Balancing state government regulations and legislation with the need for economic development requires business-friendly policies. Using this section as a roadmap, New Jersey legislators and regulators can assist the state’s economy by advancing a pro-business agenda.

Commerce and Industry Association of New Jersey
www.cianj.org
The Bergen Community College Foundation has awarded more than $6.8 million in scholarships and awards for special projects since 1995.

Bergen students have transferred to all eight Ivy League schools.

Bergen’s Facebook is the most-followed community college page in New Jersey.

Since 1968, total degree enrollments number more than 560,000.

A 65,000 square-foot health professions center will rise at main campus in 2015.

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For more bytes and bits from Bergen's past, present and future - or to become part of our Bergen community - email lhlavenka@bergen.edu.
CIANJ FERVENTLY BELIEVES IN A free market economy where the spirit of the entrepreneur is embraced. Thus, our state government in Trenton needs to do more to promote new investment and job creation and refrain from passing laws that impose regulations which hinder economic growth and opportunities for business owners.

To secure a bright economic future for New Jersey, we must eliminate as many tax and regulatory burdens on businesses as possible.

New Jersey needs to create an environment where businesses can be confident that it has a partner and not an adversary in Trenton. It is through smart government and not big government that New Jersey can find the right path to empower entrepreneurs and allow businesses to thrive.

CIANJ’S 2014-2016 Legislative and Regulatory Agenda sets the stage for assisting businesses and growing our economy through smart public policy and common sense. From regulatory reform to healthcare to strengthening our infrastructure, this pro-business roadmap provides an overview of the many issues facing New Jersey-based businesses.

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TAX AND FISCAL POLICY

Continue Corporate Business Tax Reforms

• New Jersey’s Constitution requires that a balanced budget be passed each year. Historically, the budget has been balanced by using a blend of spending cuts and/or tax increases. Thankfully, in recent years, the budget has been balanced by controlling spending and not by raising taxes. New Jersey must continue to control spending and avoid raising taxes if we are to fully recover and remain competitive in a global economy.

• In recent years, New Jersey passed significant tax reforms which have resulted in new economic investment in New Jersey. For example, reforming the corporate business tax structure to allow companies to carry forward net operating losses, changing to a single sales tax factor, reducing the minimum tax on S-Corporations and phasing out the Transitional Energy Facility Assessment (TEFA) sends a message to the business community that New Jersey is open for business. New Jersey needs to continue these pro-business initiatives, which will attract new business and investment and lead to the creation of more private sector jobs.

Eliminate New Jersey’s Estate & Inheritance Taxes

• New Jersey imposes estate and inheritance taxes on estates exceeding $675,000 in value. The federal threshold of taxing is $5 million and, in some circumstances, $10 million. Given the high property values in New Jersey, a $675,000 threshold is too low thus penalizing many citizens unfairly. Because of this tax, many New Jersey residents have moved out of state to locations such as Florida, which does not have this tax burden. New Jersey should eliminate the tax outright since it only generates 2 percent of state revenues, or increase the threshold to match the federal government. CIANJ believes the loss in revenues will be exceeded by the increase it will realize because these citizens remained in New Jersey—where they will live and spend money.

Continue Property Tax Reforms

• New Jersey’s reputation as being a state with high property taxes negatively impacts its attractiveness to new investments. When choosing where to locate a new office or production facility, cost of living for employees is often a factor. The Governor and the New Jersey Legislature made significant progress when legislation was passed capping property tax increases to 2 percent a year. Additionally, there has been an emphasis to control and reduce costs by sharing or consolidating municipal services. CIANJ supports the consolidation of services and the elimination of loopholes which allows municipalities to exceed the 2 percent cap. This will save considerable dollars and ease the burden on taxpayers, while eliminating the upward pressure on wage rates necessary to hire and retain talented employees.

Continue Public Employee Benefit Reforms

• The Governor and the New Jersey Legislature set a national example when they worked collaboratively on public employee pension and health reforms in 2011, but more needs to be done. CIANJ hopes New Jersey can build on the success of this legislation and redirect its focus to legislation which would repeal the 9 percent pension increase passed in 2001, prohibit the collection of multiple pensions by state workers and eliminate payouts for unused sick time. Doing so not only saves New Jersey taxpayers money, but also strengthens the health of the public employee pension and retirement system.

ENERGY POLICY

Increase Reliability and Affordability

• A hard lesson learned from Hurricane Sandy was the vulnerability of our energy delivery system. The majority of citizens were without power for days and in some circumstances, weeks. New Jersey needs to prioritize and support the strengthening of our power grid and delivery system to assure that our energy needs will be met. Without a reliable delivery system, New Jersey’s economy and citizens will suffer. Recognizing that the costs associated with strengthening transmission lines will be expensive, CIANJ supports efforts to study and evaluate ways this can be accomplished in a cost-effective and timely manner.

