

July 21, 2017

RE: WEEKLY UPDATE

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I. State Policy Issues

a. Governor Takes Action on Library Bill and Airbnb Legislation

Today, the Governor has taken action on 85 various bills. Among the bills are two of particular interests to local governments:

- **“New Jersey Library Construction Bond Act”** – The Governor **signed** this legislation (A-222/S-2171), which would authorize, upon voter approval, the issuance of \$125,000,000 in general obligation bonds to finance capital projects at public libraries and appropriates \$5,000. If approved by the voters in November, this will provide funding for the much needed construction, reconstruction, development, extension, improvement and furnishing of New Jersey’s public libraries. Specifically, for any approved project financed by bond proceeds, the grant award will support 50% of the cost of the project, and the appropriate local governing entity in the area served by the public library will support 50% of the cost of the project. The League **supported** this legislation which will be on a statewide public question on the November ballot.
- **Airbnb** – The Governor **vetoed** this legislation (A-4587/S-2574), which would impose State sales and use tax and hotel and motel occupancy fee on transient accommodations; and, authorizes various municipal taxes and fees on transient accommodations. In his veto message the Governor noted that he does not “support levying new taxes” and could not sign a bill “increasing taxes on our citizens and, most particularly, our tourism areas”. The League, which supported the legislation, disagrees that the legislation would enact a new tax. Rather it was the logical extension of the existing statutes providing tax parity in the accommodation market place by taking into account the sharing economies and appropriately provides additional revenues for municipalities.

We will provide a more through update on the Governor’s action earlier next week.

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.

b. Impact of FY2018 Increase in School Aid to Certain Districts

Earlier this week the Division of Local Government Services sent a [Memorandum](#) to your Chief Financial Officer, Tax Collector, and Municipal Clerk addressing the impact the FY18 increase

in School Aid to certain districts may have on property tax bills along with the process school districts must follow if they are going to reconsider their 2017-2018 school budgets. We suggest speaking immediately to your Administrator/Manager and Chief Financial Officer to determine the impact of the guidance provided by the State agencies. In particular, depending on how the school district proceeds, it could create short-term cash flow issues coupled with the statutory deadline for payment to school districts of their levy. For more please see our [July 17 letter](#).

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

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

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

II. Federal Policy Issues

a. The Federal Communications Commission and Local Government

A Federal Communications Commission (FCC) advisory committee met yesterday in Washington, D.C. to discuss a matter which is sure to have a direct impact on local governments nationwide. The Broadband Deployment Advisory Committee (BDAC) was created by the FCC for the purpose of examining current barriers to broadband deployment and making

recommendations to the FCC on how to best overcome these barriers to accelerate the deployment of broadband throughout the country. The ultimate goal is for the FCC to use the Committee's finding to develop new federal regulations. For additional information regarding this meeting and how it is likely to impact municipalities please see our recent blog post [here](#).

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

III. Annual League Conference

a. Don't Use 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 A.C. Central Reservations. This information is on the top of the official conference housing form sent to all municipal clerks and posted on our web site: <http://nj-njslom.civicplus.com/302/2017-Conference>

b. Plan Now for November: Exhibit Highlights

The Exhibit Hall at the League's Annual Conference offers a wide variety of services and products. Each day at the conference, take the opportunity to enjoy the exhibit floor by stopping in for a nice lunch and visits to the booths for every municipal need, concern, and interest. Begin to make your list of exhibitors to visit including current favorites and the 62 new exhibiting companies—or contact them now! Plan today by visiting our interactive map at <https://shows.map-dynamics.com/NJLM2017/>

IV. Also of Interest

a. Innovation in Governance Recognition Program

The New Jersey Department of Community Affairs and the New Jersey League of Municipalities will again acknowledge and promote Innovation in Governance through our annual recognition program. This is a great opportunity to showcase innovative solutions to any problems that have cropped up – either suddenly or over time – in your municipality. It can also be an opportunity to let your peers in on innovations that prevented problems from even arising.

This year, the Innovation in Governance Awards Committee is looking for any original approaches in public administration undertaken by a Garden State municipality during the past 16 months – from the beginning of June 2016 to September 30, 2017. Any innovation in any department or program will be considered for recognition.

This program was established to highlight exemplary local government activities that exhibit creative and practical approaches to local problems and concerns. We will share the winning entries with municipal leaders at the 102nd Annual League of Municipalities Conference

Mayors' Luncheon on Wednesday, November 15, 2017 at the Sheraton in Atlantic City, and in the December issue of our magazine, New Jersey Municipalities.

The application can be accessed by clicking on either of the links below:

- League of Municipalities website – [2017 Innovation Application](#)
- Department of Community Affairs website – [Innovation Application and Letter](#)

The nomination deadline for this program is October 2. Accordingly, we encourage you to forward this information to the appropriate people in your municipality today, giving them ample time to meet our deadline.

Contact: Ciara Bradley, Legislative Administrator, cbradley@njslom.org , 609-695-3481 x128.

b. Progress of Federal Appropriation for State of Good Repair Grant for Northeast Corridor

The League is a partner in the **Coalition for the Northeast Corridor (CNEC)** and the Coalition applauds the House Appropriations Transportation, Housing, and Urban Development Subcommittee for acknowledging the importance of Northeast Corridor infrastructure renewal by including \$500 million in funding for the Federal-State Partnership for State of Good Repair grant program in the Fiscal Year 2018 Transportation, Housing and Urban Development (THUD) appropriations bill. This \$500 million could be leveraged (via State matching requirements) into another \$500 million – bringing the total investment up to \$1 billion. [See details here.](#)

c. Free Training to Keep Municipalities in Compliance with the National Flood Insurance Program

In order to remain in good standing with the FEMA National Flood Insurance Program (NFIP) your community needs to continue to enforce your Local Flood Damage Prevention Ordinance. Information on the free training program and scheduling can be obtained at <http://www.njafm.org/cfm> and <http://www.njafm.org/resources/Documents/FPMTraining/Schedule%20-%20Floodplain%20Training.pdf>. The free training program will be available in all 21 counties.

For additional information on the training, contact James Watt Division of Dam Safety and Flood control at 609-292-2296 or James.Watt@dep.nj.gov

Sincerely,

Michael J. Darcy, CAE
Executive Director

