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October 4, 2019

- I. State Issues
- II. Federal Issues
- III. Annual League Conference
- III. Also of Interest

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

I. State Issues

a. Court Dismisses States' SALT Deduction Lawsuit

Earlier this week the U.S. District Court [dismissed a lawsuit](#) brought by four states, including New Jersey, that challenged the cap on state and local ("SALT") tax deductions imposed as part of the 2017 tax reforms. The lawsuit was part of efforts from states like New Jersey, that rely heavily on property taxes, to overturn the cap, which many believe will have an unproportioned negative impact on the Garden State – with some worrying that the cap on SALT deductions would drive down property values.

The dismissal of the lawsuit does not end efforts to remove the cap on SALT deductions. Federal lawmakers from NJ and other states have been working on legislation that would either undo the cap or alternatively, increase the \$10,000 limit. We will be sure to keep our members updated on this important issue.

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

b. State Health Benefits Open Enrollment Period

For those municipalities that offer health benefits through the State Health Benefits Program (SHBP) the open enrollment period has begun and continues to October 31, 2019. Changes made during open enrollment will take effect on January 1, 2020. There

have been changes for plan year 2020. The major change is that Horizon Blue Cross Blue Shield will be the sole administrator for all active employee SHBP plans. Aetna will continue to administer the Aetna Dental Expense Plan, Aetna DMO and Medicare Advantage plans for retirees. Employees covered under the Aetna plans will be automatically enrolled into the corresponding Horizon plan.

In addition, a new Preferred Provider Organization (PPO) model was created for local government employees, NJ Direct 2019. Finally, beginning November 1, 2019 copays for generic prescriptions filled by the mail order service will be \$0 for a 90 day supply.

For more information visit the Division of Pension's [Open Enrollment website](#).

Contact: Lori Buckelew at lbuckelew@njlm.org or 609-695-3481, ext. 112.

c. Looking Ahead to Lame Duck: Path to Progress Health Benefit Reforms

As noted in the [Path to Progress Report](#), “while major savings have been achieved over the past 16 years, health benefit costs for employees and retirees are projected to grow by \$700 million over the next four years. Because the State self-funds its health care coverage, almost 90 percent of that cost increase will be borne by taxpayers.” To that end the core recommendation of the working group is to “shift from Platinum-level health care coverage to Gold-level coverage for state employees, state retirees, and teacher retirees with an actuarial value of 80 percent that is comparable to the best private sector corporations in New Jersey after FY2019 when state collective bargaining contracts expire.”

The report estimates that this shift would “save an estimated \$587million on employee and retiree health care premiums for the State budget and \$69 million for current State workers on their premium cost-sharing payments in FY2020, with savings projected to rise to \$675million for the State and \$79.7 million for employees in FY2023. County and municipal governments and school districts currently enrolled in the State Health Benefits Plan and School Employees Health Benefits Plan would save at least \$600 million per year for property taxpayers and over \$100 million for employees by a similar shift when their contracts expire over the next several years. Total local government savings would top \$1.4 billion for taxpayers and \$230 million for employees if all plans made the same shift.”

Senate President Sweeney and Senators Oroho and O’Scanlon have introduced [S-3754](#), which would terminate the School Employees Health Benefits Program (SEHBP), the State Health Benefits Program (SHBP) Plan Design Committee and transfer coverage from SEHBP to SHBP as well as require that certain plans are offered with no employee or retiree contributions and impose limits on health care benefits for public employees. To read more on S-3754 please see our [October 1 blog post](#).

Contact: Lori Buckelew at lbuckelew@njlm.org or 609-695-3481, ext. 112.

II. Federal Issues

a. Continuing Resolution Averts Federal Shutdown

A Continuing Resolution (CR) will allow our Federal government to operate through November 21. The legislation also extends the life of the National Flood Insurance Program (NFIP) to that same date. In the interim, discussions on actual FY 2020 appropriations and on a more permanent reauthorization of the NFIP (as well as Temporary Assistance for Needy Families (TANF), the Export-Import Bank, and other programs) will continue.