• Energy rates must be affordable. In order to keep rates competitive, New Jersey must open the market to additional sources of energy and competition. CIANJ supports policies at the state and federal levels that promote energy efficiency and that identify alternative sources of clean energy to meet the growing demand.

• CIANJ was encouraged by the Christie administration’s goal of making the Energy Master Plan consistent with the strategic initiatives for economic development and job growth. While it is worthwhile to strive for a reduction in energy consumption, the state must not attempt to achieve that goal by placing an unbearable burden on business. New Jersey cannot limit access to
its own resources and saddle businesses, including the manufacturing sector, with high energy costs and expect to be competitive in the national and global marketplace.

**TRANSPORTATION/ INFRASTRUCTURE**

*Improve New Jersey’s Roads, Sewers and Water Supplies*

- New Jersey should constitutionally dedicate the monies collected in the Transportation Trust Fund for road improvement and maintenance projects. This Fund has been raided in the past to fill budget gaps which adversely impacted our ability to maintain and improve New Jersey’s roads, which enable New Jersey businesses to effectively move people and products around the region.

- New Jersey’s water supply infrastructure needs to be strengthened to assure that New Jersey’s water needs are met, whether it is drinking water for our residents and workers or water used in the manufacturing of essential products and services. CIANJ supports efforts to study the issue and encourages partnerships between industry and government on resolving the problem.

*Modernize Newark Airport*

- Newark Liberty International Airport ranks among one of the top three most congested airports in the country. This has severe economic implications and puts the region at a competitive disadvantage. In a recent study, the Regional Plan Association estimated that chronic flight delays due to bad weather and air traffic congestion cost the region and the United States $2.6 billion and $9 billion, respectively, in annual lost productivity.

- CIANJ urges Congress to support increased funding for NextGen, a comprehensive Air Traffic Control system modernization project. NextGen is estimated to cost the FAA and industry more than $40 billion over the next 20 years and relies on satellite-based and other technologies to improve the safety, capacity and efficiency of the National Airspace System. In addition to improving the travel experience and offering more travel opportunities, NextGen will provide environmental benefits by reducing greenhouse gas emissions.

*Reduce Aviation Taxes and Fees*

- From 2001 to 2012, U.S. passenger airlines lost $62 billion. The 2012 per passenger profit was 37 cents on an average $300 domestic roundtrip ticket. U.S. airlines continue to emerge, albeit tenuously, from the massive deficits accumulated over the last decade. Airline capital expenditures of $1 billion per month, up 125 percent from 2010, directly benefit customers through investment in aircraft, larger overhead bins and customer lounges, and more. Special federal aviation taxes and fees further exacerbate the industry’s challenges. Specifically, airlines and their customers have been subject to 17 federal taxes and fees, which now account for $61 or 20 percent of the cost of a typical $300 domestic roundtrip ticket. Despite this, the Obama administration is proposing additional federal taxes and fees on the industry, some of which will go toward deficit reduction rather than toward betterment of the aviation system. These challenges underscore why we need a National Airline Policy, as we must move on critical reforms to rationalize the tax and regulatory burden on the airline industry, a key driver of U.S. economic growth, employment and exports.

- Commercial aviation accounts for more than $1 trillion in U.S. economic activity and more than 10 million U.S. jobs. Newark Liberty International Airport alone contributes about $20.7 billion in economic activity to the New York-New Jersey metropolitan region including more than $7.5 billion in wages and salaries. About 147,000 jobs are derived from airport activity. These significant benefits are a result of the airline industry’s direct investment in infrastructure. America needs a cohesive National Airline Policy that will support the integral role the nation’s airlines play in connecting people and goods globally, spur the nation’s economic growth and create more high-paying jobs.

**EDUCATION, LABOR AND WORKFORCE READINESS**

*Encourage Partnerships Between Businesses & Colleges/Universities*

- One of New Jersey’s greatest resources is the talent of its citizens. They are the workforce and the fuel which powers our economy. Without a competent and educated workforce, New Jersey will not attract new investment and new businesses. New Jersey needs to encourage, through incentives or tax credits, the partnering of businesses with our colleges and universities.

- As an example, CIANJ encourages policies that assist community colleges in developing programs to train students in the skill sets necessary for machinists and manufacturers, or trades. A close working relationship between the private sector and the two-year schools is needed. This will help New Jersey attract more manufacturing jobs.

*continued on page L6*
Support Vouchers and School Choice, Increase the Number of Charter Schools and Offer Tax Credit Scholarships

- CIANJ supports the use of publicly funded tuition vouchers and tax credit scholarships. Competition between schools can be a powerful tool if used to improve the quality of education for our students.

- CIANJ also supports measures to further expand the capacity of public charter schools.

