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July 20, 2018

Municipal Clerks: Please forward to Mayor, Governing Body Members and Department Heads.

- I. State Issues
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I. State Issues

a. Supreme Court Issue Report on Municipal Court and Adopts New Rules

On Tuesday, the Supreme Court Committee on Municipal Court Operations, Fines, and Fees, which was charged with conducting a reform-minded review of Municipal Court practices, issued its [final report](#). While a representative from the League was included on this Committee, it was determined that the League could not endorse the Report or its recommendations as drafted.

There is always room for improvement in the administration of justice, but there is also certainly room for improvement in the Committee's report, as the League noted in a [July 19 Urgent Alert](#).

Please review the report and the League's comments and then please reach out to your State Legislators on these critical issues.

Coinciding with the release of the report, the Supreme Court adopted multiple [rule changes and two new rules](#) that set limitations on monetary sanctions against municipal court defendants who fail to pay or appear in municipal court. These rules become effective September 1, 2018. The Rules set a maximum limit on sanctions for failure to appear at \$100 more serious offenses, \$25 for parking offenses, and \$50 for all other matters. For failing to pay, the Rules set a maximum sanction of \$50, in addition to other

penalties which may be imposed by statute or rule for failure to pay. In both circumstance sanctions can only be imposed when there is an absence of just cause or excuse.

Please review this report and the newly adopted rules with you municipal attorney and prosecutor. You may also want to share this information with your municipal court administrator.

Contact:

- Michael F. Cerra, Assistant Executive Director, mcerra@njslom.org, 609-695-3481, ext. 120.
- Frank Marshall, Esq., League Staff Attorney, FMarshall@njslom.org, 609-695-3481, ext. 137.

b. Certain Local Taxes Extended to Include “Transient Accommodations”

[P.L. 2018, c. 49](#), signed by Governor Murphy on July 1, 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/or Meadowlands Regional Hotel Use Assessment on transient accommodations. A Transient accommodation is a room, group of rooms, or other living or sleeping space for the lodging of occupants, including but not limited to residences or buildings used as residences. It does not include hotel rooms, rooms used as places of assembly, dormitories, hospitals, nursing homes, campsites or single family homes, condominiums or bungalows with no maid service, room service or linen changing services and the keys are provided at an offsite licensed real estate office.

The new law requires transient space marketplaces, which are specifically defined in the law, to collect and pay the tax on behalf of the property owner. The transient space marketplaces are required to maintain the following data for at least four years:

- The name of the person who provided the transient accommodation;
- The name of the customer who procured occupancy of the accommodation;
- The address, including any unit designation, of the accommodation;
- The dates and nightly rates;
- The municipal transient accommodation registration number, if applicable;
- Whether the short term rental was for the entire unit or part of the unit;
- Individual name or number of each advertisement or listing connected to the unit with URL; and
- Any other information required by the Division of Taxation.

In the era of sharing economies, transient accommodations are becoming more commonplace. This is not a new tax but a logical extension of a current tax to transient accommodations which were not subject to the same various occupancy taxes as hotels and motels. It provides parity within the industry and fairness for taxpayers.

The Division of Taxation, in consultation with the Division of Local Government Services, has begun the process to implement the new law, which will take effect on October 1, 2018. Additional information will be available on the Division of Taxation’s website.

If your municipality has enacted any of the applicable occupancy taxes, we suggest that you review your current ordinance with your municipal attorney and consider amending it

to include the receipts from transient accommodations. If you have no hotel/motels in your community, but do have rentals of transient accommodations, you may want to consider adopting an ordinance to permit the collection of the tax. Most local occupancy taxes only become effective on the first day of the first full month 90 days after transmittal to the State Treasurer.

