

July 2, 2015

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Dear Mayor:

Here's a recap of major policy issues of interest to local governments.

I. State Budget Update

As we anticipated (<http://nj-njslom.civicplus.com/Archive.aspx?ADID=304>), after making several changes to the bill that the Legislature sent to him on June 25, Governor Christie took final action on the FY 2015-2016 State Budget on June 26. (See the Press Release at <http://www.nj.gov/governor/news/news/552015/approved/20150626c.html>.)

Details on the Budget can be accessed at the Treasury Department's website at <http://www.state.nj.us/treasury/omb/publications/16budget/index.shtml>

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

II. State provides guidance to Mayors on Storm-damage costs

To assist municipalities impacted by the June 23 storms, the Division of Local Government Services issued Local Finance Notice 2015-11, which is available at <http://www.nj.gov/dca/divisions/dlgs/lfns/15/2015-11.pdf>. The Local Finance Notice reviews the procedure for emergency contracts, the governing bodies authority to appropriate and expend funds in response to weather related emergencies and the use of Snow Removal/Storm Response Trust Fund.

Also, earlier today in Woolwich Township, Lieutenant Governor Kim Guadagno and a delegation of State agency leaders met with Mayors of storm damaged municipalities, and their storm response personnel. Local cost assessments are needed to qualify for federal funding assistance. Please see our letter on that meeting at: <http://nj-njslom.civicplus.com/ArchiveCenter/ViewFile/Item/278>

The League sent a letter to the Governor today asking that he declare a state of emergency for portions of South Jersey as a result of the June 23 storm. That letter is online at: <http://nj-njslom.civicplus.com/DocumentCenter/View/6482>

Contact: Lori Buckelew, lbuckelew@njslom.org or 609-695-3481 x112 or Jon Moran at jmoran@njslom.com or x 121

III. Important Tax Court Decision Regarding Not-For-Profit Hospitals

Last week the Tax Court issued an important decision regarding the applicability of a statutory property tax exemptions for not-for-profit hospitals. N.J.S.A. 54:4-3.6. In an 88 page decision Judge Vito Bianco held, in AHS Hospital Corp., d/b/a Morristown Memorial Hospital v. Town of Morristown, that this exemption did not apply to a purportedly “not-for-profit” hospital. That decision can be found [here](#). The result of this decision could be that many hospitals in New Jersey could be required to pay their fair share of the municipal property tax burden. The League’s Executive Director requested an overview of this case from Martin Allen Esq., League Associate Counsel and the attorney who represented the Town of Morristown in this case. That overview can be found [here](#).

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

IV. Bill requiring defibrillators for local recreation departments on the Governor’s Desk

On June 29th the Senate passed [S-1973\(A-3500\)](#), a bill which “requires local recreation departments and youth serving organizations to have defibrillators for youth athletic events.” This proposed legislation now goes to Governor Christie for either veto or approval. While appreciative of the legislative intent, the League opposes this measure because it provides no funding for this new requirement on municipalities and local property taxpayers. We would suggest asking your recreation directors to evaluate the costs impacts of the legislation on your municipality and to advise the Governor’s office.

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

V. Bills sent to the Governor for consideration

On Monday, the following bills, which the League **supports**, have been sent to the Governor for consideration:

[A-1883](#), which revises exemption from license requirement for raffles for door prizes of donated or purchased merchandise; increases total retail value from \$50 to \$200 or higher if permitted, unanimously passed the Senate on Monday and the Assembly in May. A-1883 would update the raffle statute to permit veterans’ organizations, religious congregations, educational and social service associations and volunteer first responder squads to increase the value of raffle prizes to \$200, without the need to, first, obtain a license. This bill would update the current raffle prize value limit, which has stood at \$50 since 1955.

[A-2996](#), which authorizes snow removal from covered fire hydrants and locator pole installation, was conditionally vetoed by the Governor in May changing the regulatory authority from the Division of Local Government Services to the Division of Fire Safety. The Governor's conditional veto was unanimously passed the Senate on Monday and the Assembly in May. A2996 would permit municipalities to install hydrant locator poles on fire hydrants within municipal boundaries and adopt an ordinance or resolution mandating that snow be cleared from fire hydrants in compliance with statewide standards.

[A-4527](#), which makes certain changes to Environmental Infrastructure Trust Financing Program, unanimously passed the Senate on Monday and the Assembly last week. A-4527 would extend the possible term of bond from 20 years to 30 years, would permit funds for the short-term financing programs to be drawn by the trust from a revolving line of credit, permit short-term or temporary loans to bear interest at a variable rate, and permits funds in the Loan Origination Fee Fund for loans to local governments for the cost of wastewater treatment system or water supply projects.

[S-2454](#), which streamlines responsibilities of Division of Local Government Services and local governments; designated as the Division of Local Government Services Modernization and Local Mandate Relief Act of 2015, unanimously passed the Senate on Monday and the Assembly last week. S-2454 would eliminate several responsibilities of and reorganize the Division of Local Government Services and eliminates or revises several State law mandates on local governments.

[S-2489](#), which permits public-private partnership agreements for certain building and highway infrastructure projects; provides for EDA oversight, passed the Senate by a vote of 39-1 on Monday and by the Assembly by a vote of 65-9-2 last week. S-2489, which is permissive for municipalities, provides a unique option for municipalities looking to develop, construct, repair, alter, improve, or maintain any public building, road or other municipal facility, while providing appropriate oversight.

VI. Increase in Bid Threshold

The Local Public Contracts Law requires the State Treasurer adjust the minimum bid threshold every five years based on the index rate. Effective July 1 a municipality may increase, by resolution, their minimum bid threshold to \$40,000 if they have a Qualified Purchasing Agent (QPA). As a result the new quote threshold will be \$6,000. If a municipality does not have a QPA the bid threshold remains at \$17,500, with the corresponding quote threshold of \$2,625. The Division of Local Government Services will be issuing a Local Finance Notice further discussing the matter.

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

VII. Statement of State Aid Release

Yesterday the Division of Local Government Services posted CY 2015 Statements of State Aid for calendar year municipalities. Statements for individual municipalities, along with a statewide summary worksheet, can be downloaded from the Division of Local Government Services' Municipal State Aid website under Individual Municipal Certifications then select Statement of State Aid for 2015. As a reminder, the municipal tax collector must certify that property tax bills included the Statement of State Aid statement and file such certification with the Division. The Local Finance Notice 2015-10, which is available at <http://www.nj.gov/dca/divisions/dlgs/lfns/15/2015-10.pdf>, provides additional information on the Statement of State Aid.

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

VIII. Affordable Housing

July 8 is the Court established deadline for municipalities to file for a declaratory judgement pursuant to the State Supreme Court's March ruling. Please see the League's March 27 letter (<http://nj-njslom.civicplus.com/Archive.aspx?ADID=683>) for more on that ruling. We will continue to advise you of any significant developments.

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