

NEW JERSEY ASSOCIATION OF COUNTIES

County Government with a Unified Voice!

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STATE HOUSE NEWS

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TRANSPORTATION TRUST FUND

As previously reported, Senate President Steve Sweeney and Speaker of the General Assembly Vincent Prieto announced that they have reached agreement on a new plan to fund the Transportation Trust Fund (TTF) and to enact a series of tax cuts designed to make New Jersey more competitive. *For counties and municipalities, the new plan restores Local Aid Allocations to its original percentage at \$400.0 million per year, a long term goal and objective of both NJAC and the NSLDM.* The Senate Budget and Appropriations will consider the matter at its meeting later this morning.

The agreement includes a 12.5 percent increase in the Petroleum Products Gross Receipts Tax, a four-cent diesel surcharge and a seven percent tax on non-motor-fuel petroleum products to fund the TTF, which has essentially run out of money for new transportation projects after years of over borrowing. The new gas tax revenue would cover old debt payments, freeing up \$347 million from the general fund for other needs. If passed along to motorists, the gas tax would increase by 23 cents a gallon of which an estimated 35 percent would be paid by out-of-state motorists. The dedicated revenue would generate \$1.2 billion annually, which would support \$2 billion in infrastructure investments each year.

The plan also includes five tax cuts that include: 1) increasing the earned income tax credit to 40% of the federal benefit amount; 2) increasing the New Jersey gross income tax exclusion on pension and retirement income over four years to \$100,000.00 for joint filers, \$75,000.00 for individuals and \$50,000.00 for married/filing separately; 3) phasing out the estate tax over 3 1/2 years and replacing the current \$675,000.00 threshold with a \$2.0 million exclusion; 4) providing an annual income tax deduction on up to \$500 in state gas taxes paid for all New Jersey motorists with incomes up to \$100,000.00; 5) providing a \$3,000.00 personal exemption on state income taxes for all New Jersey veterans honorably discharged from active service in the military or the National Guard.

Governor Christie does not support the plan, and it's unclear at this point if the Legislature will consider an override of the Governor's eminent veto. Meanwhile, the unprecedented shutdown of all work funded by the Transportation Trust Fund (TTF) continues and has forced county and municipal officials across the State to cease

operations at ongoing projects and delay new shovel ready ones that will cost valuable taxpayer dollars in costly delay claims and remobilization costs. Any long-term work stoppages or delays will jeopardize local businesses and economies, and place the safety of residents at risk. NJAC will continue urging State leaders to establish a stable, dependable, and long-term source of dedicated funding for the nearly insolvent TTF; and, to restore Local Aid Allocations to reduce the reliance on the collection of property taxes, promote economic growth and job development, and ensure a safe and reliable transportation network.

CRIMINAL JUSTICE REFORM

NJAC is in the process of collecting data from all 21 counties to accurately quantify the costs associated with implementing and administering Criminal Justice Reform. The data will in general summarize the staff, operational, and capital costs incurred by each county's prosecutor, sheriff, jail warden, and assignment judge. The data will also explore information on the overall county jail population and projected cost savings from a reduced population. This particular survey will not include information on additional social service programs necessary to implement the new law such as job training, counseling, and education for affected inmates. NJAC plans to work with the County Welfare Directors Association of New Jersey later this year to address these services and potential cost drivers.

Additionally, Governor Christie recently directed the Attorney General's Office to review the costs, potential savings, and administrative challenges associated with implementing Criminal Justice Reform through Executive Order No. 211. In summary, the order requires that the Office of Law Enforcement Professional Standards (OLEPS) and Division of Criminal Justice (DCJ) develop a questionnaire to obtain information regarding current case volume and procedures in local police departments, county prosecutor offices, county jails, and sheriff offices. The report further requires the Attorney General to provide an initial report to the Governor within 60 days. NJAC's legal counsel, with input from NJAC and county counsels, are in the process of preparing a legal memorandum that will summarize the course of action NJAC should take in filing a complaint with the New Jersey Council on Local Mandates. NJAC's board of directors will review the legal memorandum and make a recommendation accordingly at its next meeting on September 23rd.

STATUTE OF LIMITATIONS

NJAC plans to contact the sponsors of **SENATE, No. 280/ASSEMBLY, No. 853** (*Vitale D-19/Scutari D-20*)(*Quijano D-20*) to discuss this legislation, which would extend the statute of limitations on certain civil actions, and codify into law the liability of public entities. The Senate Judiciary Committee is expected to consider the measure when it returns from summer recess in the fall.

In summary, this legislation would establish a 30 year statute of limitations for actions arising from the sexual assault of a child on or after the effective date of this Act. The bill would also establish a 10 year statute of limitations for actions arising from the sexual assault of a child that occurred prior to the effective date of this Act, provided that the suit is commenced within 10 years from the date of reasonable discovery of the injury and its causal relationship to the act, or 10 years after a minor reaches the age of majority, whichever date is later. The measure would not preclude the court from finding that the statute of limitations was tolled in action because of the plaintiff's mental state, duress by the defendant, or any other equitable grounds. In general, current law provides that plaintiffs commence personal injury suits within two years from the accrual of the cause of action. Of concern to NJAC, the bill would also provide that, "notwithstanding the provisions of the New Jersey Tort Claims Act N.J.S.59:1-1 et seq., or any other law, public entities would be liable in actions for damages alleging the sexual abuse of a child...."

