

October 7, 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.**

**TTF Reauthorization Poised for Approval**

Legislation to reauthorize the Transportation Trust Fund (TTF) is scheduled for final approval later today by both the State Senate and then the General Assembly. The legislation includes a \$0.23 increase in 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. **We are monitoring developments today and will send a separate advisory later today to provide you an update.**

The major components of the amended legislation are, as follows:

- 1) An 8-year program, generating \$16 billion in state revenues and matching funds from the Federal Government.
- 2) A doubling of Local Aid funding from TTF from \$200 million to \$400 million, per year.
- 3) A \$0.23 increase in motor fuel taxes, which would likely take effect starting in early 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; increasing the current threshold of \$675,000 to \$2 million as of January 2017, with complete elimination as of January 1, 2018.

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## **b. A-4189 Compromise UEZ Extension Bill Advances**

On Thursday, the Assembly Commerce and Economic Development Committee released A-4189, a compromise bill that will extend, for two years, Urban Enterprise Zone authorization in municipalities where the program will sunset at the end of this year.

The League was a strong supporter of A-2576, which would have extended the Urban Enterprise Zone (UEZ) designation for participating municipalities for another 10 years, so that business in those communities could continue to benefit from the economic incentives provided under the long-running program. The extension recognized the set-backs experienced by the qualifying businesses, due to the national recession and our State's slow recovery.

The bill was conditionally vetoed by the Governor, who criticized the UEZ program as ineffective and costly to the State. With his conditional veto, the Governor rejected any extension of UEZ redevelopment incentives. Instead, he asked the Legislature to direct the Commissioner of the Department of Community Affairs to conduct a study of the UEZ program "... which shall include, without limitation, an assessment of whether an alternative, location-based program to assist fiscally distressed municipalities is appropriate, and, if so, recommendations for the parameters of such a program ..."

Respecting the Governor's desire for a comprehensive analysis of the program, A-4189 has been introduced as a compromise. The new legislation accepts the Governor's recommendation regarding a DCA study of the program and research into alternatives. However, the bill provides a two year extension to the five UEZs that are set to expire at the end of this year.

The UEZ Program - first created in 1983 - offers incentives to participating businesses, designed to encourage business growth and stimulate local economies. Approximately 6,800 certified UEZ businesses participate and benefit from the advantages of the UEZ program statewide. These include a number of tax and financial incentives, including tax credits to hire local workers. The program authorizes qualifying retail businesses in the UEZs to charge and collect the State's sales and use tax (sales tax) at one-half of the normal rate.

Those incentives allow businesses to attract customers to, and create employment opportunities in, economically distressed municipalities. UEZ designation is a vital tool in the tool kit of local leaders, working to bring their communities back from decades of decline, caused by housing and transportation policy decisions over which they had no control.

The bill is now positioned for approval on the Assembly floor. Please contact your legislators, in support of A-4189.

**Contacts:** Jon Moran, Sr. Legislative Analyst, [jmoran@njslom.org](mailto:jmoran@njslom.org), 609-695-3481 x121.

### **c. Preemption Bills Lurch Closer to Passage**

In [Last Week's Update Letter](#), we noted our opposition to S-2179 and A-3695. These bills would unnecessarily exempt certain ride for hire services from local regulation. On Thursday, the bills were amended to make them identical, moving them much closer to final passage. The amendments were agreed to, in order to address the concerns of certain private enterprises. They do nothing to address our concerns.

These bills 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 bill, a transportation network company (Uber or Lyft, for example) is an individual or entity that uses a digital network or software application to connect a passenger to a transportation network company driver for the purpose of providing transportation to the passenger. Provisions in both bills exempt these entities and individuals 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. 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, similarly, avoid local over-sight, by a change to their business models; that turn - to reliance on smart phone technology - 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.

Please contact your State Legislators and communicate your concerns with S-2179 and A-3695. This proposal could advance through both Houses as early as next week.

