

October 20, 2017

**RE: WEEKLY UPDATE**

I. State Issues

II. Federal Issue

III. 102nd Annual League Conference IV. Also of Interest Dear Mayor:

**I. State Issues**

**Legislative Priorities: Lame Duck and Beyond Election**

With Election Day less than a month away, the League continues its focus on issues that we hope to see advance when the Legislature reconvenes. Over the next few weeks, we'll brief you on issues that may emerge in lame duck or early in the next legislative terms.

**a. New Legislature in January Can Renew Hopes for Urban Enterprise**

The Urban Enterprise Zone (UEZ) Program - first created in 1983 - offers incentives to participating businesses, designed to encourage business growth and stimulate local economies. Approximately 6,800 certified UEZ businesses participate and benefit from the advantages of the UEZ program statewide. These include a number of tax and financial incentives, including tax credits to hire local workers. The program authorizes qualifying retail businesses in the UEZs to charge and collect the State's sales and use tax at one-half of the normal rate.

Those incentives allow businesses to attract customers to, and create employment opportunities in, economically distressed municipalities. UEZ designation is a vital tool in the tool kit of local leaders, working to bring their communities back from decades of decline, caused by housing and transportation policy decisions over which they had no control.

On January 1 of this year, businesses in five New Jersey municipalities lost UEZ benefits. Those municipalities are Bridgeton, Camden, Newark, Plainfield and Trenton. In future years, more businesses in more UEZ municipalities will see their benefits sunset. Twice, the Legislature passed bills that would have extended those benefits. And twice, those bills failed to gain the Governor's approval.

In January of next year, we will ask the new Legislature and the new Administration to revive and extend the UEZ program in those municipalities where it has proved to be an effective and essential tool for the revitalization of local economies.

**Contact:** Jon Moran, Senior Legislative Analyst, [jmoran@njslom.org](mailto:jmoran@njslom.org), 609-695-3481, x121.

**b. Interest Arbitration Cap Extension**

The League's top legislative priority is the common sense extension of the 2% cap on interest arbitration awards. The League is working closely with the Conference of Mayors and the

Association of Counties to extend this proven tool to curtail property tax increases. We are now 72 days away from the expiration of the 2% cap on interest arbitration. Your Legislators and the candidates for office need to hear from you today! The evidence and facts are clear and unambiguous: the 2% interest arbitration cap which has proven to be an effective tool to curtail property taxes.

### **Here's what you can do:**

1. If you haven't done so already, please adopt the League's model resolution ([pdf](#)) urging the State Legislature and Governor to extend the 2% interest arbitration cap.
2. Please communicate regularly with your State Legislators and candidates for office. Please be sure to urge them to push for the extension when the Legislature reconvenes after the elections.
3. Please educate your residents on this issue and urge them to contact their Legislators as well.

### **Resources:**

- [Please click here](#) for the League's 2% IA cap page.
- Please [click here for the League's Town Crier](#) blog post on this issue.

[Please click here for the October 16 editorial from the Press of Atlantic City](#), which supports the cap extension. This is the latest in a series of editorials statewide which support the League's position on this issue. You can view earlier editorials on the [League's 2% IA cap page](#).

### **Contacts:**

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- Lori Buckelew, Senior Legislative Analyst, [lbuckelew@njslom.org](mailto:lbuckelew@njslom.org), 609-695-3481 x112. c.

### **Mayors Survey**

Mayors, have you completed the 2017 Mayors survey? By now, you should have received via regular mail a letter from the League dated September 6, which included the 2017 Mayors Survey and other information. If you misplaced a copy, please email [mcerra@njslom.org](mailto:mcerra@njslom.org). Please take the time to complete the survey as soon as possible.

## **II. Federal Issues**

### **Senate Vote Puts SALT Deduction on Death Row**

Yesterday, in the U.S. Senate, votes were taken on a number of amendments to the budget bill that, when agreed to by the House, would pave the way for passage of tax reform by a simple majority in the Upper Chamber. The session, which has been called a 'vote-a-rama,' concluded with passage of a Senate-House compromise budget for the 2018 Fiscal Year that is expected to pass the House next week.

The compromise would amend the Senate budget to allow for more defense spending in the first year, in line with the House budget. It would also eliminate House language to expedite \$203 billion in entitlement savings, while leaving in place Senate language that would ease drilling in the Arctic National Wildlife Refuge. On taxes, the compromise would keep the Senate's plan to allow tax cuts that add up to \$1.5 trillion to the deficit, before including the effects of economic growth. The House budget had required tax changes to recoup some of the lost revenue.

Included in the marathon Senate session was a roll-call on an amendment meant to protect the state and local tax (SALT) deduction on individual income taxes. (Please note, however, that tax reform proposals under discussion would continue to allow corporate filers to take the deduction.) That amendment failed, 47-52, on a mostly party line vote. A subsequent amendment to specifically allow the future tax reform package to repeal the SALT deduction then passed, 52-47, with Democrat Joe Manchin of West Virginia voting in favor and Republican Rand Paul of Kentucky voting against."

