

July 15, 2016

Re: Weekly Policy Update

- I. Affordable Housing Update, Important Affordable Housing Ruling on “Gap” Issue
- II. Transportation Trust Fund (TTF)
- III. State Board of Education Promulgates Emergency Lead Testing Rule
- IV. Bill Limits 3rd Party Property Tax Appeals
- V. Urban Enterprise Zones (UEZs)
- VI. Are You Going To DNC Or RNC? Join NLC For Special Events!
- VII. July Grant Page Posted

Dear Mayor:

- I. Affordable Housing Update, Important Affordable Housing Ruling on “Gap” Issue

On Monday, the Appellate Division ruled that municipal affordable housing obligations do not include a separate and distinct “gap period” calculation. This gives the appellant Barnegat Township, and indeed all municipalities, a significant victory as they work through the court ordered process to establish their affordable housing obligations. In doing so, the Appellate Division decision clarifies that the municipal housing share number is not to be calculated and expanded to include this additional “Gap” period. For more on this ruling, please click [here](#) to read our July 11, 2016 Dear Mayor letter.

While this significant ruling resolves the gap issue in the Court, pending a possible appeal, the League continues its support for Senate bill S-2254 and Assembly Bill A-3821. The League supports this important legislation, which will facilitate municipal compliance and result in the production of affordable housing. Please click on the League’s Dear Mayor Advisory of May 26, which summarizes the legislation and provides links to a revised sample resolution. Your immediate attention on this issue is needed in order to advance this timely and needed legislation.

Contacts: Mike Cerra, mcerra@njslom.org or 609-695-3481, x120, or

Ed Purcell, Esq., epurcell@njslom.org or 609-695-3481, x137

II. Transportation Trust Fund (TTF) Update

According to news accounts, earlier this week Senate President Sweeney presented the Governor with an alternate proposal regarding the reauthorization of the TTF. According to these same news accounts, the proposal included a two-year phase-in of gas tax, but other details of the plan were not publicly disclosed. The Governor's office did confirm the meeting and the alternate proposal, but offered no comment on the proposal itself.

We are now in day 7 of the State shutdown of TTF funded projects. For more on this and other issues we raised to the Department of Transportation, please see the League's June 7 letter. We expect further guidance from the Department shortly and will update you on any developments.

The League held a joint press conference with the New Jersey Association of Counties on Monday. Past League President Tim McDonough, Mayor of Hope and Co-Chair of the League's TTF Committee highlighted the impact of the shutdown and the need for an immediate legislative reauthorization of the TTF. For more on this event, please click [here](#) for the NJTV coverage.

Contact: Mike Cerra, mcerra@njslom.org or 609-695-3481, x120

III. State Board of Education Promulgates Emergency Lead Testing Rule

The State Board of Education has promulgated an emergency rule that requires schools to test for lead within one year and, after the initial testing, once every six years. The State has allocated \$10 million to cover these costs. There are some concerns over the ability of laboratories to handle the increased demand for testing that this rule will require. To that end, the rule will provide for an extension process. A copy of this rule can be found [here](#).

Contact: Ed Purcell, Esq., epurcell@njslom.org or 609-695-3481, x137

IV. Bill Limits 3rd Party Property Tax Appeals

Senator Singer and Assemblyman Gusciora have introduced legislation that would prohibit third parties from filing property tax appeals with respect to the property of others. S-2212/A-3888 would still permit

a property owner to appeal their assessment or tax exempt status, but would no longer allow any entity or individual that pays property taxes to challenge the assessment or exempt status of any other property in the county in which they pay property taxes.

Our support of this legislation is two-fold. Property tax appeals are costly and can lead to uncertainty, especially in the municipal budget. S-2212/A-3888 has the potential to reduce property tax appeals and bring some stability to municipal budgets.

In addition, there is now increased concern about the use of this provision of law as a form of retribution for public servants performing their jobs. S-2212/A-3888 would address that concern and limits such appeals, appropriately, to the local government. .

S-2212/A-3888 would take effect immediately, but would apply to property tax appeals filed for the next tax year following the date of enactment.

S-2212 awaits consideration by Senate Community Urban Affairs while A-3888 awaits consideration by Assembly State and Local Government Committee. We urge you to contact your Senator and Assembly representatives requesting their support of S-2212/A-3888.

Contact: Lori Buckelew, lbuckelew@njslom.org or 609-695-3481, x112

V. Urban Enterprise Zones (UEZs)

The League is working closely with Mayors of communities with UEZs in seeking approval of A-2576/S-1080, which would extend the highly successful Urban Enterprise Zone designations for an additional ten years. The program is a key tool for continued economic development and job growth through the State. This legislation has passed both houses and awaits action by the Governor.

Specifically, A-2576/S-1080 would extend the Urban Enterprise Zone (UEZ) designation for participating cities for another 10 years, so that they may continue to benefit from the economic incentives provided under the long-running program. The UEZ Program - first created in 1983 - offers participating businesses incentives that encourage business growth and stimulate local economies. Approximately 6,800 certified UEZ businesses participate and benefit from the advantages of the UEZ program statewide. These include a number of tax and financial incentives, including tax credits to hire local

workers. The program authorizes qualifying retail businesses in the UEZs to charge and collect the State's sales and use tax (SUT) at one-half of the normal rate.

The bill provides that, after dedicating 10 percent of the reduced-rate SUT revenues to the New Jersey Urban Enterprise Zone Authority:

- 1) During the first three-year extension period, the remaining revenues collected will be appropriated for use by the UEZs in these municipalities with extended UEZs;
- 2) during the second three-year extension period, 66 and 2/3 percent of the remaining revenues collected will be appropriated for use by the UEZs in these municipalities with extended UEZs and the remaining 33 and 1/3 percent will be deposited in the General Fund;
- 3) during the third three-year extension period, 33 and 1/3 percent of the remaining revenues collected will be appropriated for use by the UEZs in these municipalities with extended UEZs and the remaining 66 and 2/3 percent will be deposited in the General Fund; and
- 4) in the final year, all remaining revenues will be deposited in the General Fund.

Please contact the Governor's office and ask that he sign A-2576/S-1080.

Contact: Jon Moran, jmoran@njslom.org or 609-695-3481, x121, or

Mike Cerra, mcerra@njslom.org or 609-695-3491 x120

VI. Are You Going To DNC Or RNC? Join NLC For Special Events!

To ensure that the issues important to municipalities are first in mind, with the Republican and Democratic nominees for president, the National League of Cities is traveling to Cleveland and Philadelphia this July for the national political conventions. At both events NLC will be hosting an infrastructure briefing and a networking reception for local officials and would like to invite you to attend!

If you're going as a delegate to either convention, please fill out this form and you will be the first to know about NLC's activities and speaker announcements in the coming weeks!

For questions around NLC's activities in Cleveland, please contact Angelina Panettieri at panettieri@nlc.org

For questions about Philadelphia, please contact Emma Lieberth lieberth@nlc.org.

VII. July Grant Page Posted

A new featured article has been posted in the League's Grant Resource Center.

This month's article is titled: Why Focus on Reducing Rainwater Runoff Instead of Costly Sewer Upgrades. New featured grant opportunities have also been listed. To read this month's featured article, visit the League's Grant Resource Center.

Contact: Taran Samhammer, tsamhammer@njslom.org or 609-695-3481 x124

Very truly yours,

Michael F. Cerra

Assistant Executive Director