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July 2, 2020

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

To assist in providing guidance and information we have created a [COVID-19 resource page](#). We will continue to update the page as we get pertinent information and include announcements in our Daily Updates.

I. State

a. COVID-19 Update

Yesterday the Governor announced that there were 423 new positive results and 45 confirmed deaths resulting from COVID-19 since the day before. To date, there have been 171,928 confirmed cases, and 13,224 confirmed deaths. There are also 1,854 probable deaths associated with the virus.

The spot positivity rate (for June 27) was 2.29% and the rate of transmission is .82

Last week, the Governor and the Commissioner of the Department of Education [released guidance on the reopening of schools](#) for the 2020-2021 school year.

Since last Friday, the Governor has taken the following actions:

[Executive Order 157](#): Executive Order Establishing Rules for Indoor Dining, Indoor Recreational Facilities, and Individualized Instruction at Gyms and Fitness Centers. The State has issued guidance for [retail businesses](#); [tanning salons and body art facilities](#); [hair salons, barbershops, and nail salons](#); [electrology offices](#); [cosmetology, bodywork, and massage](#); [amusement parks](#); [water parks](#); and [pool and aquatic facilities](#).

[Executive Order 158](#) Executive Order Temporarily Pausing the Resumption of Indoor Dining of any business open to the public, including casinos. In the order, the Governor noted that given spikes in COVID-19 in other states that have been “attributed to indoor food and beverage establishments, and given the well-established risks that such establishments present given the lack of mask usage indoors, it is necessary to temporarily pause the resumption of indoor dining in New Jersey, while we continue to learn more about what has prompted the spikes in other states and examine whether there are additional protocols that could be instituted to reduce the risks associated with indoor dining.”

[Executive Order 159](#) Executive Order Extending [Certain Statutory Deadlines](#) Across State Government. The various deadlines include the following of municipal interest: the June 30 expiration of dog licenses, registrations & renewals extended for 90 days (N.J.S.A. 4:19-15.3); the one-year deadline for new public employees to reside in New Jersey is extended until 90 days after the last day of the public health emergency (N.J.S.A. 52:14-7(d)); and the 30-day deadline for the [NJ First Act](#) Employee Residency Review Committee to issue a decision on exemption or hardship is extended until 90 days after the last day of the public health emergency (N.J.S.A. 52:14-7(a)).

Today the Department of Health issued [guidance for child care and youth summer camp standards](#). The guidance addressed various protocols that must be followed, including: screening and admittance; group sizes and distancing; permitted activities; visitors; promotion of healthy hygiene practices; enhanced cleaning and sanitation procedures; response procedures for COVID-19 symptoms and exposure; staff and camper training; procedure for food services; and daily reporting. Guidance on playgrounds is expected shortly.

See the League’s [COVID-19 page](#) for all our resources and communications.

Contact: Michael F. Cerra, Executive Director, mcerra@njlm.org, 609-695-3481 x120.

b. Interim State Budget Enacted

On Monday, the Legislature passed and the Governor signed the Supplemental Appropriations bill that will permit state spending to bridge the gap between the usual end of the Fiscal Year, on June 30, and this year’s final day, September 30.

This bill, A-3, appropriates \$298.6 million in Consolidated Municipal Property Tax Relief Aid (CMPTRA) (\$209 million of which will be distributed as if it were Energy Tax Receipts, so that the State can avoid the ‘poison pill,’ while again failing to increase municipal property tax relief funding) and \$364 million in Energy Tax Receipts Property Tax Relief (ETR) assistance (funded not through the taxes on energy utilities, but from the Property Tax Relief Fund, that is, the income tax proceeds). Crucially, these appropriations will allow the State to make the full August 1 ETR/CMPTRA payments – representing 45% of the annual amount due – on time. A-3 also includes \$2.2 million for Highlands Watershed Moratorium Aid. And, the bill also addresses Election Administration support, with \$2.5

million for County Election Board mail-in ballot aid, and \$3.8 million to support extended polling place hours.

The bill does not include the use of federal CARES Act funding, to create the local aid program, proposed by the Governor. Those federal funds were to be administered by the Division of Local Government Services, with priority given to the county governments that did not receive direct CARES Act aid. That fund may be created by another legislative initiative.

We thank Governor Murphy, State Treasurer Mouio, and the bill's sponsors – Assemblymembers Pintor Marin and Burzichelli and Senators Sarlo and Cunningham – for sparing municipal officials the severe problems that occur, whenever the State ignores their efforts. By preserving the August property tax relief distributions, despite the challenges faced by the State, this interim budget act makes local pandemic response and recovery efforts a lot less difficult.

