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## September, 13, 2019

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

### I. State Issues

#### a. Governor Issues Executive Order 83

Since municipalities use State contracts to purchase law enforcement equipment we would like to bring to your attention the recently signed Executive Order 83. On September 10, Governor Murphy directed the Division of Purchase and Property (DPP), within 30 days, to issue a request to all retail dealers or manufacturers of firearms that currently sell ammunition and/or firearms to the State to ascertain whether vendor practices, where applicable, adhere to the applicable public safety principles related to firearms noted in the Executive Order.

DPP must then determine, based on the information provided, whether and how to ensure that any prospective bid solicitation for ammunition and firearms include a requirement that each vendor, prior to award, certify adherence to public safety principles relating to firearms as defined in the Executive Order. The Executive Order also requires the Treasurer and Commissioner of Banking of Insurance to take action to “to promote responsible gun safety practices for gun vendors and financial institutions providing services to the state, and take action against insurance policies that encourage firearm use.”

**Contact:** Lori Buckelew, Senior Legislative Analyst, [lbuckelew@njlm.org](mailto:lbuckelew@njlm.org), 609-695-3481 x112.

#### b. Recap of the September PFRS Board Meeting

At the September 9 Police and Fire Retirement System (PFRS) board meeting, as a

matter of routine business, the Board considered the creditable compensation of three Atlantic City police officers. The three officers, with various ranks, honorably retired from the City after 25 plus years of service. Since they were all Tier 1 employees their retirement is based on their last 12 months of salary. However, all three officers' salary was reduced as part of the State supervision of Atlantic City. The officer's claim that they were at a disadvantage to their counterparts and should have their retirement based on the highest year of salary, which was the intent of law, instead of their last 12 month salary. By a 10-2 vote, the board permitted the Division of Pensions and Benefits to using the 12 months prior to the state supervision, which was their highest salary year, to calculate the creditable compensation. The officers will be required to make the employee contributions on the salary from the date of state supervision to the time of retirement.

The Board also approved a Memorandum of Understanding with Division of Investments for ethic compliance for PFRS staff. Since the PFRS staff will be working in the same area as the Division of Investments PFRS staff will need pre-approval to trade securities. The Board also accepted the proposed rules for P.L. 2019, c. 157, which permits certain members or retirees of PFRS, SPRS, or PERS to receive accidental disability retirement allowance for disability resulting from participation in 9/11 World Trade Center rescue, recovery, or cleanup operations.

Trustee Megariotis advised the Board of the newly released employer contributions rate of 29.8% for 2020. Trustee Polkowitz suggested that the retirement application be updated to require the applicant to certify that they are currently not under criminal or departmental investigation.

The next meeting is scheduled for October 7, 2019.

**Contact:** Lori Buckelew, Senior Legislative Analyst, [lbuckelew@njlm.org](mailto:lbuckelew@njlm.org), 609-695-3481 x112.

### **c. Looking Ahead to Lame Duck: Proposal Will Prevent Endless Litigation and Provide Residential Property Tax Relief**

The League fully supports [A-5450/S-3827](#), which will clarify telecommunications industry corporate tax responsibilities, and shield local taxpayers from the costs of endless tax court litigation. We thank the sponsors for their attention to this problem.

#### **What you can do?**

Please pass the ([League's model resolution urging support](#)) for this important initiative and provide copies to your State Legislators.

#### **Background**

A-5450 was approved by the Assembly Appropriations Committee in June. It is now at Second Reading in the Assembly. S-3827 awaits consideration in the Senate Community and Urban Affairs Committee.

The dispute began in 2008, when Verizon informed a handful of municipalities that it had decided to exempt itself from payment of taxes on all of the cables and electronic equipment it houses in local switching stations. Based on a misreading of a 1997 law, Verizon claimed that it could exempt itself from the payment of business personal property taxes (BPPT), in any year and in any municipality, when and where it, unilaterally and without documentation, determined that it provided less than 51% of dial tone service.

In the years that followed, similar decisions by Verizon have led to cases affecting taxpayers in hundreds of other New Jersey municipalities. And in the years to come, even more municipalities will undoubtedly be denied this funding.

Earlier this year, Hopewell Borough in Mercer County prevailed over Verizon in a Tax Court case involving the corporation's claimed exemption for 2008. It took one municipality ten years to ensure that Verizon would pay its 2008 taxes. Further litigation will be needed for Hopewell to secure BPPT payments for each subsequent year in which the exemption was claimed. Every other municipality faces the same prospect of costly annual tax court filings, which, as we have seen, can drag on for over a decade. But even that might not end the problem, as Verizon has appealed the final Tax Court decision, forcing Hopewell Borough to put even more time and treasure into the fight.

A-5450/S-3827 would put an end to the travail. It will clarify the Legislature's intent to permanently apply the business personal property tax on local exchange telephone companies that were subject to the tax as of April 1, 1997.

