
THIS WEEK IN TRENTON



PUBLIC STRATEGIES IMPACT
GOVERNMENT RELATIONS • PUBLIC AFFAIRS
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June 29, 2010

Christie Signs Budget

Governor Christie signed the FY 2011 state budget this afternoon. The legislation, which passed both houses of the Legislature last night, calls for spending \$29.4 billion and leaves a surplus of over \$300 million. All Republicans in the Legislature voted for the budget, with Democrats providing the four votes in the Senate and eight votes in the Assembly needed to secure passage. The budget signed by the Governor did not include increases in sales or income taxes. Steep cuts in state aid to schools and local governments were made and property tax rebate checks were eliminated this year. The Governor did not exercise his line-item veto power, having negotiated a compromise with the Legislature last week.

Legislature Passes Democratic Property Tax Reform Proposal; Christie Calls Legislature to Special Session

The Legislature passed and sent to the Governor Senate bill 29 under which annual increases in property taxes would be capped at a maximum of 2.9%. However, Governor Christie last night informed the Legislature that he was invoking his constitutional power to call them into special session to consider his 33-bill property tax reform proposal, including a constitutional amendment imposing a 2.5% cap.

Senate bill 29 allows exceptions for items such as health care costs, pension costs and energy costs, while the Governor's proposal only allows the cap to be exceeded for towns' debt payments or if 60% of voters in a town approve.

Both plans would allow for "cap banking," meaning that towns that keep increases below the cap would be able to set aside the difference for future use should an emergency arise that would require a budget to increase property taxes above the cap, but S29 allows for indefinite "banking" while the Governor's proposal allows for "banking" for up to three years per decade.

Legislature Concurs in Governor's Veto of Unemployment Reform Legislation

The Legislature concurred with Governor Chris Christie's conditional veto of **Senate bill 1813**, legislation that reduces the unemployment insurance (UI) tax rates which will be imposed on employers during fiscal year 2011. Christie is expected to sign the legislation which will avert an automatic, per-employee tax increase on July 1 of up to \$683 that would have been needed to fund an insolvent Unemployment Insurance Trust Fund. Instead, the average increase will be reduced to \$130 per employee.

Bodman to Appear on NJN

Public Strategies Impact Senior Partner Roger Bodman will appear on New Jersey Network's news program tonight. The NJN news airs live at 5:30 p.m. and is replayed at 6:00 p.m. and 11:00 p.m.