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February 1, 2018

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

I. State Issues

a. Minimum Wage Passes; Governor to Sign on Monday

Yesterday, both the State Senate and the General Assembly approved legislation that would increase the statewide minimum wage. This initiative has been a top legislative priority for Governor Phil Murphy, Senate President Steve Sweeney, and Assembly Speaker Craig Coughlin, and the three negotiated for months over details. Unfortunately, language was added at the proverbial last minute which now makes municipalities subject the State Minimum wage law. The bills passed along party lines in both houses. The Governor has announced that he will sign the bill on Monday.

The current minimum wage is \$8.85 per hour and is adjusted annually for inflation. [A-15/S-15](#) would gradually increase the minimum wage over several years, with the goal of getting to \$15 per hour for most workers by the beginning of 2024. The first increase to \$10 per hour would take effect on July 1, 2019, and then go up again to \$11 on January 1, 2020. It will increase by \$1 every year thereafter until January 1, 2024. After reaching \$15 per hour, the minimum wage will continue to rise by the rate of inflation, as required by the State Constitution. The bill provides for a slower phase-in period for employees of small employers, and seasonal workers, reaching \$15 in 2028.

Currently, the state minimum wage law only applies to private business and does not apply to state or local governing bodies. [See *Allen v. Fauver* 327 Super. 14 (App. Div. 1999)]. These entities do have to comply with the federal minimum wage law. However, as noted above, the new language explicitly applies the state minimum wage law to the state,

counties, municipalities, and school districts. When the Governor signs this into law as expected on February 4, these public entities will need to implement the increases in minimum wage for any employees now earning less than that amount.

The League opposed the legislation because of the new language referenced above. Along with our allies, the Association of Counties and the School Boards Association, we argued that applying the wage increases to local governing bodies, which must operate within a hard 2% property tax levy cap, may ultimately force certain local governing bodies to either increase user fees, or reduce or eliminate services. Further, we expressed disappointment that local governments were included in the legislation at the last minute, minimizing the ability of local officials to articulate their opinions and/or concerns with the proposal. Our thanks to our affiliate organization, the Government Finance Officers Association (GFOA), which quickly compiled and provided data to demonstrate the potential impacts on local budgets.

Ultimately, the local government coalition requested that the existing exemption from the state minimum wage law be maintained and that the Legislature conduct an analysis on the impact that applying the state minimum wage to local governments would have on their finances and operations.

After the bill is signed into law on Monday, the League will provide a more detailed analysis of the new law.

Contact: Michael F. Cerra, Assistant Executive Director, mcerra@njlm.org, 609-695-3481, x120.

b. Bill Advances to Permit Delay of Property Tax Bills for Furloughed Federal Employees

Yesterday, both the State Senate and the General Assembly approved [S-3347/A-4904](#), which permits a municipality, upon adoption of a resolution, to not charge interest on delinquent quarterly tax payments as the result of a federal shutdown. Specifically, this would apply to federal government employees not being paid due to a shutdown or a contractor who is paid by a federal agency but is delayed or diminished due to a federal shutdown and is receiving unemployment benefits if: (1) the shutdown occurs less than 45 days prior to the quarterly payment date and remains in effect on the quarterly payment due date; and (2) the governing body adopts a resolution providing that no interest shall be charged if the payment is made on or before the next quarterly payment due date. The bills were introduced on January 17, passed both the Senate and Assembly January 31, and now await consideration by the Governor.

We raised some technical concerns on this permissive bill with the sponsors. The bill was amended to address our concerns regarding the definition of a “contractor whose pay is received from a federal agency, but is delayed or diminished as a result of such an impasse” to now include the requirement of receiving. It was also amended regarding the implementation date, so if the bill is signed by the Governor on Jan. 31 or Feb. 1, municipalities can still adopt a resolution, if they so choose, to address the Feb 1 quarterly payment.

The legislation now heads to the Governor for his consideration.

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

x112.

c. Other Legislative Activity

On Thursday, the State Legislature took action on some other items of interest to municipalities. The following bills now head to the Governor for his consideration.

- [S-1073/A-2694](#), the State Senate and General Assembly voted on and passed a bill aimed at helping municipal and county governments manage stormwater. [S-1073](#) clarifies municipal authority to create a local stormwater utility and allow those utilities to assess fees based on stormwater runoff from real property. The bill is now headed to the Governor Murphy for his action.

When storms occur, rainwater runs off of impervious surfaces such as roads, roofs, and parking lots. This water carries oils, pesticides, and other chemicals and bacteria harmful to humans and the environment. Additionally, without proper stormwater management, flooding occurs; and as storms grow stronger, the risk for flooding increases. **The League supports** this permissive legislation as it would aid municipal government in addressing these concerns by creating a clear source of revenue to be used to help build and improve stormwater management.

