

March 29, 2018

RE: WEEKLY UPDATE

- I. State Issues
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- III. League Conference Follow-up

Dear Mayor:

I. State Issues

a. Bill to Transfer of PFRS to a Labor-Management Board on Governor's Desk

On March 26, both the Assembly and Senate passed [S-5/A-3671](#), which transfers the management of Police and Fire Retirement System (PFRS) to a Board of Trustees of PFRS. The vote in the Senate was 34-2, with Senators O'Scanlon and Doherty voting no. In the Assembly, the vote was 67-2-7, with Assemblywoman Handlin and Assemblyman Thomson voting no. In voting in support of the legislation, some legislators argued that the bill provides greater protection for both taxpayers and employees, as the Board would have a fiduciary responsibility to PFRS members and the primary obligation of the board is to direct policies and investments to achieve and maintain the full funding and continuation of the system. We respectfully disagree with this sentiment.

Please contact Governor Murphy at (609)-292-6000 expressing opposition to this bill until it is amended to add the necessary safeguards advocated by the League, the Conference of Mayors (NJCM), and the Association of Counties (NJAC.)

For more information please see our [March 27 alert](#).

Contacts:

- Michael F. Cerra, Assistant Executive Director, mcerra@njslom.org, 609-695-3481 x120.
- Lori Buckelew, Senior Legislative Analyst, lbuckelew@njslom.org, 609-695-3481 x112.

b. BPU Public Hearings on Storm Power Outages

The Board of Public Utilities (BPU) [announced](#) the first two of five public hearings on the electric companies' response to the most recent storms. The hearings, in the JCPL service area, are scheduled for:

- April 5, 4:00 p.m. to 7:00 p.m. at Byram Intermediate School, 12 Mansfield Drive, Byram
- April 12, 4:00 p.m. to 7:00 p.m. at Parsippany Town Hall, 1001 Parsippany Blvd, Parsippany

Additional hearings will be scheduled in Hunterdon County, Bergen County, and southern New Jersey areas.

Written comments may also be submitted via email to board.secretary@bpu.nj.gov or in writing to Aida Camacho-Welch, Secretary of the Board, Board of Public Utilities, 44 South Clinton, Avenue, 3rdFloor, Suite 314, PO Box 350, Trenton, New Jersey, 08625-0350.

Contact: Lori Buckelew, Senior Legislative Analyst, lbuckelew@njslom.org, 609-695-3481 x112.

c. Governor's Detailed Budget Available

Acting Treasurer Elizabeth Maher Muoio announced Wednesday that Governor Murphy's [Detailed Budget book for FY 2019](#) is now available online through the Department of the Treasury's Office of Management and Budget website.

The book, which details the Governor's proposed \$37.4 billion plan to help build a stronger and fairer New Jersey, serves as a policy document, an operations guide and a financial plan. It includes summaries of appropriations; revenues, expenditures and fund balances; and detailed department-by-department appropriations data, as well as budget language recommendations.

The [Budget in Brief](#), which has been available online since the Governor's budget address, serves as a more concise snapshot of the Governor's spending proposals.

League President, Mayor James Cassella of East Rutherford, is scheduled to present the municipal perspective on the proposal to the Senate Budget and Appropriations Committee, next Tuesday, in Glassboro. On April 9, Mayor Cassella will share our concerns with the members of the Assembly Budget Committee in Trenton.

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

d. 2020 Census: NJ to Join Lawsuit Challenging Census Question

On Wednesday, Attorney General Grewal announced that New Jersey [will join](#) a multi-state coalition, led by the State of New York's Attorney General, in suing the federal government to block the inclusion of a proposed citizenship question in the 2020 Census. On March 26, US Commerce Secretary Ross [announced](#) that the Census would include a question on citizenship and that the Census Bureau would use the remaining two years to 2020 Census to further enhance its administrative record data sets, protocols, and statistical models to provide complete and accurate data. The lawsuit, which names the US Department of Commerce and US Census Bureau, challenges the addition of the question as a violation of the US Constitution. The lawsuit further argues that such a question threatens the fair representation of states with large immigrant communities by driving down participation in immigrant communities.

A lowered count in ethnically diverse States, like New Jersey, could jeopardize proportional representation in the U.S. House and threaten the fair apportionment of federal funding. New Jersey residents already pay far more in federal taxes and fees, than the residents of most other States. At the same time, New Jersey receives less, in terms of federal employment and economic support.

