

June 2, 2017

RE: WEEKLY UPDATE

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I. State Policy Issues

a. Bill Establishing Tax Parity Advances To Full Senate

On June 1 the Senate Budget & Appropriations Committee released [A-4587](#), which imposes State sales and use tax and hotel and motel occupancy fee on transient accommodations and authorizes various municipal taxes and fees on transient accommodations by a vote of 4529. Specifically, A -4587 authorizes municipalities to impose, where applicable, the Hotel Occupancy Tax; Municipal Occupancy Tax; Atlantic City Luxury Tax; Atlantic City Promotion Fee; Cape May County Tourism Sales Tax; Cape May County Tourism Assessment; Sports and Entertainment Facility Tax; and Meadowlands Regional Hotel Use Assessment on transient accommodations.

The League **supports** A-4587 as it provides tax parity in the accommodation market place by taking into account the sharing economies. This is not a new tax but a logical extension of the current hotel tax and provides parity within the industry and fairness for taxpayers.

The bill now awaits consideration by the full Senate. Please contact your Senator urging them to support A-4587.

Contact: Michael Cerra, Assistant Executive Director, mcerra@njslom.org, 609-695-3481 x120

b. Executive Order on State IT Published

On Thursday in Trenton, Governor Christie released Executive Order 225, designed to enhance State government cyber security, internet efficiency and data delivery dependability. The Executive Order (EO) includes software decentralization. The State's Chief Technology Officer (CTO) has already undertaken a thorough review of the State's software functions, currently housed in that currently reside in the Office of Information Technology (OIT). The CTO has identified agency-specific functions where certain programs are only used by one State agency. Those functions, including the people and assets associated, will be decentralized from OIT to the agency. Only software functions that are used by more than one agency or across the Executive Branch will remain with OIT. In addition, the EO calls for hardware centralization. The CTO will require all State agencies to provide an inventory of their hardware assets, including computer, storage, network and data center assets, within 30 days. Within 180 days of the EO, the CTO will inform the Governor of plans to centralize the hardware assets with OIT.

The CTO is authorized to transfer the ownership and management of any agency's hardware assets to OIT.

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

c. Bill Requiring Disclosure By Health Insurance Consultants & Carriers Advances

A-4798/S-2459, which requires health insurance consultants and carriers to provide certain information to certain local units, and requires these local units to review this information, was amended in Assembly Financial Institutions and Insurance Committee and now awaits consideration by the full Assembly.

This legislation, which has already unanimously passed the Senate, would require that insurance consultant annually provide municipalities a certification of the amount of commission or other forms of compensation accepted during the prior calendar year for any insurance consultant services provided. In addition, health care carriers, including the State Health Benefits Plan, would be required to report on a biannual basis to the local unit complete claims experiences.

The League **supports** A-4798/S-2459 as it provides necessary information to municipalities to competitively solicit for health benefits.

Contact: Michael Cerra, Assistant Executive Director, mcerra@njslom.org, 609-695-3481 x120

d. 2% Interest Arbitration Cap to Expire At End of Year

In June 2014, the Legislature unanimously approved and the Governor enacted an extension on the 2% cap on Interest Arbitration awards. That extension is set to expire on December 31, 2017. While the 2% property tax levy cap will continue, the cap on Interest Arbitration awards will expire on the same day that the final report and recommendations of the Police and Fire Public Interest Arbitration Impact Task Force is due, unless the Legislature and Governor act.

The temporary 2% cap on police and fire arbitration contract awards has been an effective tool to control increasing salary costs and provide a solution to assist local governments in keeping property taxes down and cost under control. However, we recognize that this change in arbitration reform needs a longer time to mature in order to see the benefits of the legislation and its actual impact on the cost of local government budgets and the impact on taxpayers.

We urge you to pass a resolution ([pdf](#)) urging the State Legislature and Governor to extend the 2% cap on Police and Fire Arbitration Contract Awards for an additional five years, at which time the Legislature will have hard data to examine and then make a final decision as to whether this law should be made permanent.

