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## February 8, 2019

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

### I. State Issues

#### a. Minimum Wage signed into law; now applies to local governments

On Monday, Governor Murphy signed legislation that will phase in the state minimum wage to \$15/hour for most workers. 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.

[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 \$10.00 per hour would take effect on July 1, 2019, and then go up again to \$11.00 on January 1, 2020. It will increase by \$1.00 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.

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

counties, municipalities and school districts.

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, 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), who 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. The League is preparing a summary of the new law that we will share in the very near future.

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## **b. Cannabis Legalization**

As you may recall, legislation to legalize adult, recreational use of marijuana was moved out of respective committees in late November but have not advanced for final floor votes. There remains at least two significant areas of disagreement between the Murphy Administration and the legislative sponsors. While it is far from certain, it appears some recent discussions have been held and it is possible we may again see the issue emerge for possible action in the upcoming weeks.

The League (NJLM) has worked closely with the Urban Mayors Association (NJUMA) and the Conference of Mayors (NJCM) on the issue. While there is no consensus on the legalization issue itself, there is consensus on related issue in the likely event that such legislation eventually passes, including the need to increase the local flexibility in assessing a local option tax and the provisions regarding expungement and restorative justice.

**Please take action:** This is a controversial issue and there are strong feelings on both sides of the issue. However, legalization is likely a matter of when, not if. And when it becomes law it will impact every municipality in some way or another. We must prepare now so that municipalities are in the best position to implement the anticipated law. Please contact your Legislators immediately and let them know your feelings on the issue. Further, we urge you to prioritize the issues identified by the NJLM, NJCM and the NJUMA, that being the need to increase the 2% local option tax so that taxpayers are made whole and full funding and expansion of the expungement provisions.

[The League's November 27 letter](#) has additional details as does the [PDF of the free webinar offered by the League on November 30](#) and the Cannabis Legalization web page: <http://NJLM.org/969/cannabis-legalization>.

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### **c. Vegetation Management Bill Held From Senate Vote**

Last week, [S-2505](#), known as the “Vegetation Management Response Act” was scheduled for a full vote before the Senate. The League opposed the bill as it would give electric utility companies complete discretion to clear, move, cut, or destroy vegetation growing in, near, or adjacent to the utility’s right of way and without input from municipal officials. We urged our members to contact their legislators to express those concerns.

Thanks to your calls, S-2505 was removed from the scheduled vote and the bill’s sponsors have met with the League. While serious concerns remain we are hopeful that with an open dialogue amongst interested stakeholders may result in a solution that achieves the sponsors’ goals and preserves local discretion.

Meanwhile it is still important for you to continue to contact your legislators to express your concerns. Your legislator’s contact information can be found using the [state’s website](#) which breaks this information down by municipality. And, for more information on the implication of S-2505/ A-2558 please see our daily alert from [December 14](#).

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### **d. Creation of Gateway Commission Advances**

Yesterday the Senate Transportation committee approved S-3410. This bill will transition the current nonprofit Gateway Corporation to a Gateway Development Commission, which would act under federal law as the coordinating agency for the purpose of receiving and distributing public and private funding for the Gateway Project.

The new commission would include one member appointed by the board of NJ Transit, one by the commissioner of the New York Department of Transportation, and one by Amtrak. It also provides for a rotating chairmanship between New Jersey and New York and requires the unanimous vote of all three members for the commission to act.

The bill also authorizes the commission to apply for grants and funding, obtain loans, and issue bonds, as well as to acquire property. New York State will need to approve similar legislation and is in the process of doing so.

League President Colleen Mahr, Mayor of Fanwood, presented supportive testimony, citing the Gateway project as a top priority for the League and local officials statewide.

S3410, sponsored by Senator Patrick Diegnan, is now 2<sup>nd</sup> referenced to the Senate Budget and Appropriations Committee. Assembly companion legislation has been introduced by Speaker Craig Coughlin and Assemblyman Dan Benson.

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## II. Federal Issues

### NJLM 1st VP Jim Perry Visits NJ Congressional Delegation

On Wednesday and Thursday of this week, League First Vice President, Committeeman Jim Perry of Hardwick joined the National League of Cities and municipal colleagues from all around the Nation in Washington, DC to discuss local concerns with Members of Congress. The event, arranged by the Federal Advocacy team of National League of Cities, involved meetings in the Washington offices of, among others, Representatives Josh Gottheimer, Andy Kim, Bonnie Watson Coleman, and Frank Pallone. 1st Vice President Perry's conversations focused on the need for bipartisan action on an Infrastructure package, the importance of protecting municipal financing tools like municipal and private activity bonds, opposition to federal regulatory preemption of municipal powers, the need for increased attention to the opioid epidemic, and the importance of adopting full fiscal year spending bills to end the ongoing drama of stop-gap resolutions and shutdown threats.

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## III. League Conference Follow Up

### Do Not Forget to Claim Your CEUs from the 2018 NJLM Annual Conference!

Attention Municipal Officials! Do Not Forget to Claim Your CEUs from the 2018 NJLM Annual Conference! Please go to [our website](#) to claim your credits.

## IV. Also of Interest

### NJ Future Redevelopment Forum

New Jersey is struggling with outdated infrastructure, congested roads, and polluted water.... but solutions are within reach. Learn about how redevelopment can achieve efficient, equitable, and sustainable growth in our state at New Jersey Future's [Redevelopment Forum](#) March 8 in New Brunswick.

For questions call NJ Future 609-393-0008.



New Jersey State League of Municipalities

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