

March 9, 2018

RE: WEEKLY UPDATE

- I. State Issues
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- IV. Also of Interest

Dear Mayor:

Next Tuesday, March 13, Governor Murphy will deliver his first budget address to a Joint Session of the New Jersey State Legislature. As we look ahead to budget season, here are some items of interest.

I. State Issues

a. Governor's Action on March 7 Nor'easter

On Tuesday, Governor Murphy signed [Executive Order 14](#), declaring a state of emergency across all 21 counties in advance of the March 7 nor'easter. Following the storm, the Governor directed the Board of Public Utilities to complete an assessment and investigation of how state utility companies responded to the two March storms. In his statement, Governor Murphy noted that "we are going to examine what went wrong, and whether the plans for protecting and strengthening our grid devised post-Sandy have been followed statewide. We will look to see if all preparedness measures were taken before last Friday, knowing a major event was coming."

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

b. S-5 and 2% Interest Arbitration Cap Update

As we reported last Friday, the Senate recently tabled a vote on [S-5](#), which transfers the management of Police and Fire Retirement System (PFRS) to a Board of Trustees of PFRS. It is our understanding that the bill was held to be amended to either reinsert or address the 80% target fund ratio provision. The bill's removal of that requirement is one of the major objections raised by the League, the Association of Counties, and the Conference of Mayors. From news accounts, we understand that Senate President Sweeney is open to considering some changes to the bill. We anticipate the Senate bill to again be posted for a floor vote on March 26.

To date, there is no Assembly companion.

The renewal of the 2% cap on interest arbitration remains a top legislative priority, and it appears this issue will play out through the course of 2018.

It is likely that many of you will be speaking with your State Legislators in the upcoming weeks on State budget issues and the amount of property tax relief funding. When you have such conversations, please also ask your Legislators **to oppose S-5, until it is amended to add the necessary safeguards advocated by the League, the Conference of Mayors, and the Association of Counties** (for more please see our [February 27 letter](#)) and to prioritize the renewal of the interest arbitration cap.

Contacts:

- Michael F. Cerra, Assistant Executive Director, mcerra@njslom.org, 609-695-3481 x120.
- Lori Buckelew, Senior Legislative Analyst, lbuckelew@njslom.org, 609-695-3481 x112.

c. Assembly Panel Advances Ten-Year UEZ Extension Bill

On Monday, the Assembly Commerce and Economic Development Committee released A-3549, sponsored by Assemblywoman Eliana Pintor Marin.

The bill would extend the duration of all Urban Enterprise Zones (UEZs) for 10 years, starting 90 days after the bill is enacted. This extension will reactivate the five UEZs that expired at the end of 2016. These zones are located in Bridgeton, Camden, Newark, Plainfield, and Trenton.

The bill would also restore a funding stream to UEZs. After dedicating 10 percent of UEZ sales and use tax revenues for state administration of the UEZ program, the remaining revenues would be divided equally between an Enterprise Zone Assistance Fund, for the promotion of businesses and employment in UEZs, and State's General Fund.

Municipalities that host UEZs have higher than average unemployment rates, lower than average per capita and household incomes, and the vast majority are also home to high percentages of tax-exempt properties.

The UEZ Program offers incentives to participating businesses, designed to encourage business growth, provide jobs, and stimulate local economies. To qualify for these advantages, a business must agree that 25 percent of its workforce will include either local residents, or State residents who have been unemployed for at least a year, or both.

The Committee also released A-3551, which requires the New Jersey Urban Enterprise Zone Authority to undertake a review and analysis of the UEZ program and report the Authority's findings and recommendations to the Governor and the Legislature no later than 24 months after the effective date of the bill.

The bill specifies that the report shall include an assessment of: the adequacy of past funding for UEZs in furthering the goals of the UEZ program; whether changes are needed to address future funding for UEZs in furthering these goals; and whether an alternative, location-based program to assist fiscally distressed municipalities is appropriate, and if so, the parameters of an alternative program that would keep UEZ municipalities competitive, while providing 'a sufficient return on State investment.'

Both bills, which we support, will next be considered by the Assembly Appropriations Committee.

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

d. DCA Adopts Changes to Minor Work Provision of UCC

Earlier this week the Department of Community Affairs (DCA) announced the adoption of changes to the Uniform Construction Code (UCC) which took effect on March 5, 2018. Most importantly, the changes redefine "minor work" and allow projects that would have previously required municipal permits and prior approval to now proceed without a zoning compliance review or inspection from code officials. To see the changes in their entirety please click, [here](#).

These changes were initially proposed in August of last year but the adoption was postponed after objections were raised by the League, various public safety associations, code enforcement officials, and the Builders Association, among others. In response to the objections, a meeting was held with then DCA Commissioner Charles Richman, so additional public comment could be heard. It seems as though the comments fell on deaf ears as the DCA has adopted the UCC rule changes, as proposed and objected to back in August, without significant changes.

These changes could have a significant impact on municipal budgets. We strongly suggest you review these new changes with your Chief Financial Officer, Code Enforcement Official, and Business Administrator. This is especially true for municipalities currently finalizing their 2018 budgets.

In addition, we suggest you review these changes with your municipal attorneys and code officials in order to assess the impact the rule changes may also have on existing ordinances.

