March 15, 2019

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Municipal Clerks: Please forward to Mayor, Governing Body, and Department Heads.

I. State Issues

a. Update on Marijuana Legalization

On Tuesday, the Governor, the Senate President, the Assembly Speaker, Senator Nick Scutari, and Assemblywoman Annette Quijano announced that they have reached consensus on the provisions of legislation to legalize recreational, adult use marijuana. The Assembly Appropriation and Senate Judiciary Committees will consider the legislation on Monday, March 18, and it is anticipated that both bills will be scheduled for final floor votes on Monday, March 25. It appears, however, that the measure does not yet have sufficient support in either house, so passage this month remains uncertain.

The League is reviewing draft bill language and will provide more commentary after Monday. At this point, we can advise you of the following provisions:

1) The State tax will be $42/ounce imposed at the cultivation stage.
2) The local option tax will be the following:
   a. 3% for retail
   b. 2% cultivation
   c. 2% manufacturing
   d. 1% wholesale
3) State oversight will be administered by a Commission. This body will include three members appointed by the Governor, and the remaining two will be appointed by the Governor upon recommendation of the Senate President and Assembly Speaker, respectively.
4) The expungement process will include a "virtual expungement" that will prevent certain marijuana offenses from being considered, "...in certain areas such as education, housing, and occupational licensing." There will also be established an "expedited expungement" process for individuals with low-level marijuana offenses.

The League, as you know, has advocated for a higher local option than the 2% originally contemplated and has worked closely with the Urban Mayors Association on the expungement and restorative justice provisions. Currently, the bill allows for the automatic eligibility for expungement of convictions for possession of 50 grams or less of marijuana. There remain concerns regarding an individual’s cost of seeking expungement, which can be time-consuming, complicated, and burdensome.

Contact: Michael F. Cerra, Assistant Executive Director, mcerra@njlm.org, 609-695-3481, x120.

b. Senate Votes to Approve Bill to Expand Statute of Limitations on Sexual Abuse Claims

On Thursday, the State Senate voted 32-1 in favor of S-477. The Assembly version of the bill (A-3648) was reported out of committee on Monday and we expect the full Assembly to vote on the legislation later this month. This legislation would extend the statute of limitations in civil actions for sexual abuse claims, expand categories of potential defendants, and create a two-year window for parties to bring actions previously time-barred.

The League is supportive of any measure that would allow survivors of sexual assault the ability to seek justice against the individual perpetrator as well as those who knowingly and willfully enabled them. However, we have concerns with language in the bill that would completely eliminate the application of Title 59 (Tort Claims Act) in such cases against municipal governments. The wholesale exemption to all of Title 59 in these matters would create a host of unintended consequences outside of the scope of the legislation’s purpose.

We are urging the Assembly to delay action on the bill until these concerns can be fully addressed. We are asking our members to reach out to their legislators to ask that they take a closer look at the potential impact the total removal of Title 59 in these cases would have on municipal governments and property tax payers.

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

c. Monday Hearing Set for Bill Limiting Local Planning Control

On Monday, the Assembly Appropriations Committee will consider A-4221/S-1074, which seeks to provide protections for the public’s right under the public trust doctrine.

While the League is supportive of public beach access and we appreciate recent amendments, we must remain opposed to A-4221/S-1074 because it gives the DEP a tremendous amount of authority over local planning. As currently drafted, the bill would allow the DEP to determine, based on statewide criteria rather than local factors, how much and what kind of beach access is necessary.
Requiring beach access would not simply mean a walkway from a road. It could mean the installation of public restrooms or the building of parking facilities. Under the bill, the DEP would be required to withhold certain permits, including those required before municipalities can undertake beach replenishment projects among others, and condition their issuance on the permit seeker providing public beach access at their own cost.

The League feels that this is a heavy-handed approach to beach access that fails to take into consideration unique local characteristics and, instead, replaces it with an unworkable, one-size-fits-all approach.

We ask for you to reach out to your legislative representatives and urge them to withhold support of any bill until municipal concerns are properly addressed.

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

### d. State Planning Commission Moves to Extend Expiration Date of Plan Endorsement and Center Designations

After some time of dormancy, the State Planning Commission has again become active. Recently, the Planning Commission published proposed amendments to regulations that would extent the validity of plan endorsements and center designations set to expire this year. The proposed rule change would mean plan endorsements and center designations approved by the Commission prior to December 31, 2009, and expiring this year, would be extended until June 30, 2020.

