

Lashway, Lisa

From: NJLM - Municipal Clerks [njlm-clerks@cityconnections.com]
Sent: Thursday, July 01, 2010 3:46 PM
To: Lashway, Lisa
Subject: League Information



Municipal Clerks for Mayors, Elected Officials and Staff



July 1, 2010

Re: I. July Mayors News Line

Municipal Clerks:

The July version of the Mayors News Line is now available by following the link below:

<http://njslom.org/Mayors-Newsline/July-2010-newsline.pdf>

Re: II. 2.5% Commercial Fee Reinstated

Dear Mayor,

Effective today, July 1, the 2.5% fee on non-residential development is again in effect. If you recall, the 2.5% non-residential development fee was implemented in P.L. 2008, c.46 ("A-500") but suspended a year later by P.L. 2009, c. 90, ("the NJ Stimulus Act of 2009") when only a fraction of the anticipated revenues were generated. For more on the 2009 Stimulus Act, please see [our July 29, 2009 Dear Mayor Letter](#).

The fee is anticipated to be eliminated, or at the very least, reduced, and "de-linked" from housing obligations, under anticipated reforms to the Fair Housing Act. On June 10, the State Senate passed S-1, which eliminates the fee. Governor Christie has expressed support for this legislation. Assembly Leaders have indicated that they intend to "blow up" COAH, but prefer to wait until the fall to move legislation.

Meanwhile, municipalities in COAH continue the process (despite the consensus that the agency will be abolished) and the fee on non-residential development is again in effect.

The League raised strong objections in July 2008 regarding the fee, stating that the fee was inadequate for the housing obligations projected by COAH. Time has demonstrated that the objections raised by the League and the Urban Mayors Association were indeed correct. With the fee suspension ended, these concerns must again come to the forefront.

For guidance on the commercial fee, we suggest the following guidance documents issued shortly after the passage of PL 2008, c.46. Please see the following:

<http://www.njslom.org/TaxAssessorMemo-6-26-08.pdf> and

<http://www.njslom.org/ConstructionOfficialtr6-26-08.pdf>.

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

Very truly yours,

William G. Dressel, Jr.
Executive Director

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