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September 18, 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

Today Governor Murphy announced that there were 519 new positive cases and an additional 5 confirmed deaths resulting from COVID-19. To date, there have been 198,848 confirmed cases and 14,270 confirmed deaths. The rate of transmission is at 1.08 and the positivity rate as of September 14 was 2.19%.

Since our last update, Governor Murphy has not issued any COVID-19 related executive orders.

On Tuesday, the Governor updated the travel quarantine advisory adding Puerto Rico back on the list and removing California, Hawaii, Maryland, Minnesota, Nevada and Ohio, bringing the list to a total of 30 states with a travel advisory.

On Thursday, it was announced that the statewide response to the 2020 Census is 94%. As a reminder, the 2020 Census count will end on September 30.

For the week ending September 11, the New Jersey Labor Department received 19,636 new unemployment applications. Earlier in the week, Department of Labor Commissioner Robert Asaro-Angelo testified before the Senate Budget Committee on the technology improvements and staffing increases to address the influx of claims.

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

b. Millionaires' Tax to Bolster State Budget

An agreement has been reached by Governor Phil Murphy and Legislative leaders on an income tax rate hike (from 8.97% to 10.75%) on earnings in excess of \$1 million. The higher rate currently applies to income over \$5 million. Announcing the agreement, Governor Murphy was joined by Senate President Steve Sweeney, Assembly Speaker Craig Coughlin, and the Chairs of the Legislature's budget writing Committees, Senator Paul Sarlo and Assemblywoman Eliana Pintor Marin.

The Governor also announced a new \$500 annual rebate for families with at least one child as part of the deal. Couples with annual income of less than \$150,000 and single parents earning under \$75,000 a year would qualify for the rebates to be distributed beginning in August 2021.

The tax rate increase is projected to generate \$390 million in the State's upcoming 2021 Fiscal Year. The rebates will cost an estimated \$340 million, each year. The millionaires' tax was one of the building blocks in the Governor's FY '21 budget proposal, currently being considered by state lawmakers. That budget also includes \$1.2 billion in spending cuts and \$4 billion in borrowing.

We continue to monitor State budget deliberations and advocate for sufficient funding for important municipal property tax relief programs.

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

c. Governor Takes Action on Bills

Earlier this week, Governor Phil Murphy signed two bills of interest into law – [S-349](#) (P.L. 2020, c.80), which requires developers to offer electric vehicle charging stations as an option in certain new home construction, and [S-2380](#) (P.L. 2020, c.84), which provides work-related benefits to essential employees who contract COVID-19.

The first law, S-349 requires developers of single-family residences constructed as part of a residential development to advertise and offer to install electric vehicle charging stations when a prospective owner enters into negotiations with the developer to purchase a dwelling unit. This law does not directly create any new requirements for municipalities but could lead to an increase in permitting and inspection requests for electric vehicle charging stations, which your construction office should be prepared for.

The second law, S-2380, creates a rebuttable presumption that any essential employee who contracts COVID-19 during a time period in which they are working at a location other than their home, that the contraction of the disease is work-related. It is also fully compensable for the purposes of ordinary and accidental disability retirement and any other benefits provide by law to individuals suffering injury or illness through the course of

their employment. This law applies to both the private and public sectors and specifically includes emergency first responders such as police and fire personnel as essential employees.

Under this law, if an essential employee who is not working from home and in contact with the public contracts COVID-19, it is assumed that they contracted the disease while on the job, in turn making the employee eligible for any employment benefit. While there is a presumption that the employee contracted COVID-19 on the job this presumption can be rebutted by a preponderance of the evidence,—a very difficult standard to meet,—showing the worker was not exposed while working in their place of employment.

You should review both of these new laws with your municipal attorney for additional information and guidance.

Contact: Frank Marshall, Esq., Associate General Counsel, fmarshall@njlm.org, 609-695-3481 x137.

d. Assembly Committee Advances Hospital Property Tax Bill

Yesterday, the Assembly Appropriations Committee advanced with committee amendments [A-1135](#), a bill which the League opposes. A-1135 seeks to address the ongoing issue of property tax exemptions for nonprofit hospitals with on-site for-profit medical providers. The issue stems from a tax court decision which brought to light how the business model for modern hospitals does not comport with the original public policy reasons for exempting non-profit hospitals from property taxes.

