

## Legislative Summary

### ***Effort to Avert Unemployment Insurance Tax Hike Sent to Governor***

Legislation to avert a massive unemployment insurance (UI) tax increase was easily approved by both houses of the Legislature. It now awaits Governor Christie's signature. Senate approval came on June 9th with a vote of 37-0, while the Assembly approved the measure on May 9th by a vote of 76-0. The bill, A3819 Egan (D-17)/ S2730 Madden, (D-4), puts in motion two reforms suggested by the statutorily established UI Task Force.

First, the bill would provide a graduated three-year phase-in to cover the automatic employer tax increases resulting from an insolvent UI fund. Employer UI tax rates are largely determined by a statutorily established five-column tax table. When the UI trust fund is healthy and its reserves are high, the lower tax rates in column A take effect. When fund reserves fall, there is a shift to the higher columns and tax rates. Without action, in July 2011 employers will face an automatic shift from column C to the highest tax rate of column E + 10 percent, resulting in a tax increase of approximately \$300 per employee.

However, under A3819/S2730, the shift from the current column C to E+10 would occur over three years. Consequently, employers will see a tax increase this year of approximately \$100 per employee this year as opposed to \$300. The legislation would also set the UI tax rates in such a manner that larger reserves are required in the UI Trust Fund than under the current law before employer UI taxes are reduced or increased. In layman's terms this basically widens the columns in the UI tax table so it won't be as easy for employers to jump from columns A to E.

### ***From the Governor's Desk***

***Update! S2753*** Senator Jim Whelan (D-2)

This law will phase in a single sales factor allocation formula for New Jersey businesses over three years. New Jersey currently determines the portion of a company's income that is subject to state Corporate Business Tax by considering the company's property, payroll and sales in New Jersey. The presence of property and payroll as factors discourage capital investment and job creation in New Jersey. The new law will eliminate property and payroll as factors, and base Corporate Business Tax solely on sales.

***The bill passed both the Senate and Assembly and was sent to the Governor. The Governor signed the measure into law - P.L. 2011 c.59.***



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## Gov. Christie Releases Draft Energy Master Plan

Governor Chris Christie recently released the State's draft 2011 Energy Master Plan (EMP), a greener and more affordable vision for the use, management, and development of energy in New Jersey over the next decade and beyond. The draft EMP establishes a path for the Administration to manage energy in a way that promotes renewable sources of energy, saves money, stimulates the economy and job creation, and protects the environment.

"This plan represents my Administration's commitment to changing the way we produce, distribute and use energy as part of a broader emphasis on renewable sources of energy and economic growth," said Governor Chris Christie. "The EMP supports the development of new energy-related technologies such as fuel cells, off shore wind, and alternatively fueled vehicles while encouraging the developers, providers and support businesses related to these technologies, to locate here in New Jersey."

Governor Christie continued, "Furthermore, considering our state has some of the highest energy rates in the nation, reducing these rates and making them comparable to costs in other regions and states are important steps in facilitating economic growth and lowering the cost of living for New Jerseyans."

"This plan supports enhanced reliability, lower energy costs and environmental protection in New Jersey," said Lee A. Solomon, President of the New Jersey Board of Public Utilities. "It balances the needs of ratepayers with the State's policy goals of promoting the state's economic well being while safeguarding its air, water and land."

The plan encompasses five overarching goals which work to drive down the cost of energy for all customers while promoting clean, environmentally safe renewable sources of energy.

The BPU will continue to serve as the lead implementing agency for the Energy Master Plan and will hold three public hearings on the draft EMP. In doing so, the BPU will coordinate with appropriate state agencies, energy providers and other stakeholders; track and report on progress through annual reporting to the Governor and posts to the BPU and EMP websites; and work with the legislature to develop or modify existing and future programs that support these energy goals.

In April 2010, Governor Christie directed the New Jersey Board of Public Utilities to revisit the EMP in light of economic conditions. The process included internal BPU Task Force Meetings, Stakeholder meetings around the state on various issues related to the plan, and extensive consultations with Rutgers University's Edward J. Bloustein School of Planning and Public Policy, Center for Energy, Economic, and Environmental Policy.

A full copy of the State's 2011 Draft Energy Master Plan can be found [here](#).

## *In the News*

### **Measure Creates Online Database for 'One-Stop-Shopping' for Public Contracts**

Legislation sponsored by Assemblywoman Annette Quijano (D-20) to create an Internet database to provide the public with an easily accessible and comprehensive source of current information on local requests for proposals has been signed into law.

"This measure will improve transparency in local government and make it easier for citizens, groups and local governments to access information concerning public bidding," said Quijano (D-Union).

The law ([A3128](#)) requires the State Department of Community Affairs, in consultation with the Office of Information Technology, to design, develop, and maintain a single, searchable Internet database, to be known as "Bulletin NJ," that would contain and display information on requests for proposals and other government procurement opportunities published by a contracting unit.

Under the law, the database will provide prospective bidders with the following information: 1) a detailed description of the services required; 2) the format and procedure that would be followed in submitting proposals; 3) the specific information which qualified vendors would provide in the proposal; 4) a statement setting forth the relative importance of factors, including cost, which the contracting unit would consider in evaluating a proposal submitted by a qualified vendor; 5) the deadline by which proposals must be submitted to the contracting unit; and (6) any other information the contracting unit deems appropriate.