

June 24, 2016

Re: Weekly Policy Update

- I. New Transportation Trust Fund Authority Act Would Double Local Aid**
- II. State Fiscal Year Appropriations Bills Introduced – Budget Deadline Looms**
- III. Bill to Reauthorize UEZs Advances**
- IV. Senate Passes Bill to Permit Volunteer Firefighters to Continue Service After Retirement From PERS or PFRS**
- V. Governor Vetoes Bill to Require Police Departments to Provide Cultural Diversity Training**
- VI. One-year Permit Extension in Sandy-impacted counties**
- VII. Legislative Alert: Affordable Housing “Gap” Period**
- VIII. Newly Updated License Fee Publication - Available now!**
- IX. Going To The DNC Or RNC Convention? Join NLC for Special Events!**
- X. Upcoming Free Training from Sustainable Jersey XI. New Economic Development Resource Available**

Dear Mayor:

I. New Transportation Trust Fund Authority Act Would Double Local Aid

Legislation that would fund the Transportation Trust Fund for the next 10 years and increase the annual Local Aid portion to \$400 million, per year, has cleared committee. We expect both Houses to act on the bills next week, possibly as early as Monday.

We urge you to contact your Legislators on this initiative as soon as you possibly can. Every vote will matter.

The League of Municipalities supports the bills ([S-2411](#) and [S-2412](#) in the Senate and [A-10](#) and [A-11](#) in the Assembly). The Local Aid increase is the key to our support. We thank the sponsors for their work on this compromise.

This initiative meets all of the requirements spelled out by our Leadership, back in September 2014. At that time, we called for TTF reforms that would:

1. Reauthorize the Transportation Trust Fund to ensure adequate and reliable funding to meet State and local transportation infrastructure funding needs for the next 10 years.
2. Increase Local Aid funding to ensure adequate and reliable funding to better meet local transportation infrastructure needs.
3. Increase the municipal share of Local Aid funding and ensure fair funding for all municipalities.

Since then, the reauthorization of the TTF has been a top League legislative priority. Our message has been straight forward. The most densely populated State in the Country is also at the center of the Nation's most important – and most heavily used – transportation network. As a result, our transportation infrastructure – vital to the prosperity of our economy – faces stress unequalled anywhere in North America. And the increase in local funding is appropriate, reasonable and essential.

The Local Aid funding increase is appropriate, because the people and businesses of New Jersey (and visitors to our State) depend as much, if not more, on local roads and bridges, than on State highways. As documented by the State Department of Transportation, municipal and county roads and bridges carry an estimated 55% of the State's overall traffic. Yet inequitably receive only 12% of funding under the State's current Transportation Capital Program (TCP). As a result, local property taxpayers must fund the balance. The bipartisan compromise, therefore, represents not just needed infrastructure funding but property tax relief as well.

The increase is reasonable, because the need for investments in local roads and bridges has been well-documented. New Jersey municipalities are responsible for over 29,000 miles of roads – three times more centerline miles than counties, authorities, park systems and the New Jersey Department of Transportation combined. Professional estimates suggest that keeping New Jersey's 29,408 miles of municipal streets and roads in acceptable condition could require an annual expenditure of about \$1.3 billion. County governments need about \$565.0 million each year to operate and maintain an estimated 7,140 bridges and more than 6,775 centerline miles of roads, and nearly \$2.85 billion to repair, rehabilitate or replace "Structurally Deficient" and "Functionally Obsolete" bridges and culverts.

The increase is essential, because, absent adequate TTF funding, the people and businesses of New Jersey will have to support these investments with higher property taxes.

From the beginning of our efforts, the Senate President and the Speaker have agreed on the need to increase Local Aid. Recognizing the need, Senators Oroho and Sarlo, as well as Speaker Prieto and Assemblyman Greenwald, were able to work together to achieve a bipartisan consensus on the funding.

Together with the proposed Constitutional dedication of the funds, which goes before the voters in November, these bills will meet the transportation infrastructure needs of New Jersey residents and businesses – and the needs of New Jersey property taxpayers – for years to come.

We thank all of you who have already reached out to your Legislators on this matter. Your efforts have made a huge difference in the final analysis. But more needs to be done.

We support this initiative. We urge you to contact your Legislators, without delay.

Contacts: Jon Moran, jmoran@njslom.org or 609-695-3481, x121
Mike Cerra, mcerra@njslom.org or 609-695-3481 x120

II. State Fiscal Year Appropriations Bills Introduced – Budget Deadline Looms

Legislation was introduced in both Houses to put in place the State's next (FY 2017) Budget. The bills are S-17 and A-4000. The bills assume revenues of \$35.3 billion for the coming Fiscal Year - \$315 million less than the amount assumed by the State Treasurer when the Governor put together his budget proposal, back in February. The bills, subject to further amendment, final passage and a possible line-item veto by the Governor, would appropriate \$34.8 billion - \$28 million less than was originally proposed by the Governor.

You can click here to access the Office of Legislative Services' ["Score Sheet"](#) for a detailed comparison of the differences between the Governor's Proposed Budget and the bills just introduced. Changes in provisions that direct Executive Branch agencies of how to handle their appropriated revenues are included in the ["Language Changes"](#) proposed in S-17 and A-4000.

And the bills, themselves, can be accessed at the Legislature [Home Page](#).

In response to the Governor's proposed budget, back in March, League President Joseph Tempesta, Mayor of West Caldwell, present [League Budget Testimony](#) to the Legislature.