Contact: Lori Buckelew, Senior Legislative Analyst, lbuckelew@njslom.org, 609-695-3481 x112.

e. State AG Updates Terrorism Directive

On Monday, the State's Attorney General issued an update to [Directive No. 2016-7](#). When first issued, Directive No 2016-7 required all local law enforcement agencies to report within 24-hours all, "suspicious activity with a possible nexus to terrorism" to the New Jersey Office of Homeland Security and Preparedness (NJOHSP). This update makes three notable changes.

First, the definition of suspicious activity has been expanded to more accurately reflect current threats. Suspicious activity now includes, "any and all threats of violence generally to any public location or mass gathering area" and "threats of violence specifically to any school, workplace, or house of worship, or other criminal activity related to terrorism."

Second, prior to the updates, local law enforcement was required to report threats to the NJOHSP within 24-hours. Now, they will be required to immediately report threats to the NJOHSP and their County Terrorism Coordinator.

The third notable change to the Directive requires the NJOHSP to immediately share information it receives regarding suspicious activity with Federal law enforcement officials as well as all 21 County Terrorism Coordinators.

This information should be shared with your public safety officials to ensure that your municipality is in compliance with the updated Directive.

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

f. UEZ Extension Bills Amended

On Monday, the Assembly amended both [S-846](#) and [A-3549](#), bills designed to reinstate benefits to certain businesses in five municipalities, where the Urban Enterprise Zone (UEZ) designation lapsed some 15 months ago. The bills would also extend the designation in other municipalities where it is set to expire over the next few years. The bills are now identical and await action in the General Assembly.

Municipalities that host UEZs have higher than average unemployment rates, lower than average per capita and household incomes, and the vast majority are also home to high percentages of tax exempt properties. The UEZ Program offers incentives to participating businesses, designed to encourage business growth, provide jobs, and stimulate local economies. To qualify for these advantages, a business must agree that 25 percent of its workforce will include either local residents, or State residents who have been unemployed for at least a year, or both.

The League of Municipalities had strongly supported, S-846/A-3549, as introduced. In its original form, this proposal would have greatly benefitted New Jersey municipalities most in need. While recent amendments dilute the benefits, we support S-846/A-3549, in their current form. On Wednesday, the bills were also endorsed by the State's Sales and Use Tax Review Commission.

As currently drafted, S-846/A-3549 will reactivate UEZs in those five towns, and extend UEZs in communities where they are slated to expire within the next five years, until December 31, 2023. As amended, the bills would now direct all sales tax proceeds, collected by participating businesses, in those municipalities where UEZs will be reactivated or extended until December 31, 2013, to the State's General Fund.

The current bill now requires the Department of Community Affairs to conduct a review and analysis of the UEZ program and report the authority's findings and recommendations to the Governor and the Legislature no later than one year after the effective date of the bill.

We thank the sponsors for their efforts on behalf of many of our most challenged municipalities. We support S-846/A-3549. We have asked Speaker Coughlin to post these bills, as soon as possible.

II. Federal Issues

a. Municipalities Win with Federal FY 2018 Appropriations Act

Late last week, the President signed the Omnibus [Consolidated Appropriations Act of 2018](#) into law. As we reported last week, the bill includes significant increases in some key municipal priorities.

We want to thank all of you who reached out to your colleagues in Federal office on this long-awaited, bipartisan compromise. We also want to thank our friends at the National League of Cities (NLC) for their advocacy, on our behalf, day in and day out, in our Nation's Capital. And especially, we want to thank all the Members of our State's Congressional delegation for their efforts to protect and strengthen the Federal-State-Municipal partnership of service to our citizens and businesses.

We've come a long way from last March when the new Administration proposed a FY 2018 budget that would have eliminated \$54 Billion from programs that municipalities use to better serve their citizens and businesses. In response to that proposal, NLC launched its [#FightTheCuts](#) campaign. After six months of stalemate and a series of Continuing Resolutions, Congress rejected the austerity budget and approved [The Bipartisan Budget Act of 2018](#), which increased the overall amount of federal funding available for fiscal years 2018 and 2019 by nearly \$300 billion.

For more, please see our [Town Crier blog post of March 29](#).

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

III. League Conference Follow- Up

a. Claim Your CEUs from the Annual Conference

Attention Municipal Officials! Do Not Forget to Claim Your CEUs from the 2017 NJLM Annual Conference! Please click on the following link to claim your credits: www.njslom.org/confceu.

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 x125 or klawrence@njslom.org. Information is also available on njslom.org/exhibit

Sincerely,

Michael J. Darcy, CAE
Executive Director