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September 25, 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 Update

Today Governor Murphy announced that there were 612 new positive cases and an additional 7 confirmed deaths resulting from COVID-19. To date, there have been 202,100 confirmed cases and 14,306 confirmed deaths. The rate of transmission is at 1.15 and the positivity rate as of September 24 was 2.22%.

On Monday, the Governor updated the travel quarantine advisory adding Arizona, Minnesota, Nevada, Rhode Island, and Wyoming, bringing the list to a total of 35 states with a travel advisory.

On Friday, Governor Murphy extended the State of Emergency for an additional 30 days.

Contact: Paul Penna, Legislative Analyst, ppenna@njlm.org, 609 695-3481, x110.

b. Assembly Approves Hospital Subsidy Bill

Yesterday, the voted on and approved, [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 we do not believe that A-1135 provides 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 which these hospitals would otherwise be subject to. Effectively, serving as a subsidy to an otherwise profitable industry, paid for by all other property tax payers of host communities.

We do welcome some 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.

The Senate companion, S-357, has been introduced and referred to the Senate Health, Human Services and Senior Citizens Committee but has not yet been scheduled for a hearing. We urge our members, especially those hosting non-profit hospitals, to review A-1135 and S-357, and to reach out to [your legislators](#) expressing how this legislation would impact you and your taxpayers.

The League will continue to advocate for municipal interests and will continue to keep our members informed as this matter continues to evolve.

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

c. State FY'21 Nine-Month Budget Goes To Governor

This week, the Legislature's FY '21 Appropriations Act was introduced as S-2021/A-4270, released from committees, and approved by both Houses. It now awaits the Governor's signature. If enacted as is, it will protect vital municipal property tax relief funding, across the board.

The bill would hold combined appropriations for Energy Tax Receipts Property Tax Relief (ETR) and Consolidated Municipal Property Tax Relief Aid (CMPTRA) level for the balance of the year. It would do the same for Capital City Aid, Open Space Payments in Lieu of Taxes, and Highlands Protection Fund Aid. We supported all of these appropriations, and the Legislature did, as well.

The budget bill would also restore funding for the Affordable Housing Trust Fund, the State Recycling Trust Fund, the Clean Communities Trust Fund, and the Division of Local Government's Shared Services and School Consolidation assistance grants program.

The Legislature added \$10 million to the Transitional Aid program, allowing municipalities – large and small – experiencing fiscal distress to apply for a share of the over \$124 million appropriated for the State's upcoming Fiscal Year.

You can read a more complete analysis in [yesterday's League Town Crier blog post](#).

We appreciate all that State policy makers have already done, and continue to do, to limit the damage that Covid-19 inflicts on New Jersey families, our public health infrastructure, and private and public sector finances. We appreciate the difficult decisions that needed to be made, in order to balance this nine-month budget.

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

d. Census Alert

The deadline for the 2020 United States Census is fast approaching. The League strongly recommends that local officials encourage residents to complete the census by the end of the month. Census statistics are a crucial part of securing federal funding for the state and municipal levels that provides crucial revenue for local services, nonprofit organizations, and grant programs. Visit the [Census Website](#) for more information.

Contact: Andrew LaFevre, Legislative Analyst, alafevre@njlm.org, 609-695-3481 x116.

e. DCA Issues Regulations on Emergency Remote Meeting

Yesterday, the Department of Community Affairs issued emergency regulations ([N.J.A.C. 5:39-1.1 through 1.7](#)) regarding emergency remote meeting protocol for local public bodies. In conjunction with that the Division of Local Government Services (DLGS) issued [Local Finance Notice 2020-21](#), offering additional guidance on the regulations.

The emergency regulations outline circumstances under which a local public body may hold remote public meeting during a declared emergency. This is in addition to any circumstances under which public meetings held by means of communications equipment can already be held. The regulations also provide minimum technological, procedural, and notice requirements. You should review the emergency regulations and LFN 2020-21 but below are a few key takeaways.

- When hosting a remote meeting, public bodies must use electronic communications technologies routinely used in academic, business and professional settings and can be accessed by the public at no cost.
- Participant capacity on the selected platform should be consistent with the reasonable expectation of the public body but shall not be limited to fewer than 50 public participants (beyond those persons required to conduct business at the meeting).
- A local public body meeting held in-person shall not prohibit members of the public from attending in person.
- Any remote meeting where sworn testimony is being taken must be broadcast by video as well as audio.

- Documents that would otherwise be viewed are made available to the public at an in-person meeting must also be made available for remote meetings either by publishing on the governing body's website or other means.
- The local public body must allow for public comments to be submitted in advance of a remote public meeting through email and in written letter form by a reasonable deadline.
- If the local public body expects to conduct remote public meetings for a series of regularly scheduled meetings advertised in its annual notice, the annual notice must be revised at least seven days prior to the next regularly scheduled meeting, indicating which meetings will be held as remote public meetings.

These emergency regulations are presently in effect and have been concurrently proposed for permanent adoption in the upcoming October 19, 2020 New Jersey Register. Comments on these regulations can be made but must be submitted no later than November 18, 2020.

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

f. CY 2020/SFY 2021 Best Practices Inventory Issued

The Department of Community Affairs this week, published the [2020 Best Practices Inventory](#). In conjunction with that, the Division of Local Government Services issued [Local Finance Notice 2020-20](#) providing guidance on the CY 2020/SFY 2021 Best Practices Inventory.

This year's inventory includes a total of 60 questions, distributed among three scoring categories: Core Competencies (20 questions), Best Practices (9 questions), and Unscored Survey (31 questions). Each municipality must receive a minimum score of 16 on the Inventory to receive its full Final Aid payment.

