481, Ext. 112.
d. PILOT Bill Amended and Released

On Monday, the Senate Budget Committee amended and released S-1701, which is opposed by the League. This bill would require an application for a long term property tax exemption (PILOT) to include a cost-benefit analysis and for municipality to produce an independent cost-benefit analysis to be submitted along with the application to the municipal governing body before it can decide on the exemption. Further, the bill also requires a municipal governing body to include specific findings in its resolution approving or disapproving of a project for which a long term tax exemption is sought. Those specific findings have to address the net impact of the project on the finances of the affected local governments, including the municipality, county, and school district.

In addition, a highly problematic amendment would require the annual service charge to be distributed in proportion to the amount of revenue received by the county, municipality, and school district from the property tax.

The Senate bill now stands at 2nd reading in the Senate. The Assembly companion is referenced to the Assembly State Government Committee.

Contacts:
Michael F. Cerra, Assistant Executive Director, mcerra@njslom.org, 609-695-3481, Ext. 120.
Lori Buckelew, Senior Legislative Analyst, lbuckelew@njslom.org, 609-695-3481, Ext. 112.

II. League Conference

a. Unauthorized Hotel Reservation Services

Every year, there are unauthorized firms soliciting housing and hotel reservations from attendees at the 103rd Annual League Conference. We assure you that the only firm authorized to handle our conference housing reservations is AC Central Reservations. This information is on the top of the official conference housing form sent to all municipal clerks and posted on our website.

Using unauthorized reservation services creates real problems for you and the conference as a whole. You cannot be assured your credit card information is secure and your room reservation may not actually be made. Using unauthorized services means your room will not be part of the official conference housing block so you won’t get emergency housing information (which happened in both 2011 and 2012), nor will there be adequate shuttle bus services to your hotel.

As always, the League is available to answer your questions on any aspect of the annual conference and we strive to make your participation both enjoyable and highly productive.

Contact: Michael J. Darcy, CAE, Executive Director, mdarcy@njslom.org, 609-695-3481, Ext. 116.

b. Exhibits at the Annual Conference
Do you know a vendor that would be a good fit for the Annual Conference? If so, ask them about being an exhibitor or have them contact Kristin Lawrence, Exhibit Manager at 609-695-3481, Ext. 125, or klawrence@njslom.org. Information is also available at njslom.org/exhibit.

### III. Also of Interest

#### a. Updated Mayors Wellness Campaign Toolkit

The new and improved Mayors Wellness Campaign (MWC) toolkit is geared to help mayors and community organizations address their unique local health needs. The toolkit contains an introductory video, and nearly 30 evidence-based, step-by-step, cost-effective program ideas in four main categories: physical health and nutrition, environment and health, education and health, and arts and health. Users can filter their search by the age of the population they wish to serve, and by the season. View the MWC at-a-glance program guide to help determine which program is best for your community. Check out the [new MWC toolkit here](#)! Questions about the toolkit or how to join the MWC? Contact Deborah Levine at dlevine@njhcqi.org or 609-452-5980.

#### b. Connect with the NJLM National Affiliate

The National League of Cities represents 19,000 cities, towns, and villages across America—giving local leaders a voice in Washington and beyond. Every day, NLC posts news, resources, and opportunities that empower elected officials to become better leaders. Sign up for NLC’s Weekly newsletter at nlc.org, and follow NLC on [Facebook](https://www.facebook.com/NationalLeagueofCities), [Twitter](https://twitter.com/leagueofcities), [Instagram](https://www.instagram.com/leagueofcities), and [LinkedIn](https://www.linkedin.com/company/national-league-of-cities).