

October 21, 2016

RE: WEEKLY UPDATE

**I. Policy Issues: Legislation and Regulations II. 101st Annual Conference
Reminders III. Also of Interest**

Dear Mayor:

I. Policy Issues: Legislation and Regulations

a. Transportation Trust Fund

Last Friday, at the urging of League Officers and others, the Governor signed legislation to reauthorize the Transportation Trust Fund (TTF). The legislation includes an increase in the motor fuel taxes effective November 1, and a combination of tax reductions. Of particular note to local governments, is the doubling of the local aid portion of TTF, which was a key component in earlier plans. The Governor [also issued Executive Order 216](#), which lifts the shutdown order on TTF funded projects.

Please click [here](#) for the Governor's press release on the bill signing.

The major components of the new law are, as follows:

- 1) An 8-year program, generating \$16 billion in state revenues and matching funds from the Federal Government.
- 2) A Local aid funding from the TTF doubled from \$200 million to \$400 million, per year.
- 3) A \$0.23 increase in the motor fuel taxes, which will take effect starting in November.
- 4) An incremental reduction in the sales tax, with a 1/8th reduction to 6.875%, effective January 1, 2017 and a 1/4th reduction to 6.625% effective January 1, 2018.
- 5) An Earned Income Tax Credit increase from 30% to 35%, effective for tax year 2016.
- 6) Incremental Gross Income Tax threshold increases for pensions and retirement monies over 4 years, reaching \$100,000 for joint filers; \$75,000 for single filers and \$50,000 for married but filing separately.
- 7) A Veterans' exemption for income tax.
- 8) The Phase out of estate tax between now and January 2018; with an increase from the current threshold of \$675,000 to \$2 million as of January 2017, and complete elimination as of January 1, 2018.

[Please click here for A-10](#) and [click here for A-12](#).

Contacts: Jon Moran, Sr. Legislative Analyst, jmoran@njslom.org,
609-695-3481 x121; and
Mike Cerra, Assistant Executive Director, mcerra@njslom.org,
609-695-3481 x120.

b. E-Waste Bill Advancing

The League supports [S-981](#) and [A-2375](#), regarding so-called “e-waste.” Specifically, this legislation would require each manufacturer of “covered electronic devices” to provide for the collection, transportation, and recycling of its market share in weight of all covered electronic devices collected in a program year. Similar legislation advanced in the lame duck session, but was pocket vetoed by the Governor.

The “Electronic Waste Management Act” intended to require manufacturers to provide for the recycling of residential covered electronic devices at no cost to taxpayers. Unfortunately, despite the best of intentions, it has not worked out that way. Local governments have wound up subsidizing the program with taxpayer dollars in order to ensure that 100% of the material collected is properly recycled. A-2375/S-981 is intended to address this inequity for taxpayers.

We are further encouraged that the fiscal analysis prepared by the Office of Legislative Services (OLS) anticipates costs savings to local governments, if A-2375/S-981 were to be implemented.

This initiative will ensure that manufacturers provide a “free and convenient” recycling program for all of the covered electronic devices that are collected, and further eliminate the need for local governments, and by extension our property taxpayers, to either absorb these costs or eliminate their programs.

S-981 has passed the State Senate and joins its companion bill A-2375 at second reading in the Assembly, which means that it can be posted for a final vote. Please contact your Assembly representatives, and the Governor’s Office and ask for their support of S-981 and A-2375.

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

c. Uber/Lyft Legislation Looks to Circumvent Local Regulation

On Thursday, October 20, the Assembly approved A-3695, which would unnecessarily exempt ride for hire services from local regulation. This preemption bill, which passed on a vote of 6111, with 3 abstentions, will now join the identical S-2179 on the Senate Floor. This initiative is supported by the industry. It could go to the Governor after the Senate’s next voting session, currently scheduled for Thursday, November 3.

A-3695/S-2179 would create a new class of taxis, exempt from local oversight. Instead, the legislation establishes State-level safety and insurance requirements for transportation network companies that conduct business in this State. According to the bills, a ‘transportation network company’ is an entity that uses smartphone technology to connect a prospective passenger to a transportation network company driver. Provisions in the legislation exempt these entities and drivers from any local regulation.

Since 1917, in order to protect prospective passengers and the general public, and to preserve order, municipalities have been empowered by statute to license and regulate ride-for-hire businesses. Throughout that period, in order to protect the public, local governing bodies have been responsive to concerns raised by passengers, pedestrians, local merchants and other motorists. Local first responders have attended to accidents. Local law enforcement has responded to incidents. While no level of regulation is perfect, municipalities have clearly demonstrated their effectiveness in this area for close to 100 years.

