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February 23, 2021

- I. FY 2022 State Budget Municipal Interest
- II. NJ Attorney General Launches Marijuana Decriminalization & Cannabis Legalization Resource Page

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. FY 2022 State Budget Municipal Interest

On Tuesday, February 23, Governor Murphy delivered the [annual budget address](#). The Governor's proposed \$44.8 billion budget will guide the State's spending through the next (FY 2022) fiscal year. While the full details of the Governor's budget will be released in the upcoming weeks, the League of Municipalities is analyzing the proposed [FY 2022 NJ Budget Brief](#). Below are the areas of interest that may impact your municipality:

Pension Payment (Pg. 5) – The Proposed FY 2022 budget includes \$1.6 billion for the states pension system obligation. This will be the first year since 1996 that New Jersey may make a full contribution payment to the pension system.

Property Tax Relief and Community Affairs (Pg. 18) – \$21.2 billion of the budget is being allocated to programs to include school and municipal aid with \$17.2 million going to school aid, \$1.5 million going to municipal aid, \$1.09 million going to other local aid, and \$1.2 million going to directly to property taxpayer relief for an increase of 9.6% from the FY2021 budget.

Direct Property Taxpayer Relief (Pg. 20) – For the FY 2022 proposed budget, the Murphy Administration set its eyes on several programs that would provide property tax deductions and credits directly to homeowners, including the Homestead Benefit Program and the Senior Disabled Citizens Property Tax Freeze program.

Property Tax Deductions Act will receive \$709.9 million, Senior and Disabled Citizens' Property Tax Freeze \$219.7 million, same as the 2021 FY budget. The Homestead Benefit Program will receive a decrease from the previous year to \$260 million. The Veteran's Property Tax Deductions will receive \$51.5 million. Lastly, the Senior and Disabled Citizens' Property Tax Deductions will receive \$7.2 million, a decrease from the FY 2021 budget.

Municipal Aid (Pg. 21) – Governor Murphy announced that he will continue to work with President Joe Biden's Administration to secure more funding for municipalities in the next round of COVID-19 relief bills, but for now here is the breakdown of spending for the proposed FY 2022 budget.

Consolidated Municipal Property Tax Relief Aid (CMPTRA) and Energy Tax Receipts is proposed to remain flat at \$1.4 billion. Transitional Aid to Localities will receive \$122.8 million. Trenton Capital City Aid will receive \$10 million. Open Space Payments in Lieu of Taxes (PILOT) will be allocated \$ 6.5 million. The Highlands Protection Fund Aid \$4.4 million. The FY 2022 proposed budget aid to municipalities is a flat amount from the previous year.

Shared Services Page (Pg.21) – Shared Services will receive \$10 million for the Department of Education for Regional Scholl District Consolidation Grant Program

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

II. NJ Attorney General Launches Marijuana Decriminalization & Cannabis Legalization Resource Page

This week, on the heels of Governor Murphy signing legislation changing the legal status of marijuana, Attorney General Gurbir Grewal announced the launch of a [Marijuana Decriminalization & Cannabis Legalization Resource Page](#). The webpage is intended to provide resources and information for police and prosecutors to help them navigate the new laws and policy.

You should ensure your municipal prosecutors, police and public safety officials are aware of this useful tool.

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

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