NJAC applauds senators Vitale and Scutari, and Assemblywoman Quijano, for their laudable efforts to provide the victims of sexual abuse with as many remedies as possible against the persons and entities who were complicit in the abuse by either overt actions or negligence. We look forward to working with the sponsors to discuss the legislation's potential impact on county governing bodies as the measure would eliminate the important protections under the New Jersey Tort Claims Act and make it difficult for public entities to defend themselves with an extended statute of limitations. A-853 is currently in the Assembly Judiciary Committee awaiting consideration.

SHARING COUNTY TAX ADMINISTRATORS

NJAC is urging committees in both house to consider as one of our top legislative priorities, legislation that would authorize counties to share county tax administrators.

NJAC has long been an advocate for sharing and consolidating resources where feasible as cost effective alternatives for providing necessary and often mandated government services in a more reliable and practical manner. Over the past decade, counties have led the way on implementing innovative programs and initiatives that have improved the level of service provided and saved valuable taxpayer dollars. Unfortunately however, several antiquated laws remain on the books and have become significant barriers to moving forward with potential cost saving measures.

One example lies in N.J.S.A. 54:3-7(b), which requires the county board of taxation in each county to appoint a full time county tax administrator. Although the State Treasurer pays the salaries of tax board members, which are appointed by the Governor with the advice and consent of the Senate, county governing bodies pay the salary, and health and pension benefits of their county tax administrator. Current law also requires counties to pay the salaries of all clerical assistants, and for the operation and maintenance of the offices for the tax board and administrator.

Several of our counties have expressed interest in sharing their county tax administrator as a meaningful cost saving measure, but have been advised that such an arrangement is prohibited by N.J.S.A. 54:3-7(b) as it again requires that counties employ their tax administrator on a full-time basis. At a time in which all local governments are struggling to make ends meet by reducing critical staff, essential services, and capital improvement projects, this outdated law imposes an unnecessary barrier to progressively saving taxpayer dollars. **SENATE No. 577** (*Doherty R-23/Sweeney D-3*) is currently in the Senate Community and Urban Affairs Committee awaiting consideration; and, the companion version **Assembly, No. 1644** (*Schaer D36/Mazzeo D-2*) is currently in the Assembly State and Local Government Committee.

ELECTRONIC PROCUREMENT

Late last month, the General Assembly and Senate took action on **ASSEMBLY, No 2220** (*Benson D-14/Webber R-26*) and **SENATE, No. 1729** (*Whelan D-2/Oroho R-24*), which would authorize local governing bodies subject to the "Local Public Contracts Law" and "Public School Contracts Law" to use electronic procurement technologies for such purposes as authorized by the local governing body.

In summary, the measure would authorize local units, joint purchasing units, or cooperative pricing systems to use electronic procurement practices for the following purposes: to purchase electric generation service, electric related service, gas supply service, or gas related service, for use at its facilities so long as the purchase otherwise complies with the provisions of the "Electric Discount and Energy Competition Act"; for the sale of surplus personal property under certain circumstances; and, for the sale of real property that would otherwise comply with the sale and lease provisions of the "Local Lands and Buildings Law."

Additionally, contracts awarded for the administration of electronic procurement practices would be subject to the requirements of the "Local Public Contracts Law," and the "Public School Contracts Law." The bill would also require the Director of the Division of Local Government Services in the Department of Community Affairs, in consultation with other State government entities, to promulgate rules and regulations to effectuate the provisions of the bill. NJAC supports this legislation as it would modernize the procurement process saving valuable time, money, and resources. A-2220 and S-1729 are on Second Reading in their respective houses.

COUNTY ADMINISTRATORS CERTIFICATE PROGRAM

NJAC and the Rutgers University Center for Government Services are pleased to once again host the 2016 "New Jersey County Administrators Certificate Program." This unique professional development work shop is open to all local government employees, elected officials, and business executives who would like to advance their careers in public procurement, management challenges, fiscal operations, and ethics. Courses will

take place on September 23rd and September 30th at the Rutgers University Center for Government Services located at 303 George Street in New Brunswick, New Jersey. All successful program graduates will receive a certificate from Rutgers University verifying their completion of training. Please visit our website at www.njac.org for additional details.

UPCOMING NJAC EVENTS

Make sure to mark your calendars for NJAC's next board of directors meeting scheduled for 9:30 a.m. in Committee Room 4 of the State House Annex in Trenton. All county officials and NJAC business associates are welcome to join us.

STATE HOUSE TRIVIA

Did you know that the Sandy Hook Lighthouse is the oldest working lighthouse in the United States that was lit for the first time in 1764?

"The key to being a good leader is keeping the people who hate you away from those who are still undecided." - Casey Stengel