Contact: Lori Buckelew, Senior Legislative Analyst, lbuckelew@njslom.org, 609-695-3481, ext. 112.

c. State Health Benefits Program (SHBP) Recommended 2019 Rates Increase

At the July 11 State Health Benefits Commission Rate Renewal meeting AON, the Commission's consultant, recommended premium rates of 8.2% increase for Active Employees, no increase or decrease for Early Retirees, and a decrease of 12.7% for Medicare Retirees. In the aggregate, the recommended rate of action represents an overall rate increase of 4% for the Local Government Group State Health Benefits Program. If you participate in the State Health Benefits Program, we suggest you review the [Local Government Group Plan Year 2019 Medical/RX Rate Renewal Recommendation](#) and the [Plan Year 2019 Rate Renewal Recommendation Report – Local Government Employer Group](#).

Contact: Lori Buckelew, Senior Legislative Analyst, lbuckelew@njslom.org, 609-695-3481, ext. 112.

d. State Files Lawsuit Against Federal Government to Protect Criminal Justice Grant Money

On Wednesday, the State announced that it had joined other states in [bringing a lawsuit](#) against the federal government seeking to undo a policy, which could cause the state and local governments to be excluded from receiving federal grant money from the Edward Byrne Memorial Justice Grant Program.

The lawsuit argues that the U.S. Department of Justice, which administers the grant, has impermissibly set conditions on receiving grant funds which go beyond those allowed within the legislation. The conditions set by the DOJ are said to target states with so-called "sanctuary city" policies and would require state and local law enforcement officials to provide access to jails and advance notice before certain prisoners are released, in order to be eligible for the grant funds. States and municipalities that prohibit law enforcement from communicating with federal immigration agents would also be ineligible for grant money.

Similar lawsuits have been filed by other states and municipalities, and the results have been successful, allowing important federal grant money to continue to be distributed to local governments. The League will keep you updated on this case as it progresses.

Contact: Frank Marshall, Esq., League Staff Attorney, FMarshall@njlsom.org, 609-695-3481, ext. 137.

e. New Jersey Joins Other States in Suing Federal Government Over SALT Cap

On Monday, New Jersey joined New York, Connecticut, and Maryland in bringing a [lawsuit against the federal government](#) seeking to invalidate the new \$10,000 cap on the federal tax deduction for state and local taxes (SALT). As we have previously reported, the \$10,000 cap on SALT deductions is expected to have a negative effect on local governments across the country, hitting New Jersey and states with similar property tax structures particularly hard.

The suit argues that the newly enacted cap “interferes with the States’ sovereign authority to make their own choices about whether and how much to invest in their own residents, businesses, infrastructure, and more...” which the States claim is a right protected under the U.S. Constitution. The States also highlight in their filings overt comments made by federal officials, which acknowledge that the changes to the tax law were made in order to influence certain states’ taxing policies.

This lawsuit is just one approach the State is taking in an effort to help mitigate and possibly avoid all together the negative impacts of the SALT deduction cap. Earlier this year, the state [enacted legislation](#) which would allow property owners to receive a credit against their property taxes for a portion of charitable contributions made to their municipal government.

The League will keep you updated on this case as it progresses through the court system.

Contact: Frank Marshall, Esq., League Staff Attorney, FMarshall@njslom.org, 609-695-3481, ext. 137.

f. Assembly Joins Us in Support of Local Businesses

On June 28, on a 77-0 vote, the State Assembly approved [AR-11](#). The Resolution, sponsored by Assembly members Wayne DeAngelo, F. Christopher Tully, and Lisa Swain, urges New Jersey residents to shop locally and support local businesses.

Our Main Street businesses are the backbone of New Jersey hometowns. Not only do they support local services with their property tax dollars, they also employ our neighbors, promote local events and celebrations, sponsor local youth sports teams and activities, and otherwise breathe life into our communities.

We are pleased to see the State Assembly’s recognition of the vital role played by New Jersey’s brick-and-mortar shops and businesses. We thank the sponsors. And we welcome this reminder to all of our residents.

Contact: Jon Moran, Senior Legislative Analyst, jmoran@njslom.org, 609-695-3481, ext. 121.