**Contact:** Jon Moran, Sr. Legislative Analyst, [jmoran@njslom.org](mailto:jmoran@njslom.org), 609-695-3481 x121.

### **d. Attorney General Issues Law Enforcement Directive Establishing a Community-Law Enforcement Affirmative Relations Continuing Education Institute**

In response to public concerns over police & community relations, the Attorney General has issued [directive 2016-5](#). The directive, issued pursuant to the Attorney General’s constitutional and statutory authority as the State’s chief law enforcement officer, establishes and implements a system of continuing education to enhance police-community relations.

The directive: 1) establishes a Community-Law Enforcement Affirmative Relations Continuing Education Institute; 2) places requirements on every police officer to receive a certain amount of training from the institute. In particular, every officer must, by December 1, 2017, participate in

“not less than five credit hours of qualifying continuing education as defined by the directive.” Thereafter, officers will be required to participate in least three credit hours of qualified training.

Officers can satisfy this training by participating in seminars provided by the institute. This includes live in-person trainings, live presentations broadcast electronically or by viewing an online tutorial or pre-recorded presentation.

**Contact:** Ed Purcell Esq., [epurcell@njslom.org](mailto:epurcell@njslom.org), (609) 695-3481 x. 137.

#### **e. Reminder CY 2016/SFY 2017 “Best Practices” Checklist Issued**

Last week, 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 Friday, October 21, 2016. 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](#).

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#### **f. Bureau of Municipal Information White Paper- Wireless Systems in the Right of Way: What You Need to Know**

Municipalities are being approached by new entities that wish to use the rights of way to install new wireless telecommunications facilities. The League’s Bureau of Municipal Information has published a white paper to help municipalities understand access to rights of way and impacts of changing wireless technology, **Wireless Systems in the Right of Way: What You Need to Know**. A copy of this white paper can be found [here](#). A list of other Bureau of Municipal Information white papers is available through this [link](#).

**Contact:** Ed Purcell Esq., League Staff Counsel, [epurcell@njslom.org](mailto:epurcell@njslom.org), 609- 695-3481 x137.

#### **g. 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.”

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## **II. 101st Annual Conference Reminders**

### **a. Conference Hotel Reservation Deadline TODAY!**

Reserve now on line at <http://nj-njslom.civicplus.com/336/2016-Conference>

### **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](mailto: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>.

### **f. Innovation in Government Award Nominations Deadline-- TODAY!**

The New Jersey Department of Community Affairs and the New Jersey League of Municipalities will again acknowledge and promote Innovation in Governance through our annual recognition program. It gives you the chance to congratulate your public professionals and employees for a job well done. And it can help to demonstrate to your constituents the appreciation that other local officials, throughout New Jersey, have for your creativity and leadership. See how to

nominate your program here; and, **please note that the extended deadline of October 7th ends today!**

You can find more information on this program by visiting <http://nj-njslom.civicplus.com/249/Annual-Innovation-in-Governance-Awards>, or apply directly by [clicking here](#).

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### **g. 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](http://www.njslom.org/2016conf/app).

## **III. Also of Interest**

### **a. NJ Spotlight on Cities**

What is the future of New Jersey cities? What policy matters should our leaders address? What does a Garden State urban agenda look like?

Together with some of the state's biggest influencers and advocates, the state's premier public policy news source, NJSpotlight, will tackle these questions at the second annual [NJ Spotlight On Cities](#).

They start with a conversation on urban agendas of the past and future, and then explore major issues like healthcare, environmental justice, affordable housing, gentrification, corporate citizenship, community schools, entrepreneurship, arts education, designing public spaces and more. [You can see the roster of confirmed speakers](#) here [www.njspotlightoncities.com](http://www.njspotlightoncities.com).

Discounts are available for government and non-profit employees, educators, students, and community activists. Get your tickets today at [www.njspotlightoncities.com](http://www.njspotlightoncities.com)

**Contact:** Michael J. Darcy, CAE, Executive Director, [mdarcy@njslom.org](mailto:mdarcy@njslom.org), 609-695-3481, x116.

Sincerely,

Michael J. Darcy, CAE Executive  
Director