

May 5, 2017

**RE: WEEKLY UPDATE**

I. State Policy Issues

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**I. State Policy Issues**

**a. PFRS Legislation Update, S-3040: Governor has to Monday to Act**

The Governor has until this **Monday (May 8)** to take action on a bill ([S-3040/A-99](#)) that could lead to dramatic property tax increases or drastic cuts to vital services. This legislation would disproportionately shift control of the Police and Fire Retirement System (PFRS) from balanced labor-management control to a union dominated (7-5) decision making structure. In its current form, the bill will allow public safety union members and retirees to enhance their own benefits; while forcing their public employers and New Jersey taxpayers to assume a disproportionate amount of the risk.

The League, the New Jersey Conference of Mayors and the New Jersey Association of Counties oppose this bill. The Governor can either, sign the bill into law, conditionally veto the bill with his recommendations or veto the bill. We have asked the Governor to either conditionally veto or do an absolute veto.

**Please continue to communicate with the Governor's office and your Legislators to convey your concerns. If the Governor either vetoes or conditionally vetoes the bill, it will go back to the Legislature for further action.**

For more information please visit our [blog posting](#).

**Your continued engagement is vital.**

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**b. Governor Takes Action**

On Monday in Trenton, Governor Christie took action on a number of bills, including conditional vetoes of two dealing with municipal consolidation.

- [S-690/A-2921](#) was originally introduced 'to increase flexibility, clarity, and available tools of optional municipal consolidation process.' The bill included a number of worthwhile provisions. For example, it allowed consolidating municipalities to develop their own process for the equalization of property assessments in the new municipality, subject to the approval of the Director of the Division of Taxation in the Department of

the Treasury. It permitted the designation of districts, in the new municipality, based on old or newly established boundaries with unique planning mechanisms, services, and ordinances. It allowed for the apportionment of existing debt, or debt newly created in furtherance of any aspect of a consolidation plan, among special taxing districts. And it allowed the consolidating municipalities to enter into any financial or other agreements, in order to adjust benefits between the municipalities, provide indemnification from legal actions stemming from a consolidation, or provide incentives to facilitate municipal consolidation.

However, **we opposed the proposal**, because the original bills denied citizens the right to vote on a consolidation proposal and repealed the requirement, in existing law, for the Department of Community Affairs to prepare, and share with the voters, an analysis of the fiscal impact of the proposed consolidation.

After sharing our concerns with the Senate sponsor, he agreed to amendments that allowed us to support the bill. But subsequent amendments on the Assembly side forced us to, again, oppose it. Those amendments actually limited local flexibility, increased consolidation costs and, thereby, discouraged future consolidations. Specifically, the bill that was sent to the Governor granted tenure, continued employment and terminal leave rights to the public safety employees of consolidating municipalities.

We shared the reasons for our opposition with the Governor, and we appreciate the changes that he has advanced in his conditional veto. The bill that he sent back to the Legislature would eliminate those cost-driving provisions. And, while another of his recommendations would allow municipalities with fewer than 100 people to be ‘absorbed’ by a larger municipality without the need for a referendum on the question, we can support the Governor’s position and urge the Legislature to concur with his recommendations for [S-690/A-2921](#)

- On the other hand, the League supported [S-956/A-2202](#), which would authorize special emergency appropriations for the payment of certain expenses incurred by municipalities to implement a municipal consolidation. As it was sent to the Governor, the bill would have, also, provided a levy cap exception for non-recurring expenses incurred by a municipality to implement a consolidation.

In his message to the Legislature on this bill, the Governor writes, “*Because municipalities would be permitted to spread the non-recurring consolidation costs over five years, there is no need to exempt these costs from the two percent cap. Accordingly, I am recommending this exemption be removed from the bill.*”

The Governor also conditions his approval of the bill on the addition of a requirement that the special emergency appropriations be subject to approval by the Director of the Division of Local Government Services.