The extension period will give the Commission an opportunity to consult with municipalities in regard to what the State Plan process should look like going forward and move forward with whatever changes need to be made. The extended period will also allow the Commission to analyze the plan endorsement process and make any necessary changes, including regulatory changes to encourage community participation.

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

### e. CY 2019/SFY2020 State Aid Remains Flat

The Division of Local Government Services has issued Local Finance Notice 2019-04 noting that no municipality will receive less total State formula aid in CY19/SFY20 than it received last year. The CY 2019/SFY20 Aid Certification for each municipality will be available on the Divisions website under Municipal State Aid on March 8. The State will announce the final aid payment schedule in July, prior to the August 1 payment.

The Local Finance Notice also noted that the Division will consider budgets introduced on the first regularly scheduled governing body meeting after March 16 as introduced timely. However, applicants for Transitional Aid must introduce their municipal budgets no later than the Transitional Aid application deadline.

**Contact:** Lori Buckelew, Senior Legislative Analyst, lbuckelew@njlm.org, 609-695-3481, x112.
f. DEP Rule Proposal Would Designate Over 700 Miles of Waterways as C1 Streams

Recently, the DEP proposed amendments to the Surface Water Quality Standards (SWQS) that would upgrade 749 river miles to Category One (C1) antidegradation designation. Waterways with the C1 designation require additional oversight, including, heightened wastewater and discharge standards and a 300-foot development buffer.

These waterways proposed for C1 designation run through 67 municipalities across the state. The League is currently reviewing the proposed rule changes and will be submitting comments highlighting municipal interests. Comments are due by May 3, 2019.

To see if one of the waterways running through your municipality is affected, please see the DEP rules proposal.

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

g. Recap of the March PFRS Board Meeting

At the March 11 Police and Fire Retirement System (PFRS) board meeting, the Division of Investments Acting Director Cory Amon provided an overview of the Division of Investments, the PFRS fund, and the implementation of S-5 as it relates to the Division of Investments. During his presentation, Acting Director Amon highlighted the pension fund’s performance and the fund’s proxy vote policy. He also noted that the Division of Investments is currently drafting regulations to provide for the authority for permissible investments and investment limitations for review and approval by the board. In addition they are in the process of establishing a separate PFRS account to allow for the in-kind transfer of PFRS' proportional share of publicly traded securities.

At the next meeting of the PFRS board on April 8, there will be a presentation on the Open Public Meetings Act for board members in addition to routine business.

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

II. Federal Issues

a. Progress on Gateway Possible With Promise of Federal Reimbursements

After meeting with representatives of Governor Murphy, NY Governor Cuomo, and Amtrak, New Jersey Senators Bob Menendez and Cory Booker and New York Senator Chuck Schumer have announced a plan that would allow the two States and Amtrak to move forward with plans to safeguard the vital passenger rail link between Newark and New York City. The Senators, along with a bipartisan group of metropolitan area House Members, will look to include language in the Federal FY 2020 Department of Transportation appropriations act that would guarantee future federal reimbursement for expenses incurred by the States to ensure safe rail service on this vital link in Amtrak's
Last February, the Federal Transit Administration informed Congress that it had given the Gateway project a “Medium-Low” rating, making it ineligible for Federal funding. At that time, Federal Department of Transportation officials criticized the states for dragging their feet. And the President’s recently released budget proposal recommends cuts in programs that could be used to advance the Gateway.

The Gateway Project involves replacing the Portal Bridge in the New Jersey Meadowlands and constructing a two-track tunnel under the Hudson River. The current tunnels and the Portal were built in 1910, and have, since, been in continued use. NJ Transit has already pledged to bond $600 million to cover half the cost of replacing the Portal Bridge, which is furthest along in the approval process.

Further delays will only increase the costs of the project, while threatening the safety of the rail riding public. With Federal officials shirking their responsibilities to citizens and businesses that rely on the infrastructure, we salute our U.S. Senators and our Congressional delegation for working to find a way forward.

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

b. President Proposes 2020 Budget

On Monday in Washington, the Administration released its budget request for FY 2020, which will begin on October 1. The proposal calls for increases in Defense spending, $8.6 Billion for the Mexican border wall, and significant cuts to domestic spending.

