

July 2010

Government Affairs Report

Governor Christie Signs Legislation Protecting NJ Businesses and Reforms UI Fund

On July 2, 2010, Governor Christie signed S-1813 into law, which prevented an excessive automatic payroll tax increase on NJ employers. Governor Christie originally conditionally vetoed the measure, which reached his desk in late May. NJ businesses were facing a \$1 billion tax increase unless the Legislature upheld the Governor's conditional veto language. Specifically, the veto language contained a mandate to include key reforms to unemployment insurance benefits for employees who lose their jobs due to misconduct. A three-tier process was recommended (misconduct, severe misconduct and gross misconduct) which prohibits payment of benefits or extends the waiting period to file a claim. This action could result in an estimated annual savings of \$150 million, helping to restore the insolvent fund over time. The Governor's conditional veto language also included the creation of a task force to study the current unemployment insurance crisis and make recommendations that can restore the trust fund in a way that balances the interests of the both the employers and the workers. Ultimately, both houses voted to accept the Governor's veto language recommendations. As you know, NJ's UI Fund became insolvent in March, 2009, which forced our state to borrow \$1.7 billion for the federal government to pay claims. NJ law requires an automatic increase in business payroll withholdings once the fund goes below a certain level. On July 1, if no action was taken, employers would have experienced more than a 50% increase per-employee tax hike, upwards of \$400. With the Governor and Legislature's actions the average increase has been reduced to \$130 per employee. BCANJ strongly supported the measure, along with other business advocacy groups, to help stabilize rising business costs during a strenuous economic climate. For further information, please do not hesitate to contact the Association office.

Privatization Task Force Completes Report

Governor Christie's Executive Order 17, created the New Jersey Privatization Task Force, which undertook a comprehensive review of opportunities for privatization within state government. The Task Force has identified estimated annual savings, with full implementation, from privatization totaling more than \$210 million. Recommendations were made in many areas of government. The group concluded that through sensible planning, improvements in the quality of public services can be achieved. Uniform Construction Code Enforcement was one area within the construction industry that the group looked at for potential private services. Specifically, outsourcing plan review and inspections to design professionals, who are already certified in their professions. In addition, a qualitative and quantitative review by registered architects and licensed professional engineers will drastically shorten plan review time frames. The report will be debated subject by subject by both political parties in the upcoming fall legislative session. BCANJ will continue to monitor privatization measures that impact the construction community.

Federal News...

Congress Extends Unemployment Benefits

In late July, Congress passed a six-month extension of emergency jobless benefits for more than 2.5 million Americans who are looking for work and have been cut from unemployment assistance. The measure passed by a nearly party-line vote, and was signed into law by President Obama the same day. Several news sources have cited there are five Americans looking for every one existing job opening. The extension of unemployment assistance provides a modest level of help to millions of Americans who have lost a job and continue to lose income. *For additional information, please contact BCANJ.*

Lead Renovator Certification Deadline Extended

As you know from B-#73-10, the Environmental Protection Agency (EPA) has extended the deadline for renovation firms and workers to obtain Lead Renovator Certification under a rule that went into effect April 22, 2010. Details of the extension include: EPA will not take enforcement actions for violations of the firm's certification requirement until October 2010, EPA will not take action against any individual renovation worker if that worker has enrolled in a certified renovator class by September 30, 2010, EPA will continue to enforce the work practice rules that went into effect with the updated rule. The Agency cited difficulty in finding qualified trainers for the deadline extension. *For details and an updated list of qualified trainers in New Jersey, please contact BCANJ.*

EPA's Stormwater Runoff Regulations

As you know from B-#72-10, the EPA's

stormwater runoff rule, adopted earlier this year, will eventually apply to any construction site in the country that disturbs 10 acres or more. The rule requires monitoring of stormwater discharge and creates a numeric limit on actual water runoff. Initially, all construction sites are required to implement best practices, with more restrictions phased in over four years. The goal of the regulation is to reduce the amount of pollutants and sediments that are discharged from construction sites. The AGC/A has monitored this issue closely, and will continue to be a resource for compliance requirements and methods. *For additional information, please contact the Association Office.*

Key Parts of Arizona's Immigration Law Blocked

A judge blocked key parts of Arizona's tough new immigration law in late July. The provisions blocked included the requirement to determine the immigration status of a person arrested or detained. The judge also halted provisions in the law that immigrants must carry their "papers" at all times and provide proper documents to work in public places. The Justice Department argued the referenced provisions in the law encroached on federal authority over immigration policy and enforcement. The court ruling is significant to the Obama Administration, which aspires to pass a comprehensive nationwide immigration law in the next year that tightens borders and gives illegal immigrants an opportunity to obtain legal status.

*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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