

**JULY 2012**

# **Government Affairs Report**

## **Governor Christie Further Ignites Tax Cut Debate**

The FY2013 State Budget was signed into law a full day before our State's constitutionally set deadline of July 1. However, Governor Christie had advocated for a 10% income tax cut across the board for all NJ residents to be included in the fiscal spending plan. With revenue coming in at a lower projected rate for several straight months, the Democratically controlled Legislature passed FY2013's budget authorizing the tax cut, but only if state revenues come in according to the Governor's projections. Governor Christie then called for a special session of the NJ Legislature in early July, which ignited the tax cut debate further. The Governor stated the income tax cut he proposed would make the state more welcoming for job creators. The special session opened and closed without any legislative action, as the debate now shifts into the late summer months and the upcoming fall session. We will update our members on beneficial tax policies at the State level when they take effect.

## **Solar Energy Bill Signed into Law**

In late July, Governor Christie signed into law legislation that has the potential to bolster the solar energy market in New Jersey. The newly signed law increases the amount of solar energy that utilities must purchase and continues to cap the price of solar renewable energy credits (SRECs). In addition, the law creates incentives to develop solar installations on landfills and brownfields versus farmland and open space. Furthermore, the law will lower energy costs for participating schools and government entities through net-metering energy aggregation. For further information, please contact the Association office.

## **BCANJ Legislative Priorities and Issue/Bill Tracking**

Approximately six months into the 215<sup>th</sup> legislative session, BCANJ is poised to promote and advance legislation that assists the contractors we represent, and defend against bills that lower the standards of the industry. Below is an updated list of issues BCANJ is actively advancing, defending against or tracking.

- Higher Education Public/Private Partnerships
- Interest on Contractor Retainage
- Higher Education Zoning Issues
- Construction Cost Estimates
- Limit Naming of Subcontractors
- Building Material Escalation
- Design-Build Procurement
- 3<sup>rd</sup> Party Construction Inspections
- Standardized Bid Forms
- Permit Extensions
- Soil Remediation
- Changes to Prompt Pay Act
- Alternates' Cost
- Increased Bid Bonds
- Limit Number of Bid Copies
- Flooring Tax Disparities
- Business Incentive Programs

## Construction-Related Bills on Governor's Desk

In the Legislature's final week of activity prior to their summer recess, which began the first week of July, the following bills have passed both the State Senate and General Assembly and have been sent to the Governor for his consideration:

**S-743 / A-1338** (Sarlo, Oroho, Greenwald, Bramnick) – Extends expiration date of certain permits pursuant to the "Permit Extension Act of 2008"

**S-2500 / A-3139** (Sweeney, Kean, Oliver, Bramnick) – Authorizes the issuance of \$750 million in general obligation bonds to finance higher educational capital projects

**S-318 / A-2741** (Whelan, Oroho, Burzichelli, Bramnick) – Provides that subcontractors who furnish non-specialty trade work shall not be named in local public bid documents

**S-2501 / A-3141** (Sweeney, Kean, Coutinho, Lampitt) – Establishes new public-private partnership agreement option for the construction of State and County college facilities

**S-1932 / A-2649** (Weinberg, Lampitt) – Requires public contractors to report gender and race on certified payroll submittals to the NJ Department of Labor

BCANJ has been very active on these measures and will provide updates and further detail after the Governor has taken action.

## NJ U.I. Tax Rates

In late July, New Jersey employers received new tax rates for their Unemployment Insurance (U.I.) contributions for FY2013. A BCANJ-supported initiative was signed into law last year that assisted NJ employers in avoiding an automatic and immediate \$1 billion payroll tax increase. The law limits the triggered increase for this past fiscal year, the current fiscal year and FY2012. The law was designed to help employers absorb the payroll tax increase by shifting tax surcharge columns over several years. The average payroll tax increase will be approximately \$100 per employee over the course of FY2013. Please contact the Association office with any additional questions.

## Legislative Directory

BCANJ has several pocket guides to NJ's 215th Legislature. The directory is a great resource to keep on file that can increase knowledge and provide background information on the State's legislative process. The directory contains leadership organizational charts, district data and contact information for each of the State's 120 legislators. Please contact the BCANJ office for a copy.

*For more detailed information on federal and state government affairs initiatives, please contact Michael Travostino, Government Affairs Director, at the BCANJ office: 732.225.2265, or via email at [mtravostino@bcanj.com](mailto:mtravostino@bcanj.com).*