

June 3, 2016

Re: Weekly Policy Update

I. Urgent Legislative Alert: Affordable Housing “Gap” Period

II. Bill to Eliminate Local Regulation of ‘Uber/Lyft’ Type Taxis Up Before Committee on Monday

III. Bill to Permit Volunteer Firefighters to Continue Service After Retirement From PERS or PFRS Position Before Committee on Thursday IV. Bills to Strengthen UEZs Advance

Dear Mayor:

I. Urgent Legislative Alert: Affordable Housing “Gap” Period

We again call your attention to 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 here for the League’s Dear Mayor Advisory of May 26](#), which summarizes the legislation and provides links to a sample resolution. Your immediate attention on this issue is needed in order to advance this timely and needed legislation.

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

II. Bill to Eliminate Local Regulation of ‘Uber/Lyft’ Type Taxis Up in Committee on Monday

On Monday, June 6, the Senate Budget and Appropriations Committee is set to vote on [S-2179](#). The League opposes this bill, as currently drafted.

Like similar legislation advancing in the Assembly – A-3695 – this proposal would create a new class of taxis, exempt from local oversight. Instead, the legislation establishes State-level safety and insurance requirements for transportation network companies that conduct business in this State. According to the bill, a transportation network company (Uber or Lyft, for example) is an individual or entity that uses a digital network or software application to connect a passenger to a transportation network company driver for the purpose of providing transportation to the passenger. Section 24 of S-2179 exempts these entities and individuals from any local regulation. All fees would be payable to the State.

Since 1917, in order to protect prospective passengers and the general public, and to preserve order, municipalities have been empowered by statute to license and regulate ride-for-hire businesses. Throughout that period, in order to protect the public, local governing bodies have been responsive to concerns raised by passengers, pedestrians, local merchants and other motorists. Local first responders have attended to accidents. While no level of regulation is

perfect, municipalities have clearly demonstrated their effectiveness in this area for close to 100 years.

The manner in which the service is dispatched and provided does not materially alter the responsibilities that local governments will bear. Nor will the manner of dispatch obviate the concerns of local elected officials in ensuring the public's legitimate interests in public safety. Further, enactment of this bill could motivate traditional taxi and limousine businesses to similarly, avoid local over-sight, by a change to their business models. That, in turn, could make it more difficult for older residents and for the economically disadvantaged to access transportation alternatives. On that basis, absent deletion of the preemption provisions, the League of Municipalities cannot support this legislation.

Please contact your Legislators and communicate your concerns with these bills.

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

III. Bill to Permit Volunteer Firefighters to Continue Service After Retirement From PERS or PFRS Position Before Committee on Thursday

On Thursday, June 9, the Senate State Government Committee will be considering [S-2107](#), which would permit a person with a pre-existing volunteer relationship as a firefighter with their employer to retire from service covered by PERS or PFRS, and continue to serve that employer as a volunteer. The League **supports** S-2107, but has requested that the bill be extended to include all volunteers, especially volunteer first aid members.

In 2014, the Division of Pension and Benefits issued guidance on post retirement employment restrictions for public employees. The guidance noted that there must be a "bona fide severance of employment", a complete termination of the employee's employment relationship with the employer for a period of at least 180 days, in order not to jeopardize the employee's retirement benefits. The Division considers re-employment by a different unit of the same public entity, whether the position is covered by the same retirement system or a different retirement system, to be employed by the same employer. If an employee holds more than one position with the employer, they must separate from all employment in order to retire, even if the positions are covered by different retirement systems, or the second position is not subject to pension contributions.

If an individual returns to public employment with the former employer, even as a volunteer, prior to satisfying the requirements of a bona fide severance from employment, the employee will be required to repay all retirement benefits received from the date of retirement and may be required to re-enroll in the same or a different retirement system. As a result, volunteer firefighters, who are public employees, have been required to resign as a volunteer firefighter in order to receive their retirement benefits.

Volunteers are the backbone of communities providing services to the residents at no cost to taxpayers, while freely giving of their time and expertise. Typically employees affected by the

Division of Pensions ruling are at least 55 years of age. In their volunteer positions, they often serve as mentors to the new and younger members, typically providing guidance and direction.

While well intended the Division of Pensions has created an unintended consequence which, if not changed, will impact every public employee who volunteers in the state and will not only drive up property taxes, but would also reduce the quality and level of essential public services.

S-2107 addresses some of the concerns we raised in League [Conference Resolution 2014-05](#) , adopted at the November 2014 annual conference.

Please contact your Senator asking them to support S-2107 and to extend the provisions of the bill to include all volunteers.

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

IV. Bills to Strengthen UEZs Advance

On Thursday, the Assembly Commerce and Economic Development Committee released legislation to strengthen New Jersey's Urban Enterprise Zone program.

[A-1996](#) requires that 30 percent of all reduced rate sales tax revenues be collected by qualified businesses in urban enterprise zones (UEZs), and be deposited to the accounts held in the Enterprise Zone Assistance Fund in the name of the respective municipalities having UEZs; and the remaining 70 percent of those revenues are to be deposited in the General Fund. Under the bill, UEZs are to receive from their assistance fund account the authority-approved amount for a project, and the municipal-certified amount for eligible municipal services in the UEZ.

[A-2576](#) 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.

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

Sincerely,

Michael J. Darcy, CAE Executive
Director