Revise School Funding Formula

- The formula to fund Abbott school districts is based on the state’s district that spends the highest amount per student. This redirects dollars that were previously used to provide tax relief for suburban districts, and thus fails to protect them from skyrocketing school budgets.

- CIANJ calls for a change in the school funding formula that would give the Abbott districts funding equivalent to the average amount spent for education in New Jersey municipalities. This would provide equity as well as providing much needed property tax relief to many New Jersey residents.

HEALTHCARE

Manage and Lower Healthcare Costs

- With the advent of the Affordable Care Act and the uncertainty surrounding its implementation and what it will ultimately mean to businesses and Americans, New Jersey should focus its resources on ensuring that the health exchanges operate efficiently and in a cost-effective manner. CIANJ supports the establishment of a state-run health insurance exchange that operates with a broad choice of qualified health plans. The exchange should be governed by a board that includes representation from actively practicing healthcare providers and patients, and be supported by an advisory committee featuring a full range of stakeholders, including consumers, pharmaceutical manufacturers and insurers. To ensure transparent decision-making, New Jersey’s open meeting and record rules should be applicable to the exchange and exchange board.

- Health insurance is a key fringe benefit that most employers provide to their employees. In a free market economy, companies want to attract and retain top talent. In order to do that, a good benefits program, which includes health insurance, is vital. CIANJ supports efforts to streamline red tape and reduce the rising costs of health insurance.

REGULATORY AND TORT REFORM

Evaluate All Laws and Regulations for Effectiveness and Applicability

- New Jersey has many laws and regulations in effect which are outdated and/or cumbersome. While the intent of many laws is laudable, the implementation of the laws and the enabling regulations are where the impact on business is felt. Antiquated laws and burdensome regulations negatively affect the business climate and can drive companies to other states where statutes are more routinely reviewed and updated to eliminate costly obstacles.

- CIANJ continues to support Governor Christie’s Red Tape Review Commission, which is charged with eliminating red tape and burdensome laws and regulations that hamper job growth and investment. CIANJ President John Galandak was appointed to the Commission by the governor, and continues to serve on it. The Commission is chaired by Lt. Gov. Kim Guadagno. Recommendations from the Commission have already led to positive changes, such as extending the sunset provision on state rules from five to seven years, thereby streamlining government operations.

Tort Reform

- New Jersey’s litigious climate has moved the state out of the mainstream and toward being a destination for “venue shopping” trial lawyers. CIANJ opposes legislation which adds unwarranted unpredictability to our legal system and which places New Jersey as an outlier in terms of access to the court. As such, measures such as a proposal to amend the state’s wrongful death statute to lift the requirement of an economic relationship are strongly opposed.

- CIANJ supports increasing scientific standards for evidence in civil cases and reforming New Jersey’s Consumer Fraud Act. CIANJ also supports the right to appeal class action determinations prior to trial and placing a cap on appeal bonds, given that excessively high bonds can restrict a defendant’s access to the court.

- CIANJ supports congressional efforts to reform and stem the tide of baseless class-action lawsuits. It is important that legislation be approved that would move large, multi-state class-action lawsuits from state to federal courts, preventing the widespread “venue shopping” by trial lawyers.
Inconsistency with Federal Laws

• New Jersey legislators impose regulations which are more onerous than federal law and more stringent than other states. Because many of our state’s employers operate in a national and global marketplace, imposing regulations that are excessively inconsistent only serves to make New Jersey less competitive and places New Jersey at a disadvantage.

• Before imposing new regulations on businesses, legislators should examine existing federal regulations, as well regulations in other states, to determine the economic impact of the new regulations.

Continue Environmental Regulatory Reforms

• New Jersey should use the Licensed Site Remediation Professional (LSRP) program as a model for other programs within the New Jersey Department of Environmental Protection (NJDEP) to alleviate workloads and permit backlogs. Permit backlogs adversely impact our economy because many permits are associated with new construction and/or operation of equipment. It is imperative that New Jersey streamline reviews and permits wherever practicable.

• The Site Remediation Reform Act (SRRA) should be amended to address the May 2014 deadline associated with the completion of remedial investigations to allow for more flexibility in cleanups—without placing sites in Direct Oversight where a Remedial Party loses all rights to a cleanup because of an arbitrary deadline with no environmental significance.

• Changes to the Environmental Rights Act are needed to prevent third-party plaintiffs from utilizing this law to justify more court cases and enriching themselves.
Clean, reliable natural gas is fueling New Jersey’s future. It’s creating jobs, invigorating business and industry, and warming homes across the state.

Spectra Energy’s New Jersey-New York Pipeline is delivering estimated wholesale energy savings of $700 million a year to New Jersey and New York residents, heating more than 2 million homes per day and eliminating 6 million tons of carbon dioxide per year.

That’s a lot of opportunity provided by 20 miles of pipeline – and a company committed to serving New Jersey for many years to come.