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May 4, 2018

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I. State Issues

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

Your immediate assistance is needed. As we previously reported, <u>S-5/A-3671</u>, which transfers the management of Police and Fire Retirement System (PFRS) to a Board of Trustees of PFRS with majority labor control, now awaits action by the Governor. **Governor Murphy has until on or about next Thursday, May 10, to act on this bill**. It is imperative that the Governor's office hear from local officials on this very concerning proposal.

Please either call the Governor at 609-292-6000 or your contact in the Governor's IGA office to express 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 http://njslom.org/ArchiveCenter/ViewFile/Item/678

Contacts: Michael F. Cerra, Assistant Executive Director, <u>mcerra@njslom.org</u>, 609-695-3481, x120.

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

b. Governor Signs Charitable Trust Legislation

On May 4 in East Rutherford, Governor Murphy signed <u>S-1893</u>, which permits municipalities, counties, or school districts to establish one or more charitable funds, each

for specific public purposes; and permits property tax credits in association with certain donations. This legislation is a response to the loss of the SALT property tax deduction. The new law will take effect on July 3, 2018. The state is in the process of drafting rules to implement the law. We will continue to share updates as they become available. For more on the new law please read our blog post.

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

c. Governor Signs Earned Sick Leave Legislation

On Wednesday, Governor Murphy signed A-1827, which requires employers to provide earned sick leave to employees they employ in New Jersey. All employers, including local governments, will be required to provide employees with one hour of earned sick leave for every 30 hours worked at the same rate of pay, and with the same benefits as the employee normally earns. The bill does provide an exemption for Civil Service municipalities. In addition, after October 29 counties and municipalities are prohibited from adopting new requirements regarding earned sick leave, and the provisions of the bill preempt existing local requirements. For more please see our blog post. We suggest you review your existing policies and the new law with your labor attorney and administrator.

Contact: Michael F. Cerra, Assistant Executive Director, <u>mcerra@njslom.org</u>, 609-695-3481, x120.

d. Property Tax Relief Funding Shortfall Calculator Posted

Our thanks to Wharton Borough Administrator Jon Rheinhardt, who has developed a tool that any municipality can use to measure the annual, and cumulative, gap between the amount of ETR and CMPTRA property tax relief funding the municipality actually received through the State, and the amount that the town WOULD HAVE received, if the State budgets had complied with provisions of the Property Taxpayers' Protection Act of 1999 (PTPA).

The <u>Property Tax Relief Shortfall Calculator</u> will allow your Finance Officer to input the amounts of ETR and CMPTRA funding that was actually distributed for the benefit of your taxpayers. It will then automatically determine the amount of relief that your taxpayers SHOULD HAVE received, under the PTPA.

The PTPA, Chapter 168, P.L. 1999, was meant to assure municipalities and their taxpayers that their ETR and CMTRA relief would never stagnate in the face of inflationary pressures. It calls for annual inflationary adjustments in the distribution of ETR, beginning in 2002 (SFY 2003), and in the distribution of CMPTRA relief, beginning in 1999 (SFY 2000).

When the PTPA was introduced in the Legislature, its sponsor had this to say.

"This legislation is important to me because I believe it represents more than direct property tax relief. I believe it represents the kind of commitment from the state of New Jersey that our municipal officials and even our property taxpayers are looking for from Trenton. This initiative provides proof positive that we in the Legislature recognize the effort being made by our municipalities to keep New Jersey's communities strong and

vibrant and that we are ready to lend a hand.

"Being a mayor in the new millennium shouldn't be a high wire act. And even if it is, Trenton should be prepared to provide a wider financial net. The Property Taxpayers' Protection Act is a major step in that direction."

However, because provisions included in the State's annual Appropriations Act can supersede, during that State Fiscal Year, provisions in permanent law, it is common for State budget makers to skirt this responsibility. In fact, it has become the rule, rather than the exception.

Instead of any increase in ETR and CMPTRA relief funding, local leaders have been forced to balance their budgets, and account for the impact of inflation, with less. Funding cuts and funding shifts, along with inflation, have diminished the property tax relief potential of these vital programs. In 2001, ETR and CMPTRA provided \$1.6 billion in Statewide relief. This year, the total proposed for distribution equals \$1.4 billion. And that amount includes over \$63 million that have been shifted, during recent years, from the Discretionary Aid program, to CMPTRA. If adjusted for inflation, 2001's \$1.6 billion would be \$2.3 billion today.

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

II. League Conference

a. 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.

III. Also of Interest

a. League New Website Announcement

In case you missed it, the League recently launched a completely redesigned website; a project NJLM staff has been working on for nine months. Our web address remains the same, www.njslom.org, but the site has a completely different look and interface, which will improve user convenience. Some of the many new features of the site include:

- Subscription options for tailored alerts (for instance, users can subscribe to receive alerts when the job/RFP page is updated, or to receive emails each time a seminar is added to the seminar calendar). Click here to subscribe to alerts.
- Improved and responsive search function.

- A rotating photo banner atop each webpage with photos highlighting the state's many great features and locations, and currently featuring our recent Show Off Your City contest winner - Verona Township!
- A site map and quick links to aid site navigation.

We hope that the new site improves your experience navigating the League's website!

