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May 24, 2019

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

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

I. State Issues

a. Expansion of Medical Marijuana Passes

On Thursday, the General Assembly passed A-10, which expands access to medical marijuana by a vote of 65-5-6. This legislation establishes the Cannabis Regulatory Commission (CRC) to oversee the regulation of medical cannabis in the state, including the expansion of access to medical marijuana for patients with a diagnosed medical condition and the regulation of the four types of permits authorized by the Act. Under the act, patients could obtain up to 3 ounces of medicine per month, for 18 months, an increase from the current 2 ounce maximum. After that, the CRC will set the maximum amount that may be prescribed.

A-10 includes the following provisions:

- 1. Caps the number of cultivation permits to 23, with an 18 month exception to the limit for microbusiness;
- 2. Allows 7 alternative treatment centers to concurrently hold cultivator; manufacturer and dispensary permits. (All other entities can hold only one class of permit, and only one permit for that class.);
- 3.Allows the CRC to approve any medical cannabis dispensary permit holder to operate a medical cannabis consumption area, provided there is an endorsement from the municipality and permits municipality by ordinance to authorize the operations of local

endorsed medical cannabis consumption areas;

- 4. CRC must consider proposed location including zoning approvals, provided there is a letter or affidavit from appropriate municipal officials and there is proof of local support, such as a resolution of the governing body; and
- 5. Authorizes a municipality with a medical cannabis dispensary may adopt an ordinance imposing a transfer tax on any medical cannabis dispensed by the dispensary. The rate is at the discretion of the municipality and cannot exceed 2%.

The Senate is expected to take action on this bill and its companion, S-10, next Thursday, May 30.

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

b. Interest Arbitration Cap

The temporary 2% cap on police and fire arbitration contract awards was an effective tool to control increasing salary costs and provided a solution to assist local governments in keeping property taxes down and costs under control. As predicted, the failure to permanently extend the 2% cap on binding interest arbitration awards in December of 2017 has inequitably altered the collective bargaining process in favor of labor and at the expense of property taxpayers.

In fact, municipal and county officials from across the State are once again urging State leaders to permanently extend the 2% cap on binding interest arbitration awards as police and fire unions have been aggressively leveraging the expiration of the Interest Arbitration cap to win contracts in excess of the 2% tax levy cap imposed on local governing bodies for nearly a decade.

As has been well documented, the 2% cap on binding interest arbitration awards established clear parameters for negotiating reasonable successor contracts that preserved the collective bargaining process and took into consideration the separate and permanent 2% tax levy cap. The equation is clear; failure to renew and permanently extend the 2% cap on binding interest arbitration awards is unsustainable without increasing property taxes or eliminating essential services.

The League continues to work with our partners to permanently extend the 2% cap on binding interest arbitration awards.

Contacts:

- Lori Buckelew, Senior Legislative Analyst, lbuckelew@njlm.org, 609-695-3481 x112
- Michael F. Cerra, Assistant Executive Director, <u>mcerra@njlm.org</u>, 609-695-3481 x120.

c. Assembly Judiciary Committee Approves Bill Intended to Correct Municipal Liability Standards

Earlier this week the Assembly Judiciary Committee reported <u>A-5392</u> out of committee, readying the bill for second reading in the Assembly. The intent of A-5392 is to establish liability standards for public entities, identical to the standards applied to non-profit

organizations, in cases regarding sexual abuse.

A-5392 comes in response to concerns raised by the League and echoed by the Governor over a bill signed into law last week dealing with the extension of the statute of limitations, and expansion of categories of defendants in civil actions based on sexual abuse.

Without the intended corrective action of A-5392 public entities would be held to a different liability standard than non-profit organizations.

We are currently working with the sponsors to review S-3739/A-5392 in order to ensure the intent of the bill is properly effectuated. We would like to thank Senators Vitale and Scutari, and Assemblywoman Quijano, the sponsors of this legislation, and the Governor's office for listening to the League's concerns. We also commend these legislators for the efforts in this important matter.

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

II. Federal Issue

a. House Makes Progress on Infrastructure

On Thursday, in Washington, the House Appropriations Committee's Subcommittee on Transportation, Housing and Urban Development, and Related Agencies approved by voice vote its fiscal year 2020 bill. In total, the legislation provides \$137.1 billion in budgetary resources, an increase of \$6 billion above the 2019 enacted level and \$17.3 billion above the President's budget request. The bill next heads to the full Committee for markup.

Specifically, the bill provides a total of \$86.6 billion in total budgetary resources for the Federal Department of Transportation (DOT) - \$167 million above the 2019 enacted level and \$3.7 billion above the President's budget request. Of this amount, the bill includes:

- \$1 billion for **National Infrastructure Investments (TIGER/BUILD)**, \$100 million above the 2019 enacted level and equal to the President's budget request.
- \$10 million to start a new **Highly Automated Systems Safety Center of Excellence**. This program was not in the 2019 enacted bill or the President's budget request.
- \$17.7 billion for the **Federal Aviation Administration** (**FAA**), \$267 million above the 2019 enacted level and \$614 above the President's budget request.
- \$48.9 billion for the **Federal Highway Administration**, \$404 million below the 2019 enacted level and \$1.7 billion above the President's budget request.
- \$677 million for the Federal Motor Carrier Safety Administration, \$10 million above the 2019 enacted level and \$1 million above the President's budget request.
- \$1 billion for the National Highway Traffic Safety Administration, \$44 million above the 2019 enacted level and \$81 million above the President's budget request.
- \$3 billion for the **Federal Railroad Administration**, \$96 million above the 2019 enacted level and \$877 million above the President's budget request.

- 350 million for Consolidated Rail Infrastructure and Safety Improvements, \$95 million above the 2019 enacted level and \$20 million above the President's budget request.
- \$350 million for Federal-State Partnership for State of Good Repair, \$50 million below the 2019 enacted level. The President's budget request proposed eliminating this program.
- \$2 billion for **Amtrak**, \$50 million above the 2019 enacted level and \$1.1 billion above the President's budget request.
- \$700 million for **Northeast Corridor Grants**, \$50 million above the 2019 enacted level and \$375 million above the President's budget request.
- \$1.3 billion for **National Network Grants**, equal to the 2019 enacted level and \$681 million above the President's budget request.
- \$13.5 billion for the **Federal Transit Administration**, \$60 million above the 2019 enacted level and \$1.1 billion above the President's budget request.

Once approved by the full Appropriations Committee, the bill would advance for a House Floor vote. We will keep you posted on further actions, if any, on this crucial infrastructure initiative.

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

III. League Conference

a. Reserve Your Hotel for the League Conference: June 1

Preparations for the 104th Annual League Conference November 19-21 are underway and the hotel reservations system will be open for attendees and exhibitors on June 1 at the League <u>Conference Web</u> 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.

b. Exhibit Booth Registration is Open!

Invite your vendors to exhibit at the 2019 NJLM Annual Conference and showcase their product or service to other municipalities. Exhibit space is already 70% sold out so contact your vendors today – or send us a note and we'll reach out to them! The 2019 Exhibitor and Sponsorship Prospectus can be downloaded.

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

IV. Also of Interest

a. Register Now for the One Day Mini Conference

Friday, June 14, 2019

7:30 a.m. - 5:00 p.m. Conference Center at Mercer 1200 Old Trenton Road West Windsor, NJ 08550

For more information on the Mini Conference including Registration and Credit Details please visit the Mini Conference Website.

b. Recycling Reimagined

NLC Report <u>Recycling Reimagined</u> available free online is a resource to help local government discover and pursue more innovative waste management solutions.



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