We are evaluating the bill's usefulness for municipalities considering consolidation, in the light of these recommendations.

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- On May 1, Governor Christie signed into law the [SJR-75/AJR-122](#), which establishes a "Disparity in State Procurement Study Commission". The purpose of the Commission is to assess the procurement of goods and services by the State and local government units to determine disparities, if any, between the availability and utilization of small, disadvantaged, and minority- and women-owned business enterprises in particular market areas. [Click here for more on this new commission.](#)

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- Lastly, Governor Christie signed into law [S-3015/A-4623](#), which requires study of a program allowing community service in lieu of paying motor vehicle surcharges.

P.L. 2017, c. 60 requires the Department of Labor and Workforce Development, in consultation with the Department of the Treasury and the Motor Vehicle Commission, to conduct a study to determine whether a program allowing certain persons to perform community service in lieu of the payment of a motor vehicle surcharge can be administered efficiently and the impact the program would have on surcharge revenue and the State's bond and budgetary obligations. The program would be for: the unemployed; those unable to pay a motor vehicle surcharge found in N.J.S.A. 17:29A-35; those enrolled in a job training or education program; and those in the process of applying for a commercial driver license or endorsement.

The study must examine the number of likely applicants to the program, the financial implications the number of likely applicants would have on the State's ability to meet bond obligations, and the number of counties and municipalities that likely would participate in the program.

Department of Labor must submit the report to the Governor by November 2017.

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### **c. We Ask Your Assistance in Advancing These Bills of Interest to Municipalities**

The League **supports** both [A-4666/S-3080](#) and [A-4667/S-3081](#). Both bills are a response to the current affordable housing impasses in the State and lack of a statewide housing policy and guidance for municipalities.

Specifically, A-4666/ S-3080 enacts a moratorium on affordable housing litigation through December 31, 2017. The bill would not impact any judgement or settlement issued or agreed to before the effective date of the bill. Current litigation would be stayed until the moratorium expires.

A-4667/S-3081 establishes the Affordable Housing Obligation Study Commission. This commission will study prior court decisions, the effectiveness of past affordable housing practices, and analyze projected population increases and corresponding housing need. The commission will hold public hearings and is required to publish a report of its findings at the end of the year.

[For more, you can click here for the League's Town Crier post.](#)

**Take Action:** Click here to ask your State Legislators to support these bills.

You can click here for a sample resolution in favor of these bills, which can be downloaded in [PDF](#).

The League also **supports** [A-2452](#), which would create new liquor licenses for restaurants meeting certain criteria. This bill creates a restricted restaurant license (R1) which permits the holder to sell any alcoholic beverages for consumption on the premises of certain restaurants. In addition, the bill creates a restricted beer and wine license (R2) which permits the holder to sell only beer and wine by the bottle or can. These licenses would only be available to restaurants that meet certain square footage requirements, and that maintain a full-service kitchen. The bill provides that alcoholic beverages could only be sold in connection with the service of food at a table by an employee of the restaurant. A license holder would be prohibited from providing a bar area for customers of the restaurant to congregate and consume alcoholic beverages.

[For more on this bill, click here for the League's Town Crier post.](#)

**Take Action:** Click here to use our Voter Voice system to ask your Legislators to advance this important economic development initiative.

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**II. Federal Policy Issues**

### **a. Final Federal Spending Plan for FY' 17 Set**

After last week's seven day Continuing Resolution, which was passed in order to keep Federal offices open for business and allow more time for discussions, it appears that an agreement has been reached to finalize Federal spending for the balance of the 2016-2017 fiscal year.

On Wednesday, the House of Representatives voted 309-118 in favor of the bill, with 15 Democrats and 103 Republicans opposing. On Thursday, Senators voted 79-18 to send the \$1.07 trillion omnibus bill, which features the remaining 11 of the 12 regular spending measures, as well as a variety of emergency spending measures, on to the President. Despite some publicly expressed misgivings, he is expected to sign it into law.

