

November 3, 2017

RE: **WEEKLY UPDATE**

- I. State Issues
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- III. 102nd Annual League Conference IV. Also of Interest Dear Mayor: **I. State Issues**

a. Lame Duck Issues

With Election Day just days away and the “lame duck” looming, the League continues its focus on issues that may advance when the Legislature reconvenes.

The League continues to raise concerns with proposed amendments to the Open Public Records Act (OPRA) and the Open Public Meetings Act (OPMA). In June, the Senate Budget and Appropriations Committee advanced without recommendation and without any testimony from anyone other than the bill sponsors, S-1045 and S-1046, which propose amendments to the OPRA and OPMA statutes. We anticipate an effort to bring these bills to a full vote in the State Senate during the lame duck. The Assembly companion bills remain referenced to a committee and it is uncertain if the Assembly bills get any consideration. In the meantime, the League maintains objections to the bills, which will increase the burden on local governments and records custodians and do not address a number of significant issues that the League has objected to for years. The League again met with Senators Weinberg and Pennachio, the sponsors, recently and anticipate additional amendments. However, the prevailing attorney fees and subcommittee requirements will continue to remain in the legislation.

Here’s what you can do:

Contact and ask your State Senator to oppose [S-1045](#) and [S-1046](#).

For more on these bills, [click here for the Town Crier blog post of September 6, 2017](#).

Contact:

Lori Buckelew, Senior Legislative Analyst, lbuckelew@njslom.org, 609-695-3481 x112.

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 58 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 has proven to be an effective tool to curtail property taxes.

Here’s what you can do:

- 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.
- 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.
- 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.
- Editorial boards across the State support our call to extend the interest arbitration cap. To read these, please see the [League's 2% IA cap page](#).

Contacts:

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Lori Buckelew, Senior Legislative Analyst, lbuckelew@njslom.org, 609-695-3481 x112.

b. Legal Age to Purchase Smoking Products is Now 21

[P.L. 2017, c. 118](#), which raises the minimum age for purchase and sale of tobacco products and electronic smoking devices from 19 to 21, took effect November 1, 2017. In advance of the law, the Department of Health mailed nearly 10,000 tobacco vendors and vape shop operators information about the law and signs for retailers to post. These bright yellow signs highlight the new age requirement and help store owners and clerks explain the law to the public. These materials have also been distributed to 95 county and local health officers in New Jersey. School districts, colleges and universities, and health advocates also received hundreds of educational materials about the law change.

For more information about the new law and New Jersey's Tobacco Control Program, visit the Department of Health website at nj.gov/health/fhs/tobacco/. Other helpful resources include Tobacco-Free for a Healthy New Jersey at tobaccofreenj.com/, and the CDC website at cdc.gov/tobacco/index.htm

Contact: Lori Buckelew, Senior Legislative Analyst, lbuckelew@njslom.org, 609-695-3481 x112.

c. League Joins as Amicus in NJ Supreme Court Case

Last week the NJ Supreme Court signed an order allowing for the League and the NJ Institute of Local Government Attorneys ("NJILGA") to join as Amicus Curiae in, [Dunbar Homes, Inc. v. The Zoning Board of Adjustment of the Twp. of Franklin](#). This case deals with the "time of

application rule” found in the Municipal Land Use Law (“MLUL”), which provides that regulations in effect on the date of the submission of an application for development govern the review of the application. The issue in this case is – when is a submission to the planning board an “application for development” that triggers the time of application rule?

This case comes to the Supreme Court by way of the developer’s appeal of the Appellate Division’s ruling which found in favor of the municipal zoning board and determined the time of application rule is triggered only upon the submittal of an application for development that contains an, “application form and all accompanying documents required by ordinance for approval.” The Appellate Division decision overruled the trial court which determined that the time of application rule is triggered when the applicant has submitted a “substantial, bona-fide application...which gives the municipality sufficient notice of the application and an understanding of the development being proposed.”

This is an important matter as the Court’s ruling will interpret a critical part of the MLUL and will have an impact on all NJ municipalities. Being granted amicus status allows the League and the NJILGA to argue a position before the Court and ensures that our members’ interests are heard. We will keep our members updated on this case as it develops.

The League would like to thank our associate counsel, Clifford Gibbons, Esq., for all of his work on this matter.

Contact: Frank Marshall, Esq., League Staff Attorney, fmarshall@njslom.org or 609-695-3481 x137.

d. Last Chance to Submit Mayors Survey

Mayors, please let us know what your priorities are. Please submit your Mayors policy survey to identify your top State legislative policies and give us direction how we can better engage you and your colleagues.

[Please click here for a copy of the survey.](#)

II. Federal Issues

a. House Republicans Announce Specifics of Tax Code Reform

Yesterday, in Washington, Speaker Ryan, Ways and Means Committee Chairman Brady and a group of their colleagues unveiled the specifics of the plan to enact sweeping Federal Income Tax reforms. Here is a summary of the particulars.

