

March 11, 2016

RE: Weekly Policy Update

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Dear Mayor:

Here is summary of some issues of interest to local governments.

I. League President Testifies on State's Proposed Budget

On Wednesday, in Montclair, State League of Municipalities' President, Mayor Joseph Tempesta of West Caldwell, spoke before the Assembly Budget Committee. The proposed budget would provide almost every New Jersey municipality with the same amount of property tax relief funding that each has received since 2011. In the three years prior to that, however, the State had diverted a total of \$331 million from dedicated municipal property tax relief sources, in order to bridge state revenue gaps.

To date, none of that funding has been restored to local budgets. Mayor Tempesta stated, "Once again, some local Energy Tax Receipts funding will be redirected to cover unspecified State priorities. ... We urge you to begin to restore these funds, which the State needed to address a real crisis, back to local budgets, where they are meant to be."

On the topic of pension and benefit reform, and on behalf of local officials and public servants all around the State, the Mayor reminded the legislators that "...municipalities and their employees have consistently contributed to the local PERS and PFRS funds. The real issue is with the State's pension funds. And neither local funds, nor any real or projected local savings, should be used to address the State's funding problems."

On the need for stable, sustainable and sufficient transportation funding, Mayor Tempesta stated, "On June 30, it isn't a pot hole that awaits the New Jersey's Transportation Trust Fund. It is the end of the road."

You can access the text of [Mayor Tempesta's 2016 Budget Testimony](#) on our website.

Contact: Jon Moran, 609-695-3481, ext. 121 or jmoran@njslom.org

II. League Opposes PILOT changes

The League **opposes** legislation which would make unnecessary changes to the laws governing payment-in-lieu-of-taxes (PILOT) agreements as part of the redevelopment law. These bills were amended and released by the Assembly State and Local Government committee on Monday, March 7. [ACS](#) for A-326 & A-1475, which would take effect immediately:

- Requires the municipality to provide a copy of the short term PILOT application, for informational purposes, to the County Board of Chosen Freeholders, Chief Executive Officer of the County, Board of Education, and School Superintendent, including regional school districts.
- Requires the mayor to give the county and school districts a copy of his recommendations and PILOT agreement for their review. The County and School District(s) are given 10 days, during the 60 day review process, to review the proposed project and the mayor's recommendation and may submit their own recommendations. After giving "due consideration to the recommendations submitted by all interested parties" the governing body shall adopt a resolution approving or disapproving the PILOT application.
- After the effective date of the bill each municipality shall remit a percentage of the annual service charge to the school district in proportion to the distribution of the amount raised by taxation for school as displayed in the prior year's tax bill. The county still receives 5%.

The League opposes these unnecessary bills, which could serve to undermine economic redevelopment. During our testimony we requested a fiscal note to determine the financial impact and potential disincentive ACS A-326 & A-1475 would have on PILOT agreements.

We urge you to contact your Assembly representatives and ask them to oppose ACS A-326 and A-1475.

Contact: Lori Buckelew, 609-695-3481 ext. 112 or lbuckelew@njslom.org

III. Change to Presentation of State Aid Offset on Property Tax Bills

One of the provisions in the Division of Local Government Services Streaming [Law](#) was a change on how State Aid offset to property taxes is reflected on property tax bills. Instead of the dollar amount of the State Aid offset for each parcel displayed on the tax bill, the property tax bill must now contain only a general statement concerning the state aid offset. The dollar amount will be available on the Division's website. As a result of this change, moving forward the Division will no longer be issuing Statement of State Aid for each municipality. For more information please see [Local Finance Notice 2016-6](#).

Contact: Lori Buckelew, 609-695-3481 ext. 112 or lbuckelew@njslom.org

IV. Atlantic City Legislation Advances

The Senate Budget and Appropriations Committee advanced legislation, "[S-1711, The Municipal](#)

[Stabilization and Recovery Act](#), which would authorize the State to take on a far greater role in the administration of Atlantic City for a period of five years. The legislation essentially would allow the Director of the Division of Local Government Services and the Local Finance Board to take unprecedented steps to restructure the City's finances, including, most notably, amending or terminating collective bargaining agreements. The Committee also advanced PILOT legislation, [S-1715](#), to provide a stable and predictable revenues stream from the casinos.

The League submitted a statement to the committee noting that home rule in New Jersey is, and has been, liberally construed to allow municipal government as much leeway as possible in carrying out a range of government activities to preserve local health, safety and welfare of the residents. We asked that, as the Legislature deliberates these bills, that due consideration be given to this principle, which is enshrined in the State constitution and law, and to continue to liberally construe the principle of Home Rule.

Both bills are scheduled for Senate floor votes on Monday. Companion legislation, however, has not yet advanced in the Assembly, where the Speaker has indicated that he will not advance any legislation that infringes on collective bargaining. Obviously, this is an evolving and very fluid situation and it is unclear, at this point, if and when this legislation will reach the Governor.

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

V. [S-1105](#), Interferes in local employee performance evaluations

The League opposes S-1105, which would interfere with local police employee performance evaluations. Specifically, the bill would prohibit local employers from any consideration of the number of arrests made and the number of citations issued, when evaluating a police officer's performance of duties.

Current law appropriately prevents the volume of arrests and citations from being the sole consideration in police employee performance evaluations. Those provisions ensure against the imposition of quota requirements on law officers. These bills, however, would represent an excessive and inappropriate intrusion by the State into purely local personnel management matters.

The effective enforcement of laws will, necessarily, involve writing citations and making arrests. If consideration cannot be given to performance of these responsibilities, then responsible, hardworking officers could be given no preference, when evaluating candidates for promotion. The result would be unfair to those officers, and to the taxpaying citizens they are sworn to serve.

S-1105 is scheduled for a Senate on Monday. We suggest reaching out to your State Senator with these concerns. The Assembly companion, A-2126, is referenced to the Assembly Law and Public Safety Committee.

Contact: Jon Moran, 609-695-3481, ext. 121 or jmoran@njslom.org

VI. Contingency plans in the event of NJ TRANSIT strike scheduled for March 13

NJ TRANSIT Rail Operations faces the prospect of a system wide shut down, beginning March 13, if [NJ TRANSIT](#) and its rail union cannot agree to the terms of a new contract. This would result in the complete suspension of NJ TRANSIT rail service. NJ Transit buses and Light Rail lines will run. Amtrak trains will not be affected and private carrier commuter buses will run on regular schedules.

NJ TRANSIT has developed a contingency plan in event of a March 13 strike and has developed a [Critical Service Advisory](#) explaining the plan. We have been informed by NJ Department of Transportation that their current advice is incorporated into the NJ TRANSIT Critical Service Advisory. It is anticipated that any strike will cause impact on commuting traffic and will likely impact local roads.

We are monitoring these events and will advise of any developments.

Sincerely,

Michael J. Darcy, CAE
Executive Director