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

e. “Workplace Democracy Enhancement Act”

Senate President Sweeney has introduced [S-2137](#), the “Workplace Democracy Enhancement Act,” as a preemptive response to *Janus v. AFSCME*, a case before the U.S. Supreme Court. In this case, Illinois state public workers sued the union, AFSCME, for violating their first amendment rights, based on the fact that as a condition of employment they had to pay agency fees to the union. Oral arguments were heard last month and a decision is anticipated later this year.

The bill would impose mandatory requirements on public employers to ensure that public unions are able to carry out their statutory duties by having access to, and the ability to communicate with, their public employee members. Many elements of the legislation are issues that have been typically negotiated during the collective bargaining process; while some elements establish new procedures for public employers. We are currently reviewing the bill.

S-2173 was released from the Senate Labor Committee on Monday, the same day it was introduced. It now awaits consideration by the full Senate. At this time there is no Assembly companion.

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

f. Court Issues Long Anticipated Affordable Housing Decision

Yesterday, Judge Jacobson in Mercer County issued the long-anticipated opinion, [In the Matter of the Application of the Municipality of Princeton and In the Matter of West Windsor Township](#). The thrust of these consolidated cases was to determine the appropriate methodology for calculating a municipality’s affordable housing obligation. While this case applies to Princeton and West Windsor directly, other municipalities will also be impacted by the decision, as the methodology adopted by the court will act as a future guide throughout the state when determining affordable housing obligations.

We are currently reviewing the guidance and will provide additional information. In the meantime, we suggest that you review this recent decision with your municipal attorney.

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

g. Division issues a revised Local Finance Notice

The Division of Local Government Services has issued a revision to Local Finance Notice 2017-6. The revision clarifies that annual municipal appropriation to volunteer fire companies or fire districts is subject to the requirement that 50% of the funds must be used for fire equipment, materials, and supplies (versus items such as salaries). Any fire company or fire district receiving such an appropriation must provide the municipality with an accounting of how those proceeds were utilized.

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

II. Federal Issues

Federal Spending Deadline Looms. Gateway Questions Abound

In our [February 9, 2018 Weekly Update](#), we reported on the Federal Government's two-year budget deal, which set broad parameters for federal spending and averted one government shutdown. Unless Congress and the Administration agree on specific current fiscal year spending within two weeks, however, we will face another. For the February deal set a new March 23 'shutdown' deadline. By that date, precise, programmatic spending must be authorized for all Federal Departments and agencies.

It is our understanding that the President has asked members of his party in Congress, including the Speaker of the House, to oppose funding for the Gateway Project and would veto any Appropriations Bill that includes Gateway funding. Further, in testimony this week, before the House Transportation and Infrastructure Committee, U.S. Department of Transportation Secretary Elaine Chao indicated that, at this time, the Administration has no plans to contribute any funding to the project.

The House has approved \$900 million for the project, which is supported by both of our State's U.S. Senators and all of our House Representatives. It is a top priority of New Jersey Congressman and House Appropriations Committee Chairman Rodney Frelinghuysen. As Chairman of the House's Appropriators, Chairman Frelinghuysen will play a key part over the next two weeks, as he negotiates a \$1.3 trillion 'Omnibus' spending bill, needed to fund Federal programs and agencies through September 30, the end of the current Fiscal Year.

Please thank your Member of Congress and Senators Menendez and Booker for their efforts. Then contact the White House on this matter. The switchboard number is 202-456-1414.

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

III. League Conference Follow- Up

a. Claim Your CEUs from the Annual Conference

Attention Municipal Officials! Do Not Forget to Claim Your CEUs from the 2017 NJLM Annual Conference! Please click on the following link to claim your credits: www.njslom.org/confceu.

b. The Conference App is Still Available!

Misplaced your printed Session or Exhibitor Program Guide? The app can still be downloaded in your app store to reference session details or view contact information for participating consultants and exhibitors. The app will be available for download through the end of this calendar year and remains available for accessing on your device as long as it is installed.

c. Exhibits at the Annual Conference

Don't forget to follow up with the exhibitors you met during the Annual Conference! They're available to answer your questions and provide solutions to your town's issues. The full listing with contact information is available on the interactive floor plan and the mobile app.

IV. Also of Interest

a. NJDOT SAGE Training

NJDOT is upgrading their SAGE system to a newer version, IG 16, on March 26, 2018. Their intention is to make this transition seamless and provide training for the Counties, Municipalities, and SAGE users. The training will give everyone an opportunity to learn more about the enhanced features and get the new look and feel for the upgraded SAGE. Further, it will highlight the differences between the existing system and the new system, and also walk users through a sample application submission process.

Last training session for all users is scheduled as follows:

- Thursday, March 15 – One session

The training announcement and registration information are available on the Local Aid website at www.state.nj.us/transportation/business/localaid

You can also find the training announcement on the SAGE Login: <https://njsagelegacy.intelligrants.com>

If you have any questions or comments, please contact the Local Aid Technology Solutions Group at DOT-LocalAid.TechSolutions@dot.nj.gov or Kevin Israel, Director, Office of Community and Constituent Relations, NJDOT at 609-530-2110, kevin.israel@dot.nj.gov.

b. LEAD Marijuana Symposium

Law Enforcement Against Drugs (LEAD) is holding a marijuana symposium in conjunction with its annual conference March 18-20 in Atlantic City.

It will take an agnostic look at marijuana, legal or not; including national and international presenters in the fields of health, law, and policy. For details, [click here](#).

Sincerely,

Michael J. Darcy, CAE
Executive Director