
THIS WEEK IN TRENTON



PUBLIC STRATEGIES IMPACT
GOVERNMENT RELATIONS • PUBLIC AFFAIRS
ASSOCIATION MANAGEMENT

414 River View Plaza, Trenton, New Jersey 08611-3420 • Phone: 609.393.7799 • Fax: 609.393.9891 • www.njpsi.com

July 8, 2010

Christie Appoints Woods Health Information Technology Coordinator

Governor Chris Christie appointed Colleen M. Woods as New Jersey's Statewide Health Information Technology (HIT) Coordinator. Ms. Woods will be responsible for working with all state departments and agencies, the healthcare provider community, and other key stakeholders, to implement and facilitate the HIT movement across the State and in accordance with nationally recognized Federal standards. The Statewide Health Information Technology Coordinator will report directly to the Governor's Office.

Ms. Woods brings over 20 years of technology experience working for the State of New Jersey to the position. She most recently served as the Chief Information Officer for the New Jersey Department of Human Services. She has a Masters degree from Rutgers University.

Senate Passes 2 Percent Property Tax Reform Proposal

The Senate passed compromise legislation imposing a 2 percent cap on property tax increases this morning by a vote of 36-3. Three Democratic Senators, Senator Ronald Rice, Senator Bob Smith and Senator Shirley Turner, voted against the measure.

Last week, 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 percent. Senate bill 29 allowed exceptions for items such as health care costs, pension costs and energy costs, while the Governor's original proposal was for a 2.5 percent constitutional cap only allowing the cap to be exceeded for towns' debt payments or if 60 percent of voters in a town approved. Both plans allowed 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 allowed for indefinite "banking" while the Governor's proposal allowed for "banking" for up to three years per decade.

Governor Christie quickly informed the Legislature that he would not sign S29 and called the Legislature into special session to deal with this issue. On July 1, Christie addressed the Legislature offering a compromise. The Governor offered to forego his desire for a constitutional amendment if the Legislature would agree to a 2.5 percent cap with the limited exceptions provided for in the Governor's original plan with the addition of a temporary exception for existing collective bargaining contracts.

On July 3rd, Governor Christie and Senate President Sweeney announced the compromise passed by the Senate today. The legislation imposes a 2 percent cap on property tax increases but carves

out exceptions for healthcare costs, pension costs, debt service and capital expenditures and emergency allocations. Voter approval of 50 percent plus one will be required to override the cap. Governor Christie conditionally vetoed S29 to reflect the compromise and the Senate concurred in that conditional veto today.

Assembly Speaker Sheila Oliver has indicated her support for the compromise and the Assembly is expected to pass the measure shortly.

Christie Signs Unemployment Reform Legislation

As expected, Governor Christie signed **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.

Legislative Calendar

The Senate met today to consider the conditional veto of S29. The Assembly Budget Committee met yesterday to take testimony on the conditional veto of S29. Next week Senate Group 1 and 2 Committees will meet on July 15.