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

- [A-3975/S-2528](#), which revises law concerning family leave, temporary disability, and family temporary disability leave, and domestic or sexual violence safety leave.

Contact: Michael F. Cerra, Assistant Executive Director, mcerra@njlm.org, 609-695-3481 x120.

There are other bills of interest headed to the Governor; and the League will provide a breakdown to you next week.

We are pleased to report that a bill **opposed** by the League, [S-2505](#), was held and not acted on yesterday by the State Senate. S-2505 would provide electric utility companies with completely unfettered authority to clear, move, cut, or destroy any dangerous vegetation. We will continue to advise you of any development. [Please see our Town Crier blog post for more details.](#)

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

II. Federal Issues

a. NJ Representatives Urge U.S. DOT to Prioritize Gateway Down-payment

New Jersey Freshman Representative Mikie Sherrill, joined by a bipartisan coalition of

House Members, including our State's Albio Sires, Bill Pascrell, Bonnie Watson Coleman, Jeff Van Drew, Donald Norcross, and Frank Pallone, has delivered a letter to U.S. Department of Transportation (U.S. DOT) Secretary Elaine Chao.

The letter asks Secretary Chao to adhere to the legislated deadline and award the \$275 million already appropriated by Congress to fund urgent Amtrak Northeast Corridor (NEC) improvements. The letter's signatories note, "Our constituents are a significant part of the 780,000 commuter trips and 40,000 intercity trips that the NEC supports every single day. ... Any delay (in the disbursement of the funds) will only make a dire infrastructure situation worse and further jeopardize many vital infrastructure projects along the NEC. The NEC is known to support businesses along its length that together generate 30% of all U.S. jobs and contribute \$3 trillion annually to our economy."

Your New Jersey State League of Municipalities, a member of the Northeast Corridor Coalition, has advocated for NEC improvements for many years. The deterioration of our rail infrastructure, including the decaying Hudson River tunnels, is a national disgrace, a physical danger, and a threat to America's economy.

We commend the Members of our Congressional delegation—past and present—who have struggled to ensure Federal support for the repair and modernization of this vital transportation link. Please thank your Representatives for their attention to this crisis. Let them know that you appreciate their timely advocacy.

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

b. Federal Legislation Introduced to Overturn FCC Preemption of Local ROW Control

Rep. Anna Eshoo from California introduced legislation ([H.R.530](#)) to overturn the Federal Communication Commission's ("FCC") September [Order](#) preempting local authority over small cell wireless infrastructure. The bill would not preclude future FCC or Congressional preemption but it would halt the FCC's harmful preemption order, which ignored the input of hundreds of local governments.

This bill works to compliment the current legal challenges brought by local governments seeking to have the courts overturn the order. It also comes in the same week New Jersey Congressman Frank Pallone, who is chairman of the Energy and Commerce Committee, sent a [letter](#) to the FCC requesting more information about what communications have taken place between the FCC and FCC licensees relating to the legal challenges.

This is an issue that the League, along with our national affiliate, The National League of Cities ("NLC"), has been following closely. It is important to have your voice heard and show support for H.R.530. To help with this, the NLC has put together a [form letter](#) of support you may wish to sign.

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

c. Municipalities Nationwide Encouraged to Push for Federal Infrastructure Initiative

With the shutdown ended, it is time for Congress to focus on the need to repair and modernize America's aging infrastructure. To encourage our representatives in Washington to do so, the National League of Cities (NLC) is calling on local leaders all around the Nation to join that effort, which is being organized by NLC's Brittney Kohler.

This week, NLC's leadership took a stand by sending a [letter to Congressional leaders](#). We urge you to join them by sending your own. The NCL has created a [draft letter](#) for you to personalize for your three Members of Congress. Considering the urgency, we recommend that you send these either via email or their online portals as soon as possible. Last year, [local leaders laid the groundwork](#) for legislation to rebuild America's infrastructure, but we need Congress to refocus on a bipartisan infrastructure package that would provide communities in their districts with needed maintenance to existing structures and expand access to resources.

Thank you for taking the time to send a letter to your Members of Congress, and if you would like to share your letter on social media or tweet about infrastructure, remember to tag @leagueofcities! Also, please copy us on your correspondence with Congress.

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

III. League Conference Follow Up

a. Remember to Claim Your CEUs from the 2018 NJLM Annual Conference!

Attention Municipal Officials! Remember to claim your CEUs from the 2018 NJLM Annual Conference! Please go to [our website](#) to claim your credits.

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 remains available for accessing on your device until this year's app is launched.

IV. Also of Interest

a. League Publications: Read All About It

The League offers a wide variety of publications to provide extra insights on the hot topics in local government, from Newly Elected guidebooks to the latest editions on OPMA, License Fees, Salaries, and Local Public Contracts. For more information on the full publication list or to order volumes for your reference, see the [Publication Order Form](#).



New Jersey State League of Municipalities

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