If the cap on interest arbitration expires, while the 2% property tax levy cap remains in effect, municipalities will be forced to reduce or eliminate municipal services in order to fund interest arbitration awards.

Contacts:

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II. Federal Policy Issues

a. U.S. Senate Infrastructure Bill Could Precede Administration Proposal

It appears, at present, that the United States Senate may take the lead on the development of an infrastructure investment initiative. It seems likely that legislation may be introduced in the upper house before the Administration's detailed infrastructure plan is finalized

The White House outlined a broad sketch of its plans in a [six page 'fact sheet'](#), released, on May 23, with the fiscal 2018 budget request.

In the meantime, several Senate committees have begun to develop their own infrastructure blueprints, which could serve as the bases for negotiations with the President and the House. Wyoming Senator John Barrasso, who chairs the Senate's Environment and Public Works Committee (EPW), has held a series of infrastructure hearings already this year. The EPW, which includes among its members our own Senator Cory Booker, has jurisdiction over a broad range of infrastructure issues, including waterways, ports, bridges, roads and other public works.

As mentioned in our [May 19 Weekly Update](#), Transportation Secretary Elaine Chao recently gave the Committee updates on the Administration's rebuilding plan. (Click here for [Secretary Chao's testimony](#).) Saying a detailed legislative package won't be unveiled until sometime in the "third quarter," Secretary Chao indicated that the Administration's focus will be on streamlining the permitting process and encouraging state and local governments to pursue private sector funding through long term leasing of public assets.

The 'fact sheet' released on Tuesday reads, in part, "The flexibility to use Federal dollars to pay for essentially local infrastructure projects has created an unhealthy dynamic in which State and local governments delay projects in the hope of receiving Federal funds. Overreliance on Federal grants and other Federal funding can create a strong disincentive for non-Federal revenue generation."

Senator Barrasso plans to introduce his own legislation "this summer." The Chairman is working closely with both the administration and his colleagues on the Committee to ensure his bill will comport with the Administration's vision, and earn bipartisan support. His own focus has been on ensuring that rural infrastructure needs are targeted in any rebuilding package.

There have been increasing concerns among Senators in both Parties that the Administration's emphasis on public-private partnerships could leave local officials to their own devices, scrambling to fund vital smaller projects, with limited prospects of a return for private sector investor. "We're going to get something out of the EPW committee that's going to be bipartisan," said Chairman Barrasso.

Please contact Senators Menendez and Booker and your own Representative in the House, urging them to ensure that the final infrastructure plan meets the needs of New Jersey municipalities and recognizes the benefits that New Jersey citizens and businesses derive from an integrated approach to infrastructure maintenance, planning and modernization. Your constituents are their constituents. Your concerns should be theirs, as well.

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

III. Also of Interest

a. The 2nd Annual Population Health Summit

New Jersey Health Commissioner Cathleen Bennett will be holding the 2nd Annual Population Health Summit on Friday, June 7, 2017 from 8:30 a.m. to 3:30 p.m. at Rider University.

This free event will include a Roundtable Discussion, among deans of New Jersey academic on “What are you doing to ensure the Health of your population?” and panel discussions on municipal leadership driving population health improvements and community based approaches to promote a culture of health. Members of the Population Health Action Team (Commissioners Connolly, Richman, Martin, and Bennett) will close out the summit by presenting Population Health Hero Awards to this year’s winners.

Click [here](#) to register for this free event.

b. Trying to Reason with Hurricane Season

June 1 is recognized as the beginning of Hurricane Season in and around the North Atlantic Ocean. And, with a [higher than average number of storms forecast](#) for 2017, you might want to remind your residents of what they do to prepare for, and deal with, an unwelcome visit from the lower lines of latitude.

You can access and link to great advice and timely information resources on line at the National Weather Service’s [Hurricane Information page](#). There you will also find the Service’s guide to [Planning and Preparing for a Hurricane](#).

There’s no time like the present to anticipate the worst.

c. June Grants Page Posted

The League’s June 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, tsamhammer@njslom.org, 609- 695-3481 x124.

Sincerely,

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Assistant Executive Director