While the League is supportive of a legislative solution to this issue and continues to work with the sponsors on a solution, A-1135 is not a proper solution. As a threshold matter, the bill sets up an unconstitutional tax exemption. Notwithstanding the constitutional issues, A-1135 poses other concerns as it attempts to create a Community Service Contribution (CSC) fee which would be paid by hospitals organized as non-profits in lieu of any property tax. The CSC fee is calculated based on the amount of licensed acute-care beds in a hospital which, based on industry trends, would mean the fee would be reduced each year as hospitals move away from these types of beds.

The contemplated CSC fee would be far smaller than any property tax bill to which these hospitals would otherwise be subject, and would effectively serve as a subsidy to an otherwise profitable industry paid for by all other property tax payers of host communities.

We do welcome some of the committee amendments made to A-1135, including the removal of provisions of the bill that would have voided the settlements and agreements some host municipalities have already made with hospitals in their communities. The amendments also remove a section of the bill as introduced that would have required payments already made under negotiated agreements to municipalities to be reimbursed to hospitals. However, even with these changes, the League remains opposed to A-1135.

We anticipate the bill will be brought to the full Assembly for a vote. We urge our members, especially those hosting non-profit hospitals, to review A-1135 and to reach out to [your legislators](#) expressing how this legislation would impact your community and your taxpayers.

Contact: Frank Marshall, Esq., Associate General Counsel, fmarshall@njlm.org, 609-695-

3481 x137.

e. Senate Committee Advances Vegetation Management Bill

Yesterday, the Senate Economic Growth Committee approved [S-434](#), known as the “Vegetation Management Response Act.” In the past, the League has opposed this and similar bills because they would give electric utility companies complete discretion to clear, move, cut, or destroy vegetation growing in, near, or adjacent to the utility’s right of way and without input from municipal officials.

However, amendments have been made to S-434 that would alleviate some of our concerns and we continue to work the sponsors on additional changes to adequately protect the interests of all of the League’s members. We will be sure to keep you updated on this matter as this bill continues through the legislative process.

Contact: Frank Marshall, Esq., Associate General Counsel, fmarshall@njlm.org, 609-695-3481 x137.

II. Federal

a. Congress Needs to Elevate and Extend the Transportation Programs before September 30

On September 30, the federal surface transportation law, the Fixing America’s Surface Transportation (FAST) Act, expires and immediate Congressional action is needed to keep transportation projects moving across the U.S.

America’s transportation networks are essential to the recovery of the economy from the nation’s pandemic, yet the future of federal transportation programs remains uncertain. The COVID-19 pandemic has created fiscal strain at the local level with an estimated \$360 billion in lost revenue over three years, and the uncertainty of the federal share of transportation funding only adds to this burden.

Please contact Senators Menendez and Booker and your Representative in the House as soon as possible.

Here are some talking points for your phone calls.

- On September 30, the Fixing America's Surface Transportation (FAST) Act expires, and federal transportation programs for roads, bridges, and transit will not be able to move forward.
- Immediate Congressional action is needed to keep transportation projects moving across the U.S. in communities like mine.
- We ask that Congress 1) extend the FAST Act for one-year and 2) elevate funding appropriately in FY2021 given that the COVID-19 pandemic has created fiscal strain at the local level with billions in estimated lost revenue for city and state governments.
- Does the [Representative/Senator] support this?

Please let us know how they respond to your calls. Email results to jmoran@njlm.org.

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

b. Bipartisan Problem Solvers Look to Break Coronavirus Relief Logjam

On Tuesday, the U.S. House of Representatives' bi-partisan Problem Solvers Caucus (PSC) released the [March to Common Ground](#), a framework for COVID relief designed to reignite negotiations on a critically important Coronavirus Relief bill.

The 50-member Problem Solvers Caucus includes 25 Democratic and 25 Republican Members of the House. Co-chaired by New Jersey Congressman Josh Gottheimer and New York's Tom Reed, the group was formed to advance bipartisan, common sense solutions to difficult problems by breaking partisan gridlock. "The PSC," the group says, "is committed to demonstrating cooperative, bipartisan leadership at a time our country needs it most."

Recognizing that "State and local governments have been severely impacted by COVID-19, both by incremental and unplanned direct costs and by the loss of tax and fee revenue integral to the provision of services and payment of employees," the March to Common Ground framework would, among other priorities, dedicate \$500.3 billion for state and local budget support. That would include:

- \$130 billion remaining from the CARES Act, for flexible use on documented past state and local Covid expenses.
- \$130 billion in new money for documented, future state and local Covid expenses (through 2021).
- \$120.3 billion in new money for documented local general revenue shortfalls (through 2021).
- \$250 billion in new money for documented state general revenue shortfalls (through 2021).
- Tribal and territorial government allocations.

