

NEW JERSEY ASSOCIATION OF COUNTIES

County Government with a Unified Voice!

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STATE HOUSE NEWS

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BAN ON THE SALE OF INTERNAL COMBUSTION ENGINES

The New Jersey Department of Environmental Protection (DEP) is accepting comments on Governor Murphy's plan to prohibit the sale of vehicles with internal combustion engines by 2035. You may review the proposed rules in their entirety by visiting <https://dep.nj.gov/rules/notice-of-rule-proposals/20230821a/> and may submit comments by the close of business on October 20, 2023.

In general, the proposed rules would incorporate by reference California's Advanced Clear Car II (ACC II) regulation, which will require manufacturers of passenger cars and light-duty trucks to eventually meet an annual zero-emission vehicle (ZEV) requirement. Importantly note that the proposed rules will exempt emergency vehicles and military tactical vehicles as is the case in California. With respect to State and local governments, please review pages 61 – 63 as these pages provide a general overview on the State's expectations for local governments to *"pay greater upfront costs for battery electric vehicles purchased for use in the State and local fleets ... that would be offset by decreased maintenance costs over the life of the vehicles."* The proposed rules further state that *"charging infrastructure will need to be installed or expanded at the State and local government offices to support increased battery electric or plug-in hybrid vehicle use."* Also of note, the proposed rules state *"that the Department does not attempt to calculate the exact amount of revenue lost from vehicle sales, the motor fuels tax, and the petroleum products gross receipts tax because of intervening legislative, regulatory, and policy changes at any time in the next two decades that could radically alter any projection of revenue, and such factors are outside the Department's control and foresight."*

Although we're still in the process of reviewing the proposed regulations, NJAC is initially concerned with the overall financial impact the sweeping reform will impose on businesses, local governing bodies, and property taxpayers as the plan does not quantify necessary capital investments, ongoing operational expenses, certain lost revenues, or the impact on State and local roads and bridges. As is the case with similarly proposed regulations, which will require replacing natural gas boilers with electric ones under certain circumstances, NJAC contends that the State Legislature should be actively engaged in a transparent and comprehensive cost benefit analysis that solicits critical information and data from stakeholders on all sides of the issue, residents, and relevant State departments. NJAC also submits that instead of prohibiting the use of internal combustion engines, the Administration and Legislature should make additional and substantial investments into providing new and creative incentives that promote the use of ZEVs where feasible and of which reflect the will of a local governing body and their constituents.

TRANSPORTATION TRUST FUND

With the Transportation Trust Fund (TTF) set to expire on June 30, 2024, NJAC is urging State leaders to reauthorize the TTF as a stable, dependable, and long-term source of constitutionally dedicated funding necessary to ensure a safe and reliable network of roads and bridges. As a vital component of the TTF, Local Aide Allocations provide critical property tax relief, promote economic growth and development, and protect the public on local roads and bridges that carry approximately 55% of the State’s overall traffic. In general, the “County Transportation Inventory” includes the following with additional data on the current county operation and maintenance needs forthcoming.

COUNTY TRANSPORTATION INVENTORY

CATEGORY	COUNTY INVENTORY
Centerline Miles ¹	6,775
Major Bridges ²	2,556
Minor Bridges ³	4,584
Total Bridges	7,140
Vehicle Miles Traveled %	35%

1. Centerline miles represent the total length of a given road.
2. Major bridges are bridges greater than 20’ in span.
3. Minor bridges are bridges between 5’ – 20’ in span.

In general, in 2016 Governor Christie eventually signed into law legislation that reauthorized the TTF as an 8 year \$2.0 billion per year capital program, which increased the State’s motor fuels tax by .23 cents per gallon; reduced the State’s sales tax to 6.875% in 2017 and then 6.625% in 2018; increased the earned income tax credit from 30% to 35% of the federal benefit amount; increased the New Jersey gross income tax exclusion on pension and retirement income for seniors; provided a personal exemption on State income taxes for all New Jersey veterans honorably discharged from active military service; and, phased out the estate tax by 2018. Under the leadership of then Senate President Steve Sweeney and Senator Steve Oroho, the law increased Local Aid allocations for counties and municipalities from \$190.0 million to \$400.0 million year as outlined in the table below.

CURRENT LOCAL AID ANNUAL ALLOCATIONS TO END JUNE 30, 2024

ALLOCATION	%	AMOUNT	COMMENT
County Local Aid Program	37.5%	\$150,000,00.000	Available as traditional County Aid
Municipal Local Aid Program	37.5%	\$150,000,000.00	Available as traditional Municipal Aid
Local Bridges Fund	11.0%	\$44,000,000.00	Available as Local Bridges Future Needs program monies
Local Freight Impact Fund	7.0%	\$28,000,000.00	Available as DOT Commissioner discretionary funding for freight travel
Local Aid Infrastructure Fund	7.0%	\$28,000,000.00	Available as traditional DOT Commissioner discretionary funding

NJAC looks forward to working with the New Jersey State Association of County Engineers (NJSACE) and a broad coalition of businesses, local governments, and other important stakeholders from across the Garden State in reauthorizing the TTF and protecting current Local Aid allocations.

RECLAIMED ASPHALT

On September 12th, Governor Murphy signed into law **A-4797** (*Karabinchak D-18/Benson D-14*) (*Diegnan D18/Oroho R-24*) as P.L. 2023, c.60, which regulates the amounts of Reclaimed Asphalt Pavement (RAP) that may be used for certain road projects.