This marks the first step in the federal budget process, which will end with the enactment of 12 programmatic appropriations bills. Those bills will be drafted by Committees in the House and the Senate, over the next several months. Congress will also need to reckon with spending caps imposed by the 2011 sequestration agreement, which limit annual growth in both defense and other spending. Absent action on those caps, both the President’s recommendations for defense spending, and the hopes of many in Congress for adequate moneys to address domestic needs, could be frustrated.

Among those that would see the sharpest cuts, under the President’s plan, are the Environmental Protection Agency and the Departments of State, Transportation, Education, and Interior. Specific recommendations in the proposal include substantial transportation funding cuts (19%) and elimination of the $3 billion Community Development Block Grant (CDBG) program, which funds a wide range of community projects, as well as the HOME Investment Partnerships Program, which promotes homeownership for cities and counties.

On a positive note, the proposal calls for a $200 Billion infrastructure investment over 10 years that, the White House asserts, would attract $1 trillion from private, state, and local sources. It also doubles funding to $2 billion for the Infrastructure for Rebuilding America grant program for roads and bridges.

The proposal seeks to balance the budget in 15 years, relying, for that, on economic growth and cuts or stringent spending limits on most non-defense programs.

We will continue our analysis and we will keep you posted.
III. League Conference Follow Up

a. Do Not Forget to Claim Your CEUs from the 2018 NJLM Annual Conference!

Attention Municipal Officials! Do Not Forget to Claim Your CEUs from the 2018 NJLM Annual Conference! Please go to our website to claim your credits.

IV. Also of Interest

a. Mayors Roundtable Events on Cannabis and Affordable Housing

The League is proud to present a Mayors’ Roundtable discussion on the topics of Affordable Housing and Cannabis. These topics will be the focus of moderated discussions involving your questions, presentations by helpful experts, and status review of legislation. The topics will be the same at each of the three dates and locations. The moderated discussions and presentations will focus on your concerns so send us your specific questions in advance to Danielle Holland-Htut, Continuing Education/ Special Programs Manager, dholland@njlm.org with the subject line “Mayors’ Roundtable Question.”

- **Cannabis:** The League has not taken a position on legalization but has done significant research on municipal experiences in other states. See what other states’ facilities look like and learn how other communities have been impacted by this new industry. Get your questions answered and take important information back to your residents and governing body. Gain an understanding of how other municipalities are planning to address this new industry and how the State plans to regulate it.

- **Affordable Housing:** No two communities’ solutions to housing needs are the same. Learn from the variety of approaches that have been implemented. Understand the current situation in various parts of the state and learn where legislative efforts may be focused.

The events will run 9:00 a.m.-12:00 noon.

For information on these events and to register, click on each of the dates below:

- **Saturday, April 13, 2019, Hilton Hotel, 2 Meadowlands Plaza, East Rutherford, NJ 07073**
- **Tuesday, April 16, 2019, Hotel ML, 915 Route 73, Mount Laurel, NJ 08054**
- **Monday, April 29, 2019, Princeton Marriott at Forrestal, 100 College Road East, Princeton, NJ 08540**

b. How to Celebrate 1st NJ Local Government Week April 7-13!
The 1st NJ Local Government Week is approaching quickly; have you started planning yet?

NJ Local Government week creates an opportunity to let your residents know about your municipal facilities and careers, and highlight the services that their local government provides on a daily basis.

Visit the League website for a how-to packet with ideas ranging from basic, no-cost activities to some that are more complex.

Want the League to share the events that your municipality is planning to hold? Complete the activity log form on the League website and let us help you spread the word! Share your activities and event photos with NJLM to share on the League’s website, social media, and in NJ Municipalities magazine. And remember to use the #NJLocalGovt on social media.

c. League Publications: Read All About It

The League offers a wide variety of publications to provide extra insights on the hot topics in local government, from Newly Elected guidebooks to the latest editions on OPMA, License Fees, Salaries, and Local Public Contracts. For more information on the full publication list or to order volumes for your reference, see the Publication Order Form.

d. Registration Now Open for the 2019 New Jersey Sustainability Summit

Friday, June 14 at Bell Works, Holmdel
The New Jersey Sustainability Summit is an exceptional one-day forum, annually drawing more than 350 change-makers from across the political, private and public sectors. Participants will engage in thoughtful discussions, share best practices, hail the work that is currently being done in sustainability across the state, and identify areas for future regional collaboration. This year’s Summit will be bigger and better than ever to celebrate Sustainable Jersey’s 10th Anniversary! Register and learn more by visiting Sustainable Jersey’s website.
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