

# Government Affairs Report

## **New Permit Extension Act Extends Approvals to 2012**

Our country's current economic recession has caused many viable construction projects to be delayed. At the state-level, New Jersey passed legislation in 2008 to combat the economic crisis that forced many projects to be placed on hold. The Permit Extension Act of 2008, fully-supported by BCANJ, extended permits and approvals until July 1, 2010. With our nation facing similar economic conditions that warranted permit extensions in 2008, the NJ Legislature gave final approval to A-4347 which extends any permit approval to December 31, 2012. Requiring contractors to go through the costly and time-consuming permitting process all over again, due to an expired permit, was deemed counterproductive. On January 19, 2010, former-Governor Jon Corzine signed A-4347 into law several hours before his term ended. For more information, please contact the Association office.

## **Constitutional Amendment Preventing UI-Fund Raid Goes to Voters**

Several past administrations of both political parties diverted nearly \$4.5 billion in payroll taxes from the State's Unemployment Insurance (UI), and Temporary Disability Insurance (TDI) funds to assist in balancing the State's budget. When the funds are depleted, employers are faced to pay higher payroll taxes. As you know, employers were faced with a \$350 million UI tax hike last year. With our State's UI fund currently operating in the "red" additional, higher payroll taxes on employers may be in the foreseeable future. However, a bi-partisan measure was passed and signed into law in January that requires contributions collected from assessments on wages to be used for employee benefits and further prohibits the use of these contributions for any other purpose. The constitutional amendment will be on the ballot in the coming 2010 elections this November. If voters ratify the amendment, the State cannot divert funds that support UI benefits or TDI benefits. For more information, please contact the Association office.

## **55<sup>th</sup> Governor and 1<sup>st</sup> Lt. Governor Sworn Into Office**

On January 19, 2010, Chief Supreme Court Justice Stuart Rabner swore Governor Chris Christie and Lt. Governor Kim Guadagno into office at the Trenton War Memorial. The Governor spoke at length on the need to lower taxes and State spending. Restoring the people's trust in government, saving failing school districts, providing parents and children with school choice, and improving our State's business climate were specific highlights covered during the Governor's inaugural address. In a message to members of both political parties, the Governor invited newly elected Senate President Steve Sweeney and Assembly Speaker Sheila Oliver up on stage for a handshake to symbolize their commitment to a bi-partisan approach to our State's problems. For a copy of the inaugural address text, please contact the Association office.

## **Federal News...**

### US Supreme Court Rejects Corporate Spending Limits

In late January, the US Supreme Court overruled two precedents regarding the First Amendment rights of corporations and union organizations, stating that government cannot ban political spending in candidate elections. The ruling, *Citizens United v. Federal Election Commission*, overruled two prior decisions. *Austin v. Michigan Chamber of Commerce*, in a 1990 ruling, upheld restrictions on corporate spending to support or oppose political candidates, and *McConnell v. Federal Election Commission*, in a 2003 ruling, restricted campaign spending by corporations and unions.

The 5-to-4 decision reaffirmed the First Amendment's most basic free speech principle: The US government cannot regulate political speech. The impact of this decision will most likely be visible in the coming midterm elections.

We will track the impact of this ruling on New Jersey political campaigns.

## **Governor Christie Assembles Cabinet and Key Posts**

As you know from B-#12-10, Governor Chris Christie has named various individuals to key positions within the new administration. Since the release of that bulletin, the Governor has appointed Hal Wirths, Sussex County Freeholder Director, to Commissioner of Department of Labor and Workforce Development, and Lori Grifa, former Deputy US Attorney, to Commissioner of Department of Community Affairs. Please refer to B-#14-10 for the latest announcement.

## **Governor Christie Signs Eight Executive Orders**

The first full day of Governor Christie's term was highlighted with the signing of eight Executive Orders (E.O.). Several of the orders surround issues the Governor raised and spoke about candidly during his campaign. The measures speak directly to campaign commitments and promises the Governor made to improve the business climate in our State. Several of the E.O.'s are summarized below.

E.O. #1 freezes proposed regulations for 90 days while they are reviewed for their potential impact on businesses. E.O.# 2 adopts "common sense principles" for State and Authority regulations, which may include the redrafting of existing regulations. In addition, a "time of decision" clause is contained in the order, which mandates rules and regulations cannot be changed or altered after any government-issued application has been accepted. E.O.# 3 creates a "Red-Tape" working group, chaired by our Lt. Governor, to ensure current and/or new regulations are not onerous to businesses. E.O.# 4 prohibits State agencies and independent authorities from imposing unfunded financial mandates on local and municipal governments. E.O.# 7 subjects labor unions to pay-to-play political contribution restrictions currently applicable to NJ businesses. E.O.# 8 creates a "transparency" website within the Department of Treasury that will contain fiscal year budget information, revenue reports and additional state financial disclosures that taxpayers can view to stay informed on New Jersey's financial direction. If you have any questions, or would like a copy of any executive order, please contact the Association office.

## 214<sup>th</sup> Legislature Begins

On January 12, 2010, Senator Steven Sweeney (D-Gloucester) was officially sworn in as Senate President, which marked the beginning of the 214<sup>th</sup> Legislative Session. In addition to the Senate President leadership change, Senator Barbara Buono (D-Middlesex) became the new Senate Majority Leader, while Thomas Kean (R-Union) was reelected to serve as the Senate Minority Leader.

Also, Assemblywoman Sheila Oliver was sworn into office as Speaker of the General Assembly on January 12, 2010. Speaker Oliver became the second woman in NJ history to hold the highest post in the lower house. She also became the second African-American elected as Speaker. Additional leadership positions in the General Assembly include Assemblyman Joseph Cryan (D-Union) who was elected Assembly Majority Leader, and the Assembly Republicans re-elected Assemblyman Alex DeCrose (R-Morris) as their Minority Leader.

The newly-elected Legislative Leaders plan to prioritize fiscal responsibility, reviving the State's economy, and lowering property taxes.

## NJ Transit Contracts

In an effort to promote greater efficiency and standardization, NJ Transit has begun a transition to the procurement of all of its construction contracts exclusively through an electronic bidding system called "Bid Express." State-funded construction contracts are the first to initiate the system, and will continue to be publicly advertised. Each advertisement will specify whether the "Bid Express" system is being used. For information, please contact the BCANJ office.

## Bills Signed

As you know from B-#10-10, Governor Corzine in the final hours of his Administration, signed dozens of bills into law. Several new laws having impact on construction businesses are highlighted below.

*A4268 / S3095 (Cryan, Quijano, Sweeney, Baroni)* - Extends prevailing wage requirements to certain maintenance-related projects.

*A3317 / S2427 (Prieto, Biondi, Sarlo)* - Revises conditions to qualify for exemptions from electrical contracting permit requirements for installation, repair, and maintenance work done by public employees on public property.

*A3698 / S2782 (Wisniewski, Van Drew)* - Provides for specified alternative proposals and base specifications for certain public contracts, and requires contracting unit to specify the basis for determining the lowest responsible bid and criteria for selection of alternate bids.

*A4248 / S3092 (Sweeney, Baroni, Wisniewski, Rumana)* - Prohibits the SDA from restricting the ability of certain firms or persons from competing for contracts in more than one DPMC classification or prequalification category.

If you have any questions on any of these bills, please contact the BCANJ office.

*For more detailed information on federal and state government affairs initiatives, please contact Michael Travostino, Government Affairs Director at the BCANJ office:  
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