The corporate tax rate would be reduced significantly, down from the current rate of 35 percent to 20 percent. Companies would also be allowed to deduct the full costs of buying new equipment for five years. And businesses that had been keeping profits overseas to avoid the 35

percent tax rate would be able to bring the money back, or return to the U.S., and pay only a 12 percent tax on cash assets.

The number of federal income-tax brackets will change from 7 to 4 and the standard deduction will increase from \$6,350 to \$12,000 for single filers and \$12,700 to \$24,000 for joint filers. The personal exemption will be eliminated. The top income bracket rate will remain at 39.6%, and the lowest bracket will increase from 10 percent to 12 percent. While the top rate (39.6%) remains in place, the threshold will increase, reducing the number of filers paying the top rate. The bill would double the estate tax exemption (from \$5million to \$10million), and then phase out the estate tax altogether; the plan would lower the taxation rates of “pass-through” corporations, or S-corps, to 25 percent, allowing certain business owners to claim part of their income at the lower rate; and it would eliminate the alternative minimum tax, which was intended to create a floor on tax exemptions.

The bill would allow religious institutions to engage in political activity and retain their tax exemption, as long as the speech is of the entity’s ordinary course of business and the expenses are minimal.

Of major concern to New Jersey municipalities, taxpayers, home-owners, home builders and realtors, the proposal would eliminate the state and local tax deduction. The bill would allow people to deduct up to \$10,000 on local property taxes, and it would cap the mortgage home interest deduction for loans up to \$500,000, down from the current limit of \$1 million and eliminate the deduction entirely for second homes. (This provision would only apply to new mortgages taken out after the bill’s enactment.)

The bill would also eliminate the ability to issue several types of tax-advantaged bonds, including private activity bonds and advance refunding bonds after this year. Private activity bonds were supposed to be the lynchpin in the Administration’s long-awaited \$1 trillion infrastructure plan. And advanced refunding can help issuers when interest rates plummet. They can advance refunding their bonds and reap considerable savings so they are not stuck with the higher coupon bonds.

While the bill retains the tax exemption for interest earned on municipal bonds, the increase in the top tax bracket threshold and the decrease in corporate tax rates would lessen the value of municipal bond investments. The plan would raise the scheduled 2018 income threshold for the highest tax rate of \$426,700 for individuals, and \$480,050 for married couples filing jointly, to \$1 million.

Similarly, though the bill maintains the deduction for charitable contributions, non-profits fear that the number of people who would claim the deduction would be reduced since the measure also nearly doubles the standard deduction. And the tax bill would add a new 1.4 percent tax on endowment income on universities that have endowments equivalent to \$100,000 per student or more will have to pay.

The bill will also eliminate the deductions for medical expenses, student loan interest, and alimony payments.

Despite the ‘loop-hole’ closing, ‘revenue recovery’ provisions, an estimated \$1.5 trillion would be added to the national debt, over the next ten years.

We thank the members of New Jersey’s Congressional delegation who have already voiced opposition to the plan, as currently crafted. We appreciate the positions taken by Representatives Lance, Gottheimer, LoBiondo, Norcross, Pallone, Pascrell, Payne, Sires, Smith and WatsonColeman and we will count on them to represent New Jersey’s best interests, as the debates begin.

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

b. DOL Appeals Court Decision on Federal Overtime Rules

In early September we informed you about the U.S. District Court ruling in, [State of Nevada, Et Al. v. United States Department of Labor](#). This case dealt with the Department of Labor’s (“DOL”) authority under the Fair Labor Standards Act to enact regulations that would have expanded the eligibility of salaried employees to receive overtime payments. In its ruling, the U.S. District Court found that the DOL is without authority to expand the federal overtime rules and struck down the regulations.

On Monday, the DOL filed a notice of appeal which challenges the District Court’s ruling. By appealing, the U.S. Court of Appeals will now be tasked with determining whether or not the lower court was correct when it ruled that the DOL lacked the necessary authority to enact such an expansive overtime regulation. Should the Court of Appeals overturn the lower Court’s ruling it could mean that the regulations expanding the overtime eligibility would come into effect and all employers, both public and private, would be required to follow the new standards.

The League will keep our members updated on this issue as it evolves.

Contact: Frank Marshall, Esq., League Staff Attorney, fmarshall@njslom.org or 609-695-3481 x137.

III. 102nd Annual League Conference

We are now just 11 days away from the start of the 102nd Annual Conference. Now is the time to finalize your plans.

a. 2017 Conference Smart Phone App is Available

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/

For more information or for a complete list of procedures please click the following link for <http://nj-njslom.civicplus.com/302/2017-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

November Grants Posted

The League's November grants page has been posted and includes links to several federal funding opportunities. [Click here](#) to visit the Grant Resource Center.

The League's Grant Resource Center features links and resources to assist municipalities in their grant search.

Looking for a database of grants? Through a partnership with GrantStation, League members may sign up for a discounted membership to use their funding databases. Reserve through NJLM for up to 85% off! [Click here](#) for more information.

Contact: Taran B. Samhammer, Media and Advertising Manager, tsamhammer@njslom.org, 609- 695-3481 x124.

Sincerely,

Michael F. Cerra
Assistant Executive Director