**Contact:** Jon Moran, Senior Legislative Analyst, [jmoran@njlm.org](mailto:jmoran@njlm.org), 609-695-3481 x121.

#### **d. CY 2019/SFY 2020 Best Practices Inventory Issued**

The Division of Local Government Services has issued Local Finance Notice 2019-12 providing guidance on the CY 2019/SFY 2020 Best Practices Inventory. There have been numerous changes to this year's Inventory including the same deadline of October 30 for all municipalities, new scoring, and a new submission process. For more please read our [September 10 blog post](#).

**Contact:** Lori Buckelew, Senior Legislative Analyst, [lbuckelew@njlm.org](mailto:lbuckelew@njlm.org), 609-695-3481 x112.

#### **e. 2020 Pension Bills Released**

The Division of Pensions and Benefits has released the 2020 pension bills for both the Public Employee Retirement System (PERS) and Police and Fire Retirement System (PFRS). The PERS employer contribution for 2020 is 13.69% compared to 14.11% in 2019. For PFRS the employer contribution for 2020 is 29.80% compared to 29.47% in 2019. Department of Treasury [noted](#) that the "stabilization in billing amounts is attributable to numerous factors, including local employers making the full actuarially determined contributions for many years, positive investment returns in FY 2018, and prior reforms that have lowered the benefit accrual rate for new hires." A copy of the [2020 PERS billing](#) and [PFRS billing](#) are available online as well as the bill comparison between 2019 and 2020 for both [PERS](#) and [PFRS](#) are available online.

**Contact:** Lori Buckelew, Senior Legislative Analyst, [lbuckelew@njlm.org](mailto:lbuckelew@njlm.org), 609-695-3481 x112.

## **II. Annual League Conference**

### **a. 2019 Conference App Available October 2**

Ready for the Annual League Conference? There is an app for that!

Starting October 2nd you can download the official conference app. Create your personal schedule before you go to Atlantic City. Don't miss important sessions, speakers or exhibits. All Conference information is at your fingertips in a highly searchable format.

Download day is October 2. Visit your app store to download. [For app FAQ's visit the League's website.](#)

The 2019 Annual League Conference App is Exclusively Sponsored by AT&T.

#### **b. 104th Annual League Conference Pre-Registration Opened Aug. 1**

Pre-Registration for the 104th Annual League Conference has begun! Costs for preregistration are \$55 for government officials and \$105 for non-government officials. Preregistration runs through October 1. After the pre-registration period has ended, attendees must pay for their registration onsite at the Atlantic City Convention Center. On-site registration rates are \$65 for Government Officials and \$125 for non-government officials.

For more information on pre-registration, please visit the [Conference website](#).

**Contact:** Johnnifer Harris, Assistant Financial Administrator, [jharris@njlm.org](mailto:jharris@njlm.org) x119.

#### **c. NJLM Annual Conference Exhibit Booth Registration is Open!**

Invite your vendors to exhibit at the 2019 NJLM Annual Conference and showcase their product or service to other municipalities. Exhibit space is over 90% 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 \(PDF\)](#), [Interactive Floor Plan](#) and [other exhibit information](#) can be downloaded on the League website.

**Contact:** Kristin Lawrence, Director of Exhibition and Sponsorships, 609-695-3481 x125, [klawrence@njlm.org](mailto:klawrence@njlm.org).

#### **d. Reserve Your Hotel for the Annual League**

Preparations for the Annual League Conference, November 19-21, are underway and the hotel reservations system is open for attendees and exhibitors at the [League Conference webpage](#).

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.

#### **e. Unauthorized Hotel Reservation Services**

Every year unauthorized firms solicit 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 the League 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 and you will not 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, [mdarcy@njlm.org](mailto:mdarcy@njlm.org), 609-695-3481 x116.

### **III. Also of Interest**

#### **a. The League is Now Accepting Applications for the Innovation in Governance Program!**

The New Jersey Department of Community Affairs (DCA) and the New Jersey State 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 overtime – in your municipality. It can also be an opportunity to let your peers in on innovations that prevented problems from even arising.

Visit our awards page to see previous years of impressive ideas created by our winning municipalities as well as the [full invitation and application](#) to this year's program.

**Contact:** Ciara Bradley, Legislative Administrator, [CBradley@njlm.org](mailto:CBradley@njlm.org), 609-695-3481 x128.

#### **b. 17th Annual Michael A. Pane Award Nominations**

Accepted In honor of the memory of Michael A. Pane, the 17th annual award will be presented to a professional (attorney, engineer, or planner) that personifies outstanding ability, integrity, and a high standard of ethics in his or her dealings with local government. This award includes a \$500 honorarium.

Mr. Pane personified and promoted integrity in local government, and it is the purpose of this award to recognize an individual who has over a period of years demonstrated the same professional commitment to service and, who by so doing, has set high standards that all involved in local government should strive to match.

The award ceremony will be held during the League's Annual Conference in Atlantic City, on Thursday, November 21, during a session of the New Jersey Institute of Local Government Attorneys. Nominations for this award will be accepted through September

15, 2019.

**Please mail, fax, or email your nomination to:**

Johnnifer Harris  
c/o NJLM Educational Foundation, Inc.  
222 West State Street  
Trenton, New Jersey 08608  
Fax: 609-695-5156, Email: [jharris@njlm.org](mailto:jharris@njlm.org)

A list of past award winners can be found on the [League website](#).



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