All municipalities, including those on a State Fiscal Year budget cycle, must submit their completed Inventory to the Division by close of business **Tuesday, November 3, 2020**. Like last year, the Inventory is hosted on the internet-based platform.

Municipalities may submit appeals before the submission deadline, but after their Best Practices Checklist has been submitted to the Division. The Division encourages that appeals be submitted in conjunction with the Best Practices Checklist submission. Appeals to the Director must be submitted no later than the close of business Tuesday, November 3, 2020.

We want to thank the Division, under the leadership of Director Melanie Walter and Deputy Director Kevin Heydel, for the manner in which it has dealt with this requirement, and for the courtesy and professionalism of the staff, especially that of Legislative and Regulatory Affairs Officer Jason Martucci, Esq.

Contact: Lori Buckelew, Assistant Executive Director, lbuckelew@njlm.org, 609-695-3481 x112.

II. Federal

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a. Federal Budget Deal Reached

It appears the a federal shut-down will be averted, as the House and Senate were able to reach agreement on a Continuing Resolution to carry the government from the end of the Fiscal Year, on September 30, until December 11, five weeks after the elections. Early next week, the Senate is expected to take up the bill, which was passed by the House on Tuesday. At this time, it appears that the President will sign the stop-gap spending bill into law.

Important for many of our Members, the bill will also extend the National Flood Insurance Program (NFIP) until December 11, as well. The NFIP was also set to expire on September 30. The authorization for federal surface transportation investments, which was another priority expiring on that date, will, likewise, be extended into December. The bill will make \$13.6 billion available for those purposes.

All of New Jersey's twelve Representatives in the House voted in favor of [H.R. 8387](#).

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

b. U.S. Treasury OIG Relaxes CRF Recordkeeping/Reporting Requirements

Earlier this month, the Treasury Department Office of Inspector General (OIG) attempted to backtrack on reasonable reporting requirements for state and local governments using Coronavirus Relief Funds (CRF) under the CARES Act. The OIG requirements would have over-ruled a previously granted presumption that all payroll costs for public health and public safety employees would be treated by federal regulators as payments for services to mitigate the impact of COVID-19, as required by the CARES Act.

The new OIG guidance would have imposed burdensome new reporting requirements after states and localities had already relied on the presumption to support budgeting, payroll, and employment decisions. More consequentially, the change would have made it more likely that the OIG could attempt to claw back expended CRF funds, possibly years later, in a similar fashion to FEMA funds.

Our federal partners at the National League of Cities (NLC) quickly brought together a coalition to convince Treasury to reverse course on new reporting requirements, which they did this week in an updated guidance published yesterday that dropped the new burdensome reporting requirements and reinforced the original presumption guidance.

[NLC's letter to Treasury](#) explaining the issue in detail is available.

Treasury updated OIG's "*Department of the Treasury Office of Inspector General Coronavirus Relief Fund Frequently Asked Questions Related to Reporting and Recordkeeping*". The updates requested by NLC are found in FAQs # 63 and 70-72 that are related to the recordkeeping requirements for public health and public safety employees significantly dedicated to mitigating or responding to the COVID-19 public

health emergency.

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

III. 2020 Annual League Conference

a. An Invitation to the 105th Annual NJLM Conference

We invite you to join us at the 105th Annual New Jersey State League of Municipalities Conference—*presented virtually*, November 16-20, 2020!

As a local official, you understand the importance and value of the event. The 2020 Conference will be different but still offers the same valuable learning opportunities. This is a convenient new way to interact with the added benefits of safety and opportunities that go beyond Conference Week.

The Annual Conference's **Education** program is focused on the important topics and CEUs that you expect. Use your desktop computer, phone, or tablet to attend more than 75 League and Affiliate sessions. Maximizing online platforms' best practices, manageable **75-minute sessions** will offer up to **1.5 credits**. A huge plus this year is expanded access to session recordings. CEUs will only be available from live presentations. Plan to attend the credit courses you need during the scheduled times at the live event, and then watch sessions (non-credited) for a year after the Conference.

For 2021, enjoy a whole new **Exhibit Hall** experience. Reach out from the convenience of your hometown to explore the virtual exhibit hall with a searchable listing of exhibitors by company name or product category. "Step" into Exhibitors' booths for a variety of interactive opportunities. The basics will be there to view, just like you've stopped by the booth in the Exhibit Hall. An **About tab** provides company and product information as well as contact information. The **Video Chat tab** allows you to view the booth staff, their availability, and direct one-on-one contact with informative vendors. PDFs, slideshows, videos, and website links will be available under the **Resources tab**.

Registration for the League Conference is a great value, delivering the opportunity to earn CEUs over five days. And you don't need to worry about travel or hotel—it's the ultimate, flexible professional development opportunity for local government officials. Costs are: **\$55 through October 16 or \$65 after Oct. 16 for Delegates** (Municipal, state, county, local government employees, elected or appointed officials, municipal and state utilities or authorities, non-profits), **\$25 for Students** (Student ID is required. Not valid for CEUs), and **\$125 for Non-Government** (For-Profit entities.)

[Register](#) now to join us at the 2020 League Virtual Conference!

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

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, x137 or fmarshall@njlm.org.

IV. Also of Interest

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

The **New Jersey Department of Community Affairs** (DCA) and the **New Jersey League of Municipalities** (NJLM) 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 over time – in your municipality. It can also be an opportunity to let your peers in on innovations that prevented problems from even arising. The deadline is extended to **Friday, October 30, 2020**, and is fast approaching!

[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, 609-695-3481, x128.



New Jersey State League of Municipalities

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