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

b. SAFE Banking Act Advance

On September 25, by a vote of **321 to 103**, the United States House of Representatives passed [H.R. 1595](#), the Secure and Fair Enforcement Banking Act of 2019 or the SAFE Banking Act. This bill would better allow financial institutions to provide banking and insurance services to cannabis-related businesses. The bi-partisan bill now awaits consideration by the U.S. Senate Committee on Banking, Housing, and Urban Affairs. Although support appears to be increasing the bill has a far less certain future in the Senate.

The [National League of Cities \(NLC\) supports](#) the passage of the SAFE Banking Act. While they remain agnostic on the choices of individual states and municipalities to permit any use of cannabis, they continue to strongly support sensible policy, such as the SAFE Banking Act, that better enables local leaders to protect the public's safety. Last year, the legal cannabis industry ballooned to more than [\\$10.8 billion in legal sales](#) nationwide, and 68 percent of the American public now live in a state that has broadly legalized some form of cannabis use. Despite the widespread proliferation of legal cannabis, banks have continued to shun the industry out of fears of legal exposure under federal banking laws. As a result, local governments continue to face a rapidly growing unbanked industry within their community. The industry's lack of access to basic financial services and reliance on cash-only models poses very real public safety threats and tax collection challenges for these municipalities.

A few small financial institutions have already chosen to provide services to cannabis-related businesses, but they do so at their own risk and do not resolve the mounting challenges and threats posed to our communities under current law. Although the bill does not satisfy all of NLC's cannabis-related concerns, it addresses the most significant one: the industry's lack of access to safe, federally regulated financial services.

Contact: Lori Buckelew at lbuckelew@njlm.org or 609-695-3481, ext. 112.

III. Annual League Conference

a. View the NJLM Annual Conference List of Exhibitors

The exhibit hall at the conference is almost sold out with nearly 700 exhibitors displaying their products and services in over 1,000 booths. Review the full list on the [Interactive Floor Plan](#) and on the [conference app](#) to make your schedule and save a list of the exhibitors you would like to visit. The exhibitors are eager to provide education and solutions to your challenges!

Contact: Kristin Lawrence, Director of Exhibition and Sponsorships, 609-695-3481 x125, klawrence@njlm.org.

b. Reserve Your Hotel for the Annual League

Preparations for the Annual League Conference, November 19-21, are underway and the hotel reservations system is open for attendees and exhibitors at the [League Conference webpage](#).

There you will also see a preliminary schedule of conference sessions. Staying in Atlantic City for the Conference is a great way to get the most from your attendance at the Conference. Staying over will maximize your time and opportunities to participate in the educational, informational, and networking opportunities offered throughout the Annual League Conference.

c. Unauthorized Hotel Reservation Services

Every year unauthorized firms solicit housing and hotel reservations from attendees at the 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 the League 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 and you will not 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@njlm.org, 609-695-3481 x116.

IV. Also of Interest

a. Police and Fire Contract Provisions – New Data Just Released

Are you getting ready to head into negotiations?

The Police and Fire Labor Data Service provides resources tracking the trends in police and fire contract settlements. The service includes data in Microsoft Excel files. Included are selected contract provisions, such as agreement years, college provisions, travel reimbursement, vacation and longevity schedules, health benefits, and more. Visit the League's website for the [full list of provisions included](#). Also included are department salary scales, which include a calculation of horizontal and vertical increases for each

year.


The League's goal is to provide its membership with the most current data for the most departments across the State. We began collecting this data in January 2019, and will continue collecting through 2020. However, because we know how important and time sensitive this information is, we are releasing the data in two editions. Available now is the first edition, with all data that has been collected thus far. The second edition is expected to be available as early as March 2020. Once the additional data for the second edition is available, it will be emailed automatically to all those that purchased the first edition.

This first edition includes data for approximately 330 police departments and 50 fire departments. The data is available electronically, allowing you to easily search and sort through information as it best applies to your municipality.

The Police and Fire Labor Data Service is part of the League's Bureau of Municipal Information.




To order visit the League's website and [complete the order form](#).

Contact: Suzanne Allen, sallen@njlm.org, 609-695-3481 x129.




222 West State Street, Trenton, NJ 08608
Phone: 609-695-3481 Web: www.njlm.org

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