



From: NJLM - Municipal Clerks [mailto:njlm-clerks@cityconnections.com]
Sent: Friday, June 26, 2009 3:58 PM
To: Lashway, Lisa
Subject: From NJLM - Mayors Ltr with several issues

LEAGUE ALERT

Municipal Clerk: Please forward to Mayor and Governing Body.

June 26, 2009

RE: I. State Budget Passed
II. FY '08-'09 Supplemental
III. The New Jersey Economic Stimulus Act of
2009
IV. Bills on Governor's Desk
V. Bills passed in Assembly
VI. Bills passed in Senate

Dear Mayor:

I. State Budget Proposal

Both Houses of the Legislature have passed the Appropriations Act that will govern State spending in the next Fiscal Year, beginning on July 1. You can access the bills and other information concerning the budget at the Legislature's website at <http://www.njleg.state.nj.us/>.

In our March 11 letter (<http://www.njslom.org/ml031109b.html>), we analyzed the Governor's Budget proposal. In addition to the municipal property tax relief cuts mentioned in that letter, the final bill shaves \$25 million more from Special Municipal Aid. That puts this year's total municipal losses at about \$56 million, which, when combined with last year's \$154 million, equals about a 10% reduction from FY 2008 totals. As you know, the budget also changes the allocation of CMPTRA and Energy Tax funding, from revenue replacement formulas, to a single formula based on a Treasurer's calculation of need.

Governor Corzine will now review the bill. He may either sign it, as is, or exercise his line-item veto powers. We will keep you posted.

II. FY 2008-2009 Supplemental

In order to bring the State's current budget into balance, on Thursday, June 25, the Legislature passed companion bills, A-4101 and S-2011. These bills would make current year supplemental appropriations of \$20.8 million, current year supplemental cuts of \$27.5 million, and make assorted language changes to the budget.

This initiative includes several provisions whereby dedicated funding will be taken from programs designed to assist local governments and used to finance State responsibilities.

One provision would divert \$7 million from the State Recycling Fund to the State's General Fund. Another would divert \$4 million from the EMT Training Fund and place that amount in the State's General Fund. Also, language would be added to the current year Appropriations Act that would divert \$8 million from the Highlands Property Tax Stabilization Fund and award that funding to the State Police, in order to finance that division's rural patrol responsibilities.

The budget that this bill would alter had already cut municipal property tax relief funding by about \$150 million. And it included a provision that would have asked rural municipalities to pay for State Police services. That provision was overturned by the Local Mandates Council, as it was an unconstitutional unfunded mandate. This diversion of funding, however, does not directly require a municipality to increase property taxes.

We will continue to work with those in the Legislature who appreciate the connection between mandates relief and property tax relief. For further information, contact Jon Moran at 609-695-3481, ext. 121.

III. The New Jersey Economic Stimulus Act of 2009 (A-4048/S-2299)

An omnibus bill that ties together a number of economic development initiatives with the intent to reinvigorate the State's economy was sent to the governor's desk. Among the initiatives are (1) Economic Redevelopment and Growth Grant Plan; (2) Authorization for certain municipalities to fund redevelopment activities by levying special taxes and surcharges; (3) Urban Transit Hub Tax Credit Act; (4) \$15 million dollars to the NJ Affordable Housing Trust Fund.

A-4048/s-2299 was voted out of the General Assembly by 49-27-2 and 23-14 in the Senate. Please refer to our Dear Mayor letter of June 23 (<http://www.njslom.org/ml062309-COAH.html>) for detailed description.

IV. The following bills also received Legislative approval and were forwarded to the Governor's desk.

A-828/S-1816 – Authorizes counties and municipalities to acquire real property, and to resell or lease it with agricultural deed restrictions attached, for farmland preservation purposes.

A-3464/S-2372 – Permits revenue received by municipality as payments in lieu of taxes to increase cap base upon which permissible increases to final appropriations are calculated

under local cap law.

S-1171 – Revises laws restricting operation of personal watercraft and permits local police enforcement.

A-2238 – Requires health benefits coverage for certain therapies for the treatment of autism and other developmental disabilities.

S-1303/A-3062 – Defines “inherently beneficial use” and includes facilities that supply electrical energy produced from wind, solar or photovoltaic technologies.

V. The General Assembly released the following bills which the League opposes.

A-2955 – Permits bid for public works contract to be withdrawn due to error in certain circumstances; permits contracting unit to require financial statement from bidders.

A-3698 – Provides for base and alternate bids for certain public contracts; requires contracting unit to specify basis for determining lowest responsible bid and criteria for selection of alternate bids.

VI. The Senate released the following bill which the League opposes.

S-1538 - Concerns biomass, solar, and wind energy generation on farms.

Senate Bill 2055, which regulates operation of snowmobiles, all-terrain vehicles, dirt bikes and other off-road vehicles, **was not considered** during yesterday’s session.

Very truly yours,

William G. Dressel, Jr.
Executive Director

NJLM

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