In summary, the new law requires the Department of Transportation (DOT) and a local contracting unit, when entering into a contract for a public highway project or local road project, to authorize the contracted party to use up to 35% of recycled materials in base and intermediate pavement courses, and up to 20% recycled materials in surface pavement courses. The measure also establishes certain requirements for the use of recycled materials in the project, including that the asphalt mixture be sent to DOT for approval. In addition, the law requires a local contracting unit, when entering into a contract for a local road project that does not receive State funding, to authorize the use of 50% RAP in base and intermediate pavement courses and 35% RAP in surface pavement courses. The new law further requires the contracted party to provide certification that the mixtures comply with DOT specifications.

NJAC and NJSACE opposed the legislation as introduced and met with the New Jersey Asphalt and Pavement Association (NJAPA) on several occasions to work on a compromise that included the DOT certification as is now required under the law. Special thanks to the leadership at NJSACE for their hard work, resourcefulness, and patience in advocating for important changes now incorporated into the new law.

PROHIBITION OF PRIVATIZATION CONTRACTS

Despite strong opposition for local governments and the business community, NJAC is concerned that the Legislature will consider during the lame-duck session **A-5430/S-1350** (*Reynolds-Jackson D-15/Wimberly D-35*)(*Turner D-15/Greenstein D-14*), which would establish procedures and standards concerning public services privatization contracts.

NJAC is primarily concerned with the fact that this legislation would effectively prohibit the use of privatization contracts by requiring county governments to pay new employees' wages and benefits at a rate not less than the wages and benefits paid to displaced employees. As noted below, counties enter into privatization contracts to recognize important cost savings in salary, wage, pension, and health benefit costs that comprise nearly 65% of overall operating budgets and as one of the only few available resources to manage the ever-increasing property tax burden. NJAC is also concerned that this legislation would create an overly burdensome and unnecessary level of bureaucracy by requiring the Office of the State Comptroller (OSC) to review and approve privatization contracts. Moreover, elected county officials and management should retain the autonomy to enter into privatization agreements that they believe are in the best interest of local residents.

As a means to deliver often mandated services in a more cost effective and creative manner, and without impacting the level of service provided, counties throughout the State have carefully chosen to privatize various services and functions that may include dietary and laundry services at county jails and juvenile detention facilities; maintenance services at county administrative, judicial, and prosecutorial facilities; home health services; risk management services; and, much more. Importantly note that several counties have considered privatizing welfare services and transportation services for the aged and disabled, but ultimately decided against it after conducting comprehensive feasibility studies. For the reasons set forth above, the New Jersey School Boards Association (NJSBA), the New Jersey State League of Municipalities (NJLM), the Government Finance Officers Association of New Jersey (GFOA), the New Jersey Business and Industry Association (NJBIA), and the New Jersey Chamber of Commerce (NJCC) also oppose the measure.

In general, A-5430 would prohibit the State or any political subdivision from entering into a contract of \$500,000 or more to purchase from private entities services previously performed by agency employees, other than legal, management consulting, planning, engineering or design services, prevailing wage construction work, or certain services provided by disabled individuals employed by rehabilitation facilities, unless: 1) the agency solicits competitive sealed bids for the contracts based on a comprehensive statement of requirements by the agency; 2) the contract requires that the public not be charged fares, fees or other charges greater than those currently charged, that the quantity and quality of the services provided equal or exceed the quantity and quality of services currently provided, that the contractor is qualified, and that contractor employees have qualifications and wage and benefit rates at least equal to the agency employees currently performing the services; 3) The agency permits the union of the affected agency employees to review the agency's estimate of current costs and submit an alternative cost estimate and propose cost saving measures compliant with requirements of the bill and the agency reviews the union estimate and proposal and makes a determination whether to reduce the agency's estimate of current costs; 4) The contract requires compliance with antidiscrimination standards, requires available positions to be offered to qualified displaced agency employees, and requires the agency to prepare a plan of training and assistance for displaced employees; 5) The contractor and specified associates have no adjudicated record of substantial or repeated noncompliance with any federal or State law pertaining to the operation of a business, including laws regarding contracting and conflict of interest; 6) After receiving bids, the agency publicly designates the bidder to which it proposes to award the contract and issues a comprehensive written analysis of the total contract cost of the designated bid; and, 7) The agency provides written certification that the agency and the proposed contract are in compliance with all provisions of the bill and the total estimated contract cost is less than the cost of agency employees performing the services, with a statement of the amount of the savings.

The bill would also require the Office of the State Comptroller (OSC) to review the certification and prohibit the agency from entering into the privatization contract if the Office provides a written determination that the bid does not provide cost savings or that the agency has otherwise failed to comply with any requirement under the bill. The legislation is pending consideration in committees in both houses.

UPCOMING EVENTS Don't forget to mark your calendars for NJAC's Year-End Summit on Homelessness set for Friday 12/15 at the historic Trenton Country club with additional details available on our website at www.njac.org.

**THE TOP 5 THINGS TO DO ON A SUNDAY AFTERNOON THIS FALL WHEN YOU'RE A LONG-SUFFERING
NEW YORK JETS FAN**

5. Load the chord of wood that your wife had the firewood guy dump all over your freshly sealed driveway onto the leftover pile of wood from last year.
4. Succumb to apple picking, pumpkin picking, pear picking, blueberry picking, or some other type of manual labor farming activity where you leave with enough produce to last the winter and make several pies, jams, and cobblers.
3. Catch the parkour flying squirrel that your neighbor believes found its way into his attic from a branch on a tree located on your property that's miles away from a window on the side of his house.
2. Make a nice pot of gravy for the season mixed with homemade meatballs, pork neckbones, hot and sweet sausage, tons of garlic, maybe a ½ bottle of red wine, a cup of olive oil, and a little brown sugar.
1. Root for the Eagles and Giants to lose the rest of their games this season.

"There is one quality which one must possess to win, and that is a definiteness of purpose, the knowledge of what one wants, and a burning desire to possess it." Napoleon Hill