June 7, 2019

I. State Issues
II. Federal Issue
III. League Conference
IV. Also of Interest

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

I. State Issues

a. Tax Incentive Debate Looms over State Budget

On Wednesday, Governor Murphy outlined his proposal for a revamping of State economic development initiatives offered through the Economic Development Agency (EDA). As you are likely aware, the incentives advanced in the Economic Opportunity Act of 2013 have become a source of controversy since a State Comptroller’s report late last year. The current incentives program is set to expire on June 30.

Currently, the State Task Force appointed by the Governor is examining the incentives program and the State Senate has created a special committee chaired by Senator Bob Smith to do the same. In the Assembly, Speaker Coughlin has indicated that the standing Assembly Commerce Committee would also undertake a review.

Legislative leadership has expressed an interest in extending the current program for another year to develop a new program. In the Governor’s speech on Wednesday in Cherry Hill, he outlined his proposal for the creation of five new programs to replace the current incentives program:

1) NJ Forward: to promote investments in the newly designated Opportunity Zones;
2) NJ Aspire: to promote neighborhood based investment;
3) A new Brownfield Redevelopment program;
4) Innovation Evergreen Fund: to leverage the sale of future tax credits for strategic investments;
5) Historic Preservation incentives.

The League will provide a deeper explanation and analysis of this proposal in the upcoming days. In the meanwhile, the Thursday story from NJ Spotlight provides good background.

Contact: Michael F. Cerra, Assistant Executive Director, mcerra@njlm.org, 609-695-3481 ext. 120.

b. Cannabis Update

On Monday, the General Assembly is expected to concur with Senate amendments to A10/S10, which expands access to medical marijuana. This legislation establishes the Cannabis Regulatory Commission (CRC) to oversee the regulation of medical cannabis in the state, including the expansion of access to medical marijuana for patients with a diagnosed medical condition and the regulation of the four types of permits authorized by the Act. Under the act, patients could obtain up to 3 ounces of medicine per month, for 18 months, an increase from the current 2 ounce maximum. After that, the CRC will set the maximum amount that may be prescribed.

A-10/S-10 includes the following provisions:

1. Caps the number of cultivation permits to 23 with an 18-month exception to the limit for microbusiness;
2. Allows 7 alternative treatment centers to concurrently hold cultivator, manufacturer, and dispensary permits. (All other entities can hold only one class of permits, and only one permit for that class);
3. Allows the CRC to approve any medical cannabis dispensary permit holder to operate a medical cannabis consumption area, provided there is an endorsement from the municipality and permits municipality by ordinance to authorize the operations of local endorsed medical cannabis consumption areas;
4. CRC must consider proposed location including zoning approvals, provided there is a letter or affidavit from appropriate municipal officials and there is proof of local support, such as a resolution of the governing body; and
5. Authorizes a municipality with a medical cannabis dispensary to adopt an ordinance imposing a transfer tax on any medical cannabis dispensed by the dispensary. The rate is at the discretion of the municipality and cannot exceed 2%.

In addition, the Senate has scheduled a vote on S-3205 dealing with the expungement process. The Assembly is also holding a voting session on Monday but at publication time has not scheduled the Assembly companion for a vote.

Quoting the statement of the Senate Health Committee, “…this bill concerns several reforms to expungement eligibility and procedures, some focused on the treatment of various marijuana or hashish possession, distribution, or drug paraphernalia crimes and offenses and others being more generally applicable to any expungement.” It is unclear what funding, if any, is contemplated to offset the costs of expungement. It is expected, however, that the bill may be further amended or additional legislation may advance to address some of the outstanding issues with the legislation.
c. NJ Department of Agriculture Set to Expand Spotted Lanternfly Quarantine Area

Earlier this week, the NJ Department of Agriculture proposed expanding the Spotted Lanternfly Quarantine to include Burlington, Gloucester, Camden, Salem, and Somerset Counties to the current quarantine area of Warren, Hunterdon, and Mercer County.

The Spotted Lanternfly, *Lycorma delicatula*, is a new pest to the United States. This invasive plant-hopper, initially discovered in Berks County, Pennsylvania, in 2014, is native to Southeast Asia and poses a threat to forests, ornamental trees, orchards, vegetables, grapes, hops, and other agricultural commodities critical to the economy of the Garden State. Since its initial discovery in Pennsylvania, it has spread to infest portions of 14 counties of that state, recently it has been discovered in New Jersey in Warren, Hunterdon and Mercer, Burlington, Camden, Salem, and Somerset Counties.

The New Jersey Department of Agriculture has determined this insect to be dangerous and destructive to the agriculture, horticulture, and forest industries of New Jersey and has declared this insect to be a “public nuisance.” The purpose of quarantine is to minimize the environmental and economic damage to the nursery, horticultural, fruit, vegetable, orchard, and viticulture industries that will be severely economically affected by infestations along with the nuisance of honeydew excretions affecting the public wellbeing.

Full text of the proposal and all impact statements are published in the *New Jersey Register* dated June 3, 2019, and can be obtained by visiting the Department’s website.

For additional information or questions, please contact Joe Zoltowski, Director, Division of Plant Industry, NJDA, at Joseph.Zoltowski@ag.nj.gov or 609-406-6940.

II. Federal Issue

a. National Flood Insurance Extension Correction and Update

Last week, we were incorrect in stating that the National Flood Insurance Program (NFIP) would lapse, due to Congressional inaction on the Disaster Relief legislation. In fact, a two-week extension had been enacted. That very short-term lifeline will be superseded when President Trump signs H.R. 2157 into law. That bill—The Additional Supplemental Appropriations for Disaster Relief Act of 2019—will extend the life of the NFIP through September 30 of this year.

The Administration has indicated the President’s intent to endorse this bill. We will keep you apprised of further developments as they occur.

Contact: Jon Moran, Senior Legislative Analyst, jmoran@njlm.org, 609-695-3481 ext. 121.
III. League Conference

a. Reserve Your Hotel for the League Conference

Preparations for the 104th Annual League Conference November 19-21 are underway and the hotel reservations system is open for attendees and exhibitors at the League Conference Website. There you will also see a preliminary schedule of conference sessions.

Staying in Atlantic City for the Conference is a great way to get the most from your attendance at the Conference. Staying over will maximize your time and opportunities to participate in the educational, informational, and networking opportunities offered throughout the Annual League Conference.

b. Unauthorized Hotel Reservation Services

Every year there are unauthorized firms soliciting housing and hotel reservations from attendees at the 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, 609-695-3481, ext. 116, or mdarcy@njlm.org.

IV. Also of Interest

a. Register Now for the One Day Mini Conference

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 Invite your vendors to exhibit at the 2019 NJLM Annual Conference and showcase their product or service to other municipalities. Exhibit space is already 70% sold out so contact your vendors today—or send us a note and we’ll reach out to them! The 2019 Exhibitor and Sponsorship Prospectus can be downloaded from the Conference website.

Contact: Kristin Lawrence, Director of Exhibition and Sponsorships, 609-695-3481 ext. 125 or klawrence@njlm.org
**b. Registration Now Open for the 2019 New Jersey Sustainability Summit**

**Friday, June 14th at Bell Works, Holmdel, NJ**

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.](#)

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