



From: NJLM - Municipal Clerks [mailto:njlm-clerks@cityconnections.com]

Sent: Tuesday, June 23, 2009 4:17 PM

To: Lashway, Lisa

Subject: from NJLM Urgent

LEAGUE ALERT

Municipal Clerk: Please forward to Mayor and Governing Body.

June 23, 2009-2

RE: I **Urgent Legislative Alert**

A-4048 & SCS-2299,
The NJ Economic Stimulus Act of 2009;
2.5% Commercial Fee Moratorium

Urgent Legislative Alert

June 23, 2009

**RE: A-4048 & SCS-2299, The NJ Economic Stimulus Act of 2009;
2.5% Commercial Fee Moratorium**

Dear Mayor:

Yesterday, the Assembly Budget and Senate Budget and Appropriations Committee moved companion legislation, A-4048 and SCS-2299, the New Jersey Economic Stimulus Act of 2009. We previously reported to you on this legislation in our Dear Mayor letter of June 19. If you recall from our earlier letter, the League raised concerns over whether municipalities, and by extension our taxpayers, would be compelled to make up the lost revenues from the suspension of the 2.5% fee on non-residential development. There were significant amendments to the legislation yesterday, clarifying that if such funding is not available, the obligation does not fall on municipalities. If partial funding is available from the State or Federal government, the municipality only accrues an obligation that is in proportion with the amount of funding provided.

New amendments to the legislation state that, *"the portion of the affordable housing obligation of a municipality attributable to a particular non-residential development shall be **reduced or eliminated**"* when: a) the fee is suspended by law, and b) if there is a

determination within two years of the effective date of the legislation that there is insufficient alternate funding available to a municipality, “in *the same amount as would have been collected*” by the 2.5% fee.

The date of the determination was an issue that emerged late, and there was some consideration to making that determination in 2018 (the end of the COAH 3rd round) or in 2013. The League objected to these dates, since it fails to provide certainty to local decision makers. Working with the administration and sponsors, we were able to secure a more reasonable determination date (within two years of the effective date of the legislation.)

The League, working with the administration and sponsors, was also able to secure language that will require that when the municipality seeks reimbursement from the State for dollars already expended or committed, that the State has 30 days to provide the reimbursement (the same time frame that local governments will be operating under.)

A-4048 and SCS-2299 are omnibus bills that include a number of other economic growth initiatives beneficial to municipalities. In the upcoming days, we will provide a more detailed letter on these bills. In the meanwhile, a summary of these provisions are included in our June 19 letter. Both bills are scheduled for votes in their respective houses on Thursday, and it appears likely that the bills will be approved and sent to the Governor for his consideration.

Questions and comments on this letter can be addressed to Mike Cerra at mcerra@njslom.com or 609-695-3481 x120.

Very truly yours,

William G. Dressel, Jr.
Executive Director

NJLM
222 West State Street
Trenton, NJ 08608

Dear Mayor:

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