Among the issues President Tempesta highlighted were:

- a call for Transportation Trust Fund reauthorization and Local Aid increase. (See item I., above.);
- a call to reject any proposal to use projected local government health benefit savings to close the State's pension funding gaps (The proposed budget bills do not count on the use of future estimated local savings to fund State level responsibilities.);
- a request for the Legislature to reconsider the Administration's proposal delay the distribution of some municipal Energy Tax and CMPTRA payments, until later in the Fiscal Year (S-17 and A-4000 would, if enacted as is, distribute the funding in accordance with the timetable used in recent years.); and
- A plea to begin to restore Energy Tax/CMPTRA distributions to the levels that benefitted our property taxpayers, prior to the 2008 collapse.

The proposed legislation does not address that final need.

Our thanks to all of you who contacted your Legislators, in support of President Tempesta's efforts to advance municipal priorities. We will keep you posted on further developments, as the State budget process moves closer to the June 30 deadline for enactment.

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

III. Bill to Reauthorize UEZs Advances

On Thursday, The Assembly Budget Committee and the Senate Budget and Appropriations Committee released legislation to extend New Jersey's Urban Enterprise Zone program in municipalities where it is set to expire.

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.

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

IV. Senate Passes Bill to Permit Volunteer Firefighters to Continue Service After Retirement From PERS or PFRS

On Thursday, June 23, the Senate unanimously approved S-2107, which would permit a person with a pre-existing volunteer relationship as a firefighter or rescue squad member with their employer to retire from service covered by PERS or PFRS, and continue to serve that employer as a volunteer.

S-2107 addresses some of the concerns we raised in [League Conference Resolution 2014-05](#), adopted at the November 2014 annual conference in response to the Division of Pensions and Benefits guidance on post retirement employment. For more information please see our [June 10 letter](#).

S-2107 companion bill, A-536, awaits consideration by the Assembly Law and Public Safety Committee. A-536 is sponsored by Assemblywoman Schepisi and Assemblyman Bucco.

In addition to reaching out to your Assembly Representative urging them to support A-536, please consider adopting the sample resolution in support of S-2107/A-536. **Contact:** Lori Buckelew, lbuckelew@njslom.org or 609-695-3481, x112

V. Governor Vetoes Bill to Require Police Departments to Provide Cultural Diversity Training

Yesterday, Governor Christie vetoed A-1663 due to concerns that the measure amounted to an unfunded state mandate. This bill would have required that every county and municipal law enforcement department, and each college or university that appoints campus police officers, to develop, adopt and administer a cultural diversity training course. While the Governor agreed with the laudatory purposes behind this legislation, he was concerned that A-1663 represented an unconstitutional unfunded mandate in violation of New Jersey's state-mandate state-pay

amendment. In his veto message, Governor Christie proposed that the Department of Law and Public Safety create a uniform training course available to all county, municipal and campus police departments.

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

VI. One-year Permit Extension in Sandy-impacted counties

Fast-tracked legislation, [A-3617](#), is advancing that will further extend the "Permit Extension Act of 2008," (NJSA 40:55D-136.1 et seq.), for an additional one year in the Superstorm Sandyimpacted counties. The nine Superstorm Sandy-impacted counties are defined as Atlantic, Bergen, Cape May, Essex, Hudson, Middlesex, Monmouth, Ocean, and Union counties. As introduced, the legislation would have changed the definition of "extension period" until December 31, 2016, which would have made it effective statewide. The League notified sponsors of this and the bill was amended to make it clear that the extension is only for the Sandy-impacted counties and not statewide. However, since A-3617 and its Senate companion, S-2390, are likely headed for floor votes next week, we would urge municipalities in the Sandyimpacted counties to review this legislation immediately and contact your legislations with any concerns

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

VII. 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

VIII. License Fees Volumes 2 & 3 – Newly Updated License Publications Available Now!

The League is pleased to publish an update of fees pertaining to alarms and false alarm penalties (Volume 2) and liquor licenses, dogs and cats, and garage sales, flea markets and auction fees (Volume 3).

This electronic publication includes the data laid out in tables in a PDF file, as well as a Microsoft Excel file containing the raw data, and will be emailed to you after purchasing.

Volume 2 may be purchased individually by League members for \$30.

Volume 3 may be purchased individually by League members for \$40.

For a limited time members may purchase all three newly updated books (Volumes 1, 2 & 3) at the **discounted price** of \$100! (Volume 1 was released last week and contains fees for mercantile licenses, peddler, solicitor, canvasser and itinerant vendor fees, amusement and vending machines, and taxi and limousine licenses.)

[Click here](#) to visit the League's publication order form or contact Suzanne Allen at sallen@njslom.org or (609) 695-3481 x129 to order.

Contact: Suzanne Allen, sallen@njslom.org or (609) 695-3481, x129

IX. Going To The DNC Or RNC Convention? 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.

X. Upcoming Free Training from Sustainable Jersey

Sustainable Jersey is offering free seminars and webinars on the topic "Pathways and Incentives to Financing Clean Energy". This training is being offered in various locations on multiple dates. For details consult their web site at:

<http://www.sustainablejersey.com/eventstrainings/calendar/>

XI. New Economic Development Resource Available

A number of local elected officials assisted PlanSmart NJ in developing its [Guide to the Future](#), a user-friendly guide for local officials and their advisors on how to repurpose underutilized office parks and retail centers. The Guide includes data on the economic impacts of corporate flight from the suburbs, recommendations on planning for the future in light of demographic shifts, creating opportunities and overcoming challenges in repurposing, lessons learned from current projects, and a step-by-step guide to revitalization.

For a copy of the guide, [please click here](#).

Sincerely,

Michael J. Darcy, CAE Executive
Director