The manner in which the service is dispatched and provided does not materially alter the responsibilities that local governments will bear. Nor will the manner of dispatch obviate the concerns of local elected officials in ensuring the public’s legitimate interests in public safety. Further, enactment of this bill could motivate traditional taxi and limousine businesses to avoid local over-sight, by requiring prospective passengers to use smartphone technology to hail a ride. That, in turn, could make it more difficult for older residents and for the economically disadvantaged to access transportation alternatives.

On that basis, absent deletion of the preemption provisions, the League of Municipalities cannot support this legislation. We oppose A-3695/S-2179, as currently drafted.

Please contact your State Senator in opposition to the preemption provisions.

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

d. State Health Benefits Open Enrollment – Important Changes for 2017

The State Health Benefits Program Committee has approved new plan designs for 2017 that will be available during the current open enrollment period. The annual open enrollment for the State Health Benefits Program (SHBP) has begun and continues to October 31, 2016. Changes made during open enrollment will take effect on January 1, 2017.

There are several significant changes that have been made to the plan. One noteworthy change in 2017 is a pilot program to provide an incentive for joining the Tiered Network Plan. This pilot program **is optional for local employers**. For more information please see our recent blog post at <https://njlmblog.wordpress.com/2016/10/>

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

e. Reminder CY 2016 “Best Practices” Checklist Due TODAY

Last month, the Division of Local Government Services issued the CY 2016/SFY 2017 Best Practices Checklist. [Local Finance Notice 2016-13](#) provides guidance on this year’s process. Calendar Year municipalities must submit their Best Practices checklist by today’s end of business. The Division will not accept Calendar Year municipalities Inventories submitted past the close of business October 21, unless an individual appeal is filed with the Director stating good cause as to why the Inventory was submitted late. The entire final aid payment is subject to withholding, unless the Director determines the late submission was for good cause. State Fiscal Year municipalities will have until Friday, April 7, 2017. For more on this, please click here for the League’s Town Crier blog posting of [September 22](#).

Contacts: Jon Moran, Sr. Legislative Analyst, jmoran@njslom.org, 609-695-3481 x121; and
Lori Buckelew, Sr. Legislative Analyst, lbuckelew@njslom.org , 609-695-3481 x112.

f. Advocacy Tools for Local Officials

[As Mentioned in our August 19 Friday recap letter](#) the League is rolling out some new tools and initiatives for our advocacy efforts. Please [click here](#) for more on our VoterVoice service.

We would suggest registering with that service to assist the League in future legislative efforts.

And please [click here](#) to read the League’s new legislative blog, “The Town Crier.”

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

II. 101st Annual Conference Reminders, November 15-17

a. We’ve Got an App for that: Smartphone app available for 101st Conference

You can download the new official conference app. Access a fully searchable session schedule, interactive map of the exhibit floor, a thorough listing of exhibitors, and up-to-date event information. Don’t miss important sessions, speakers or exhibits – create a personalized schedule before you arrive at the Convention Center to maximize your experience! See: www.njslom.org/2016conf/app.

b. Order Your Meal Function Tickets Now

For order forms for all League Meal functions go to: <http://nj-njslom.civicplus.com/336/2016-Conference>

c. Women in Municipal Government Breakfast “Connecting to Health in All Your Polices”

Presentation of the Thirteenth Annual Women in Government Award Honorees: Barbara George Johnson, Executive Director of John S. Watson Institute for Public Policy; Thomas Edison State University and The Mayors Wellness Campaign- **Guest Speaker:** Barbara George Johnson.

d. NJLM 2016 Conference CEU List Has Been Updated

The Annual Conference CEU list has been updated. You can view this list by clicking the following link: <http://nj-njslom.civicplus.com/339/Continuing-Education-Unit-CEU-Tracking-S> . The list is not yet final so continue to check the page for updates.

For a complete list of Conference CEU’s that includes sessions offered by our Affiliate groups and is searchable by CEU type, download our new conference mobile app. For more information on the app and how to download it click here:
<http://www.njslom.org/2016conf/appdownload.html>

Contact: Danielle Holland, Seminar Manager, dholland@njslom.org, or 609-695-3481 x118.

e. Mayors Hall of Fame Reminder

Once again, the New Jersey State League of Municipalities Executive Board wants to pay tribute to mayors who have served at least 10 years as mayor. During the Mayors Box Luncheon at the Annual League Conference in November, we will induct nominees to the Mayors Hall of Fame.

See details on the nomination process here <http://nj-njslom.civicplus.com/246/Mayors-Elected-Officials-Hall-of-Fame>.

III. Also of Interest

a. Free Planning Lecture at Rutgers Bloustein School

On Wednesday November 2 at 4:00 PM, there will be a lecture to discuss the five-year process by which a four-acre surface parking lot in the center of the community is being turned into apartments, including affordable housing, and a multi-story parking garage for commuters. The project furthers Metuchen's goal of developing a true transit village. To RSVP, please visit [this site](#).

Very truly yours,

Michael F. Cerra,
Assistant Executive Director &
Director of Government Affairs