II. Federal Issue

a. NFIP Nears End-of-Month Expiration

Congress needs to adopt a plan to keep the vitally important National Flood Insurance

Program (NFIP) up and running, before it expires at the end of this month. The program, which provides flood coverage for more than 22,000 American communities, has been kept on life-support with a series of short-term extensions, since last year.

The House of Representatives appears deadlocked on whether to adopt another short-term extension, in order to give Federal Legislators more time to work out a long-term solution, or to tap the pressure of the moment to impose reforms designed to promote the solvency of the program, which provides crucial financial protection for millions of homeowners living in flood-prone areas. One of the reforms that many in Congress support would subject communities to potential penalties, if their mitigation efforts fail to meet as yet undefined standards, which would be developed by the Federal Emergency Management Agency (FEMA).

Congressman Steve Scalise, the Republican majority whip who represents a southern Louisiana district, joined by New Jersey Congressman Tom MacArthur, has introduced a clean extension bill, [H.R. 6379 \(115\)](#), which would keep NFIP in operation until end of November.

The House is planning to vote on some form of extension bill next week. At this point, however, we cannot predict specifically what the bill might include.

Despite the strong advocacy of Senators Menendez and Booker, the Senate has been slow to consider legislation that would provide long-term reauthorization of the NFIP. The National League of Cities (NLC) and your New Jersey League have urged the Senate to quickly pass legislation to provide long-term reauthorization of the NFIP, while making essential reforms to reduce the program's complexity. But at this point, the House-proposed lifeline extension may be the best we can get.

With the worst of Hurricane Season fast approaching, unless Congress renews the statutory authority of the NFIP, FEMA would stop selling and renewing flood insurance policies for millions of properties in communities across the nation.

Please contact your Representative, urging timely action on NFIP.

Contact: Jon Moran, Senior Legislative Analyst, jmoran@njslom.org, 609-695-3481, Ext. 121.

III. League Conference

a. Unauthorized Hotel Reservation Services

Every year there are unauthorized firms soliciting housing and hotel reservations from attendees at the 103rd Annual League Conference. We assure you that the only firm authorized to handle our conference housing reservations is AC Central Reservations. This information is on the top of the official conference housing form sent to all municipal clerks and posted on our [website](#).

Using unauthorized reservation services creates real problems for you and the conference as a whole. You cannot be assured your credit card information is secure and your room reservation may not actually be made. Using unauthorized services means your room will

not be part of the official conference housing block so you won't get emergency housing information (which happened in both 2011 and 2012), nor will there be adequate shuttle bus services to your hotel.

As always, the League is available to answer your questions on any aspect of the annual conference and we strive to make your participation both enjoyable and highly productive.

Contact: Michael J. Darcy, CAE, Executive Director, mdarcy@njslom.org, 609-695-3481, ext. 116.

b. Exhibits at the Annual Conference

Do you know a vendor that would be a good fit for the Annual Conference? If so, ask them about being an exhibitor or have them contact Kristin Lawrence, Exhibit Manager at 609-695-3481, ext. 125 or klawrence@njslom.org. Information is also available on njslom.org/exhibit.

IV. Also of Interest

a. The League is Now Accepting Applications for the Innovation in Governance Program!

The New Jersey Department of Community Affairs (DCA) and the New Jersey League of Municipalities will again acknowledge and promote Innovation in Governance through our annual recognition program. This is a great opportunity to showcase innovative solutions to any problems that have cropped up – either suddenly or over time – in your municipality. It can also be an opportunity to let your peers in on innovations that prevented problems from even arising.

[Visit our awards page](#) to see previous years of impressive ideas created by our winning municipalities as well as the full invitation and application to this year's program.

Contact: Ciara Bradley, Legislative Administrator, CBradley@njslom.org, 609-695-3481, ext. 128.

b. NLC & U.S. Economic Development Administration's Webinar on the RIS Grant Program

Join the National League of Cities' (NLC) and program leaders from the U.S. Economic Development Administration's (EDA) Office of Innovation and Entrepreneurship for a **July 24** informational webinar to discuss how communities can leverage the [2018 Regional Innovation Strategies \(RIS\) grants](#) to support entrepreneurship- and technology-based economic development strategies.