Earlier this week, League Officers and Mayors, President Albert Kelly of Bridgeton and Vice-Presidents Jim Cassella of East Rutherford, Colleen Mahr of Fanwood and Jim Perry of Hardwick, sent a letter to our Congressional Delegation, opposing any effort to eliminate or limit the SALT Deduction. The letter stated:

"The same citizens who pay property taxes to support local programs and services also pay taxes on their incomes to help finance our federal government. The preservation of the state and local tax (SALT) deduction and of the exemption for interest earned on municipal bonds is essential to their best interests. Those provisions also represent the traditional strength of the federal-statelocal partnership.

"Our friends at the National League of Cities advise us that in the last week, a proposal to cap SALT has gained traction. We are adamantly opposed given that this is a slippery slope. We want to protect against any effort to disavow the partnership between local, state and federal government.

"We have read reports of the Treasury Secretary stating that the SALT deduction is a federal subsidy for certain states. Leaving aside the fact that we all represent the same 'stockholders,' that claim would be laughable, were the context not so serious.

"According to a 2015 article in *Business Insider*, New Jerseyans receive only \$0.48 back for every dollar they pay in income tax, the fourth lowest rate in the country. Of New Jersey's revenue, 26.87% comes from federal funding, the 10th lowest in the country. New Jersey has 3.82 federal employees per 1000 residents, which ranks fifth lowest in America, and only 1.78 civilian non-defense federal employees per 1000 residents, the second lowest in America."

Also, earlier this week, Mayor Kelly authored an op-ed on this issue. You can read [this op-ed by clicking here](#). Please contact your Member of the House directly, urging resistance to any proposal that could repeal or erode this time and tradition honored testimony to fairness and the Federal-state-local partnership of citizen service.

**Contact:** Jon Moran, Senior Legislative Analyst, [jmoran@njslom.org](mailto:jmoran@njslom.org), 609-695-3481, x121.

### **III. 102nd Annual League Conference**

#### **a. 2017 Conference App is Available Now!**

The 2017 Conference App is available now. [Visit your device's App Store to download.](#) Download the app to view the full session schedule, including descriptions. Filter the schedule by CEU or group hosting. View the full exhibitor listing and create a custom schedule.

You must download and register for the 2017 version to view information for the 102nd Annual Conference; the 2016 version will not be updated.

The 2017 Conference App is Exclusively Sponsored by Phoenix Advisors, LLC.

#### **b. Don't Use 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 A.C. Central Reservations.**

This information is on the top of the official conference housing form sent to all municipal clerks and posted on our website: <http://nj-njslom.civicplus.com/302/2017-Conference>

#### **c. Plan Now for November: Exhibit Highlights**

The Exhibit Hall at the League's Annual Conference offers a wide variety of services and products. Each day at the conference, take the opportunity to enjoy the exhibit floor by stopping in for a nice lunch and visits to the booths for every municipal need, concern, and interest.

Begin to make your list of exhibitors to visit including current favorites and the 62 new exhibiting companies—or contact them now! Plan today by visiting our interactive map at <https://shows.map-dynamics.com/NJLM2017/>

#### **d. NJLM 2017 Conference CEU List Has Been Posted!**

The first version of Annual Conference CEU list has been posted. You can view this list by clicking the following link: <http://nj-njslom.civicplus.com/DocumentCenter/View/347>

Please note, the Annual Conference CEU list is not final, please continue to check the conference page <http://nj-njslom.civicplus.com/302/2017-Conference> frequently for updates.

#### **e. Don't Forget! CEU Tracking System Procedures for 102nd Annual NJLM Conference**

Badge Scanners will be used to track CEU Credits and Attendance at the NJLM 102nd Annual Conference.

#### **For Sessions that Have CEU credit Available**

- All Attendees looking to earn credit must scan-in and scan-out of these qualifying sessions\* to earn their CEU credits.
- Attendees will claim their certificates after the conference via the League website [www.njslom.org/confceu/](http://www.njslom.org/confceu/)

For more information or for a complete list of procedures please click the following link for <http://nj-njslom.civicplus.com/300/Conference>

*\* Please note, the procedures described above only apply to educational sessions. **Business Meetings and vendor sessions are not included** in the scanning system.*

#### **IV. Also of Interest**

The New Jersey League of Municipalities, The New Jersey Water Works Municipal Outreach Committee, and The New Jersey Urban Mayors Association Present:

#### **The Water Quality Accountability Act and Making the Case for Investment in Water Infrastructure**

**October 30, 2017**

9:00a.m. to 12:30p.m

Conference Center at Mercer

1200 Old Trenton Rd

West Windsor, NJ 08550

The Water Quality Accountability Act requires operators of all water systems to implement asset-management plans to inspect, maintain, repair and renew drinking water systems to comply with water industry standards nationwide. It also requires operators institute Cybersecurity programs to prevent hackers from accessing these systems. This seminar will discuss the water infrastructure challenges faced by local governments, both in terms of available financing and compliance with the new State Water Accountability Act and how to get rate payer support for these required upgrades.

**CEU's:** CMFO/CCFO-4.0 Off Mgmt/Anc;CPWM-2.0 MGMT,2.0 GOVT,RMC-4.0 Prof Devel, QPA-4.0 Off Admin/Gen Duties;CPA-4.0 Fin; NJCLE-4.0;PACLE-3.5\*

<http://nj-njslom.civicplus.com/799/Seminar-and-Webinar-Handouts>

Sincerely,

Michael J. Darcy, CAE  
Executive Director