Contact: Jon Moran, Senior Legislative Analyst, jmoran@njlm.org, 609-695-3481 x121.

c. Proposal Will Prevent Endless Litigation and Provide Residential Property Tax Relief

The League fully supports A-2991/S-421, 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.

Please take the time to contact your State Senator and your municipality's representatives in the General Assembly and urge them to back this important initiative.

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 last 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-2991/S-421 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.

Again, please contact your legislators and urge them to support this common-sense solution to a chronic and preventable problem. A-2991 awaits action in the Assembly State and Local Government Committee. S-421 has been referred to the Senate Community and Urban Affairs Committee.

Contact: Jon Moran, Senior Legislative Analyst, jmoran@njlm.org, 609-695-3481 x121.

d. NJ Supreme Court Issue Ruling on Tax Exempt Properties

Earlier this week, the NJ Supreme Court released its opinion in [Gourmet Dining LLC v. Union Twp.](#), a case examining whether or not a restaurant operating on a State university campus qualifies for a property tax exemption. More precisely, the issue before the Court was whether a gourmet restaurant operating on the campus of a public college continued the public purpose of that college, therefor entitling it to an exemption from property taxes.

The Supreme Court reversed the Appellate Courts decision finding that the arrangement the restaurant had with the state university is taxable as a lease or lease-like interest. Further finding that the public-benefit-oriented exemption provisions in issue were not intended to exempt the for-profit operator of a high-end, regionally renowned restaurant situated on tax exempt property, when the overriding purpose of the commercial endeavor is focused on profitmaking. For these reasons, the Court found in favor of the municipality, ruling that the restaurant must bear its fair share of the local property tax burden.

You should review this decision carefully with your municipal attorney and tax assessor for more information on the potential impact to your community.

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II. Federal

a. Congress in Recess. Contact Your Representative

Today, both Houses of Congress begin their Fourth of July/District Work recess. They will return to Washington in two weeks, with important work to do on a number of items, at least four of which will be important to New Jersey municipalities.

Please, take advantage of these two weeks, while they are in New Jersey, to reach out to them on these priorities. With Congressional election campaigning like to take up much of August and most of the Fall, the last two weeks in July represent a crucial window of opportunity for you and your priorities.

1. Direct, Substantial, and Flexible Financial Aid

While New Jersey municipalities, large and small, continue to respond to the public health, the public safety, the economic, the mental health, and the social service impacts of the COVID-19 crisis, they also continue to wait for federal support. Local services are now more important than ever. But unless another level of government steps up to help, the

same front-line local workers who have been risking their lives, working around the clock to deliver essential services since March, will soon be at risk of lay-offs.

To date, Congress has passed four bills, responding to COVID-19. All of those bills addressed important priorities. But none of them prioritized the impact of the pandemic on municipalities.

Since then, every member of our State's delegation has either sponsored or cosponsored bills designed to send a lifeline to New Jersey municipalities. Notably, Senator Bob Menendez, joined by Senator Cory Booker and others, introduced the bipartisan State and Municipal Aid for Recovery and Transition Act (SMART). And a bipartisan House companion bill has been introduced by NJ Congresswoman Sherrill, joined by Congressman Gottheimer and others.

Either this, or some other bill, which includes direct, substantial, and flexible local aid is needed. All local governments, regardless of population, urgently need direct federal funding to continue to fight COVID-19, to protect their residents, and to promote the economic recovery, through the summer and beyond. The citizens of small towns matter just as much as the citizens of big counties, and New Jersey municipal employees contribute at least as much to society as private sector workers.

2. Infrastructure Investments

This week, the House of Representatives began consideration of the Investing in a New Vision for the Environment and Surface Transportation (INVEST) in America Act. Among other provisions, the bill would dedicate \$19 billion, over five years, in Local Aid. And, it would enact reforms to enhance State-Local coordination in order to 'improve the flow of funds' to local units of all sizes. Also included in the proposal is \$250 million for complete streets.

The total package would authorize \$1.5 trillion over five years – an average of \$300 billion a year, with some of the funding front-loaded in the Federal government's upcoming (FY 2021) Fiscal Year. That would make \$83.1 billion available to states, municipalities, tribal governments, U.S. territories, and transit agencies in FY '21 for COVID Response and Recovery. An additional \$22 billion would be made available, beginning on October 1, in capital support to compensate for lost revenues.