The EDA's [2018 Regional Innovation Strategies \(RIS\) Grant Program](#) is accepting applications **through August 29**. The RIS program is a catalytic national grant program focused on regional capacity-building via entrepreneurship and technology commercialization.

In partnership with and support from [Schmidt Futures](#), the NLC's [Innovation Ecosystem](#)

[Program](#), helps city leaders promote innovation, entrepreneurship and STEM education through partnerships with businesses, colleges and universities, foundations, entrepreneurs, school districts and community-based organizations. Within the initiative's first year, the NLC will bring together a new group of cities that have made specific commitments to strengthen their regional innovation ecosystems. To find out more about this program, please email Scott Andes at Email: Andes@nlc.org or 877-827-2385

Webinar Details: Tuesday, July 24, 2018 3:00 p.m. – 4:00 p.m. EDT [Visit the event site to register for the webinar.](#)

c. Comment on Community Solar Pilot

July 6, 2018, the New Jersey Board of Public Utilities released a Public Notice and Request for Comments in the matter of the New Jersey Community Solar Energy Pilot Program (Docket No. QO18060646). The Request for Comments is available [online](#).

Please address all inquiries pertaining to this matter to communitysolar@njcleanenergy.com. This Pilot Program will enable utility customers to participate in a solar energy project that may be remotely located from their properties and receive a credit on their utility bills for their participation in a community solar pilot project. A majority of the pilot may be municipalities or housing authorities in municipalities.

d. Municipal Officials Free Registration at PILOT Forum

Many municipalities utilize “smart growth” principles through redevelopment studies and plans in addition to leveraging PILOTs to ensure project viability. On Friday, July 27, the NJ Chapter of the American Planning Association and the New Jersey Builders Association will host a half-day forum that intends to empower attendees with the knowledge necessary to understand and negotiate the best deals for their communities and their taxpayers. Registration is required, but is free for municipal officials. [Visit the planning organization's site for more information.](#)

e. Governor's Conference on Housing and Economic Development.

The Governor's Conference on Housing and Economic Development will be held Oct. 2-3 at Harrah's in Atlantic City. Gov. Phil Murphy is the keynote speaker at the luncheon. The event will also feature a special plenary session in the morning with Lt. Governor Sheila Oliver, the Executive Director of the Housing Mortgage Finance Agency (HMFA) Chuck Richman, the CEO of the Economic Development Authority (EDA) Tim Sullivan, and the CEO of the New Jersey Redevelopment Authority (NJRA) Leslie Anderson. This session will be moderated by Professor Carl Van Horn of Rutgers University.

There will also be a series of tracks and sessions on related topics. Early bird registration ends August 3.

Information is available on the website at www.njhousingconference.com.

f. Brownfield Marketing Assistance

The NJ State Office for Planning Advocacy (OPA) would like to assist municipalities and

counties by marketing brownfields for redevelopment and to bring them back to the Tax Roll. OPA is responsible for the Brownfields Redevelopment Task Force that created SiteMart, www.njbrownfieldsproperties.com, which is an online searchable database for brownfield properties in New Jersey. The [SiteMart](#) database can help market the inventory of brownfields to prospective developers.

By working with OPA you can help implement Smart Growth strategies by cleaning up and creating infill redevelopment which turns underutilized properties into viable assets for both the community and property owner. Infill also helps prevent sprawl by building upon land with existing infrastructure.

OPA is asking municipalities and property owners to access the [SiteMart](#) database and provide us with updated information on properties in your community so that it can be more useful to all parties. New brownfield properties should also be added to the [SiteMart](#) database.

Start by searching [SiteMart](#) so that you can better understand the resource available and then contact Barry Ableman at Barry.Ableman@sos.nj.gov or Colleen McGurk at colleen.mcgurk@sos.nj.gov to discuss how we will update the information. Any questions please call Barry Ableman at 609-292-3228.



New Jersey State League of Municipalities

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