New Jersey Congressman Rodney Frelinghuysen, Chairman of the House Appropriations Committee, led this effort and shepherded the bill through the process. See **Chairman Frelinghuysen's Press Release** for details of the impact of the final package on New Jersey's priorities. This includes funding for Amtrak's Northeast Corridor, HUD funding for the Homeless and People with Disabilities, Highlands Water Resource Protection funding, Defense and Homeland Security.

Work will now begin on crafting appropriations measures for FY 2018, which begins on October 1 of this year. We will keep you posted and ask for your assistance, as the process unfolds.

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### **III. Also of Interest**

#### **a. 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. Municipal Land Use Law Re-Forum**

The Municipal Land Use Law (MLUL) Re-Forum is for experienced practitioners, decisionmakers and opinion leaders who seek the opportunity to share their vision for how the

MLUL could be updated –to authorize the use of innovative planning tools in your communities; to prevent internal inconsistencies between master plans, zoning ordinances and reexamination reports that confound even the attorneys; and to improve the local review process, to name just a few examples. With the help of experienced facilitators, the open meeting format will allow participants to shape the agenda, lead the discussion and leave with a set of action items for putting changes in place.

The League, along with affiliate organization the New Jersey Planning Officials (NJPO) is a partnering with a broad range of other groups, including the New Jersey Chapter of the American Planning Association, on this program. The event, designed for experienced municipal officials, planners, land use attorneys, developers, architects, environmentalist or anyone else interested in the MLUL, will held on Friday, May 19, 8am to 4pm at the Hyatt Regency in New Brunswick. You can register now at: <http://njplanning.org/event/mlul-re-forum/>

### **c. League Affiliate Offers Drone Certification**

Are you thinking about getting a drone to support municipal operations; for building inspections, doing an emergency loss assessment, determining the health of trees, searching for a lost child, inspecting bridges, or evaluating the environment during a building fire or flood? These are just a few areas to consider when using this new technology.

Public entities, performing inherently government functions, can self-certify their pilots and their aircraft. But how do you self-certify? And how do you know if the certification process will satisfy the Federal Aviation Administration (FAA)? Who can fly the drone? What certification do they need? And most importantly how do municipalities protect themselves by making sure your personnel are trained properly? Click below to learn about the 2-day training program available from League Affiliate Jersey Access Group for municipal operators of unmanned aircraft systems (UAS) or drones.

<http://events.r20.constantcontact.com/register/event?oeidk=a07euidlls1ee7fd51&llr=5izl8xcab&showPage=true>

### **d. 2017 Financial Disclosure Statements Guidance Issued**

The Division of Local Government Services has issued [guidance](#) on the filing of the 2017 Financial Disclosure Statements. The deadline to file the Financial Disclosure Statements (FDS) is on or before April 30th. However, while the Local Finance Board has no statutory authority to extend the filing deadline, due to the delay in opening the 2017 FDS system for filers, **the Local Finance Board is expected to delay enforcement of the statutory deadline until May 30, 2017.** For information please see our [Town Crier blog](#) on this issue.

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**e. NJOHSP Overview of FirstNet and JerseyNet**

New Jersey Office of Homeland Security and Preparedness (NJOHSP) are offering a two hour awareness session to provide an overview of First Responder Network Authority's (FirstNet) Nationwide Public Safety Broadband Network (NPSBN). The NPSBN will be a single, interoperable network dedicated to public safety that will provide high-speed data capabilities to supplement voice capabilities of land mobile radio networks. In addition, they will also provide an overview of JerseyNet, an early proof-of-concept for the NPSBN. JerseyNet provides constant communication service throughout three geographic regions in New Jersey and has deployable assets that can provide temporary communications at any location in or around the state.

Upcoming sessions are taking place in Camden on May 10 and Union City on May 11.

Sincerely,

Michael J. Darcy, CAE  
Executive Director