The bill will also include other funding streams for transit systems, and a Transforming Rail by Accelerating Investment Nationwide (TRAIN) component, supporting passenger rail improvements with \$19 billion, over five years, plus \$29.3 billion over five years for Amtrak, of which \$13.1 billion would be earmarked for the North East Corridor.

We will need to be on guard against private interests who will see a new Infrastructure bill as a chance to advance their agendas. The bill stresses trucking safety. However, for years, the interstate trucking industry has been lobbying Congress for relaxation on truck size and weight limits. And for years, NLC and the New Jersey League have been lobbying against any relaxation of those limits. Public safety and the resilience of local roads would be compromised by the presence of longer, heavier trucks.

We need your advocacy with your House Member on this.

3. National Flood Insurance Program

Kept alive with temporary extensions for over a year, while Congress struggles to find acceptable reforms, the National Flood Insurance Program is again facing sunset on September 30. Vital to so many residents in so many municipalities, please let your Representative know how important the NFIP is to you.

4. Policing Reform

On June 8, led by Senator Cory Booker, House and Senate Democrats proposed a sweeping reform measure. On Wednesday, June 17, the House Judiciary Committee released the bill, [H.R. 7120](#) (the George Floyd Justice in Policing Act). That bill was approved by the full House of Representatives on June 24.

On June 17, President Donald Trump signed an [Executive Order on Safe Policing](#). The Order looks to condition federal funding for police on local adoption of federal standards, including a ban on chokeholds, except when an officer's life is in danger. The Order also improves the Federal government's ability to track officers with a history of excessive force complaints.

On June 19, Senate Republicans, led by Senator **Tim Scott**, unveiled police reform legislation (S.3985). Senate Majority Leader Mitch McConnell said he would not negotiate with Democrats before he brought the JUSTICE Act to the floor, saying their choice will be whether to support it or try to block it. A Senate vote was scheduled on June 24 on the Just and Unifying Solutions to Invigorate Communities Everywhere Act ([JUSTICE Act](#)). The lack of bipartisan support, however, prevented action on the bill.

Absent some willingness to compromise, progress on this vital matter seems unlikely.

Contact: Jon Moran, Senior Legislative Analyst, jmoran@njlm.org, 609-695-3481 x121.

III. 2020 Annual League Conference

a. Delegate Registration

[Delegate registration](#) will open on August 1. We encourage everyone to preregister online and have their conference credentials mailed to them in advance. This avoids delays and lines onsite in Atlantic City.

b. League Code of Conduct

The League intends to maintain a welcoming professional atmosphere in all aspects of the Annual League Conference. To that end, conduct that violates the [League Code of Conduct](#) is not tolerated by the League, anyone who witnesses it, or is subjected to it. Everyone who participates in the Annual League Conference is required to adhere to this code.

c. Conference Center Preparations

We are busy making arrangements for this live event including education and exhibits with

the full expectation that by November the State will permit important gatherings of government officials like the Annual League Conference. The League is taking measures along with our partners at the Atlantic City Convention Center and all related service providers to follow CDC and NJDOH guidelines to create a safe and healthy conference. A healthy conference environment is our top priority for 2020 and with that, we are dedicated to providing an educational, informative, productive, and collaborative conference. Sanitization protocols that comply with CDC guidance are ready for public spaces, meeting areas, food service, and transportation. Venue layout will take into account social distancing, and preregistration will eliminate waiting lines.

d. 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 AC Central Reservations. This information is on the top of the official conference housing form sent to all municipal clerks and posted on [our 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 so you won't 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 F. Cerra, Executive Director, mcerra@njlm.org, 609-695-3481 x120.

This weekend, we will celebrate our Nation's 244th Birthday. As we marvel at the progress that has been made over those centuries and decades, we reflect on our continuing efforts to fulfill the ideals expressed in the Declaration of Independence – America's moral mission statement. And we thank all who have sacrificed so much to preserve the Union, to advance equal rights, and to realize the dreams of all patriots. Let's remember, also, the words that Lincoln spoke on a battlefield, One Hundred and Fifty Seven Years ago. As he recalled some of those who had made the ultimate sacrifice, he said:

'It is rather for us to be here dedicated to the great task remaining before us -- that from these honored dead we take increased devotion to that cause for which they gave the last full measure of devotion -- that we here highly resolve that these dead shall not have died in vain -- that this nation, under God, shall have a new birth of freedom -- and that government of the people, by the people, for the people, shall not perish from the earth.'

'Out of many, one.' We're all in this together. From the League staff to all of you, Happy Independence Day.



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