The framework does not specify how the local aid would be distributed. We have a call into Congressman Gottheimer's office for details, as we need to know that the aid would be direct, and to all municipalities, regardless of population levels.

The White House has indicated a willingness to discuss this proposal. However, leaders of both Senate Republicans and House Democrats have expressed objections to the initiative. Senate Republicans say it's too expensive, while House Democrats say it would be an insufficient response to the public health and economic impact of the pandemic.

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

c. NJ Delegation Challenges FEMA Sanitation/PPE Policy Change

Bipartisan Members of New Jersey's Congressional Delegation are urging the Federal Emergency Management Agency (FEMA) to reverse a new policy stipulating the agency will no longer provide emergency reimbursement to school systems and local governments for cloth masks used in schools, disinfection services for schools and other public facilities, thermometers, physical barriers, or Personal Protective Equipment (PPE) for teachers, medical staff, and other public workers.

“As we anticipate a potential second wave of the COVID-19 pandemic in the fall, we urge you to reverse this harmful policy,” **the New Jersey Members wrote in a [letter to FEMA Administrator Peter Gaynor](#)**. “As many students and teachers across our state and our country head back to school, FEMA’s policy will likely make it harder for state and local governments. This will hamstring efforts to slow the spread of the virus and prolong this pandemic.”

The [interim policy](#), effective September 15, 2020, will limit reimbursement only to certain emergency protective measures related to the COVID-19 pandemic.

As a result, disinfection of schools and other public facilities, PPE for public employees including teachers, medical staff, and election workers, the purchase of thermometers and other physical barriers, and the distribution of cloth face masks will no longer qualify for emergency response reimbursement. FEMA will also now limit funding for the storage of a stockpile of PPE to up to sixty days from the date of purchase.

The letter to FEMA is signed by Reps. Donald Norcross (NJ-1), Andy Kim (NJ-3), Chris Smith (NJ-4), Josh Gottheimer (NJ-5), Frank Pallone (NJ-6), Tom Malinowski (NJ-7), Albio Sires (NJ-8), Bill Pascrell, Jr. (NJ-9), Donald Payne, Jr. (NJ-10), Mikie Sherrill (NJ-11), and Bonnie Watson Coleman (NJ-12).

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

III. 2020 Annual League Conference

a.105th Annual NJLM Conference – Presented Virtually: Early Registration Pricing Before October 16.

The League is here to help our members navigate through the pandemic and plan for recovery. Join us this November at the [105th Annual Conference](#) presented virtually—no need to travel. Earn CEUs at live sessions, and watch recorded sessions on-demand for up to one year. Learn about new vendor solutions and network with peers from the convenience of your home town.

A session schedule will be available online mid-October, and in 2020 the printed Conference Program will be included as an insert in the November issue of *NJ Municipalities* magazine.

[Register](#) before October 16 to take advantage of an early registration discount.

Benefits of Attending the 2020 NJLM Virtual Conference

- Over 75 sessions
- Earn CEUs
- Networking chat rooms
Learn about vendor solutions by visiting the virtual exhibit hall
- Discuss products with exhibitors in live chats
- No need to travel

- Save on hotel costs

Join us online this November. [Register before October 16](#) to take advantage of the discounted early registration price.

b. Submit League Conference Resolutions by October 5

The Conference Resolutions Committee will consider resolutions from officials who are currently in municipal office. A summary of the proposed resolution should be sent to the League office by Friday, October 5, 2020. All resolutions must be general and relate to municipal government interests.

For more information, contact Frank Marshall, Esq., Associate General Counsel, at 609-695-3481, x. 137 or fmarshall@njlm.org.

IV. Also of Interest

a. University of Albany Creates Survey to Help Build Smart Communities

Earlier this week, The University of Albany released a survey aimed at understanding the relationship between public libraries and the implementation of smart technology into our communities. The [survey](#) consists of 60 questions that will take no more than 30 minutes to complete. The outcome of this project is designed to benefit the local governments and their communities by:

- Increasing and sustaining relationships and collaborations between public libraries, local governments, and community organizations.
- Designing and developing new and replicable resources to guide libraries as community anchors in smart communities.
- Providing libraries with numerous resources and ideas for new programs and services contextualized to smart community issues and interests.

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New Jersey State League of Municipalities

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