



IT ALL STARTED WITH A BRIGHT IDEA

NEW JERSEY CHAMBER OF COMMERCE

TRENTON WATCH

MAY 20, 2015

Tracking Legislation and Other Items Important to the Business Community:

COMMERCE



Disclosure of Company Records - [A-3616](#) (Diegnan/D-18; Pinkin/D-18): Assembly passed 72-0. Modifies a provision of the "New Jersey Business Corporation Act" concerning the liability of corporate directors and, in particular, their good faith reliance on certain information. This legislation ensures the safe and efficient disclosure of company records to board of directors' members. **Contact:** [Michael Egenton](#)



Allows Businesses to Protect Data Accessible to Shareholders - [A-3615](#) (Diegnan/D-18; Pinkin/D-18): Assembly passed 72-0. Modifies current law to allow corporations to impose reasonable limitations or conditions on the use or distribution of requested materials. Under current law, corporations are required to maintain certain books and records and provide access to those books and records to requesting shareholders in certain circumstances. The bill preserves the ultimate authority of a court to decide and order relief in actions brought by shareholders for inspection of corporate books and records. **Contact:** [Michael Egenton](#)



Clarifies Process for Derivative Proceedings and Shareholder Class Actions - [A-3614](#) (Diegnan/D-18; Pinkin/D-18): Assembly passed 72-0. Revises the applicability of provisions of the "New Jersey Business Corporation Act" concerning derivative proceedings and shareholder class actions. Under current law, the derivative proceeding and shareholder class action provisions of the "New Jersey Business Corporation Act" apply only if a corporation makes them applicable in its certificate of incorporation. Outlining and clarifying a specific process for derivative proceedings and shareholder class actions will create uniformity and predictability to reach important judgments. **Contact:** [Michael Egenton](#)



Allow Board of Directors to Vote Via E-mail - [A-3612](#) (Diegnan/D-18; Webber/R-26; Pinkin/D-18; Mukherji/D-33): Assembly passed 72-0. Clarifies that corporate directors may approve actions and consent by electronic transmission. Under current law, any action taken by a board of directors must be in writing. This bill will give businesses the ability to use technology to address a host of corporate governance issues which should not require a formal meeting. **Contact:** [Michael Egenton](#)

Assembly Commerce and Economic Development Committee



Intervention in Corporate Governance - [A-579](#) (Mosquera/D-4; Coughlin/D-19; Schaer/D-36; Wisniewski/D-19; Wimberly/D-35): Assembly committee passed. Requires that half of the members of the board of directors of all manufacturing corporations be elected by the employees of the corporation who work in New Jersey facilities. While the State Chamber appreciates the tax credits included in the legislation, we oppose government intervention in matters regulating corporate governance. **Contact:** [Matt Malat](#)

Assembly Commerce and Economic Development Committee A-579 Vote: Johnson, Gordon M. (C) - Yes; Caride, Marlene (VC) - Yes; Benson, Daniel R. - Yes; Bucco, Anthony M. - No; DeCroce, BettyLou - No; Mosquera, Gabriela M. - Yes; Mukherji, Raj - Not Voting; Munoz, Nancy F. - No; Oliver, Sheila Y. - Abstain; Pintor Marin, Eliana - Yes

EDUCATION

Senate Education Committee



Restricts PARCC Exams from Kindergarten through Second Grade - [S-2766](#) (Turner/D-15; Ruiz-D29)/ [A-3079](#) (Jasey/D-27; Diegnan/D-18; Mainor/D-31; Wimberly/D-35; Oliver/D-34; DeCroce/R-26): Senate committee passed. Restricts the use of standardized testing in grades Kindergarten through second grade. While we agree that there may be difficulties in administering statewide standardized testing in these grades due to the developmental differences common in the early years, we would strongly encourage that all teachers evaluate and track student progress against standardized measures, especially in reading, at every point along their early school years. **Contact:** [Michael Egenton](#)

Senate Education Committee S-2766/A-3079 Vote: Ruiz, M. Teresa (C) - Yes; Turner, Shirley K. (VC) - Yes; Allen, Diane B. - Yes; Beach, James - Yes; Doherty, Michael - Yes

ENVIRONMENT

Senate Environment and Energy Committee



Regulates Renewable Energy - [S-2444](#) (Smith/D-17; Bateman/R-16): Senate committee passed. Requires a certain percentage of the electricity sold in New Jersey to be from Class I renewable energy. This bill would increase the state's renewable portfolio standard to 80 percent by 2050. While the State Chamber supports the use of solar for our energy needs, we stress the need for a diversified portfolio that includes base load power, nuclear, natural gas, etc. **Contact:** [Michael Egenton](#)

Senate Environment and Energy Committee S-2444 Vote: Smith, Bob. (C) - Yes; Greenstein, Linda R. (VC) - Yes; Bateman, Christopher - Yes; Codey, Richard J. - Yes; Thompson, Samuel D. - No

HEALTH

Assembly Financial Institutions and Insurance Committee



Health Insurance Mandate - [A-713](#) (Gove/R-9; Rumpf/R-9; Coughlin/D-19; Casagrande/R-11): For discussion only. Requires insurers to provide benefits for the treatment of Lyme disease determined to be medically necessary by the covered person's physician after making a written evaluation of that person's symptoms, condition and response to treatment. This mandate will increase health care costs for employers, who are already struggling to afford health insurance premiums. **Contact:** [Matt Malat](#)

INNOVATION

Senate State Government, Wagering, Tourism and Historic Preservation Committee



Thomas Alva Edison Recognition - [S-2771](#) (Turner/D-15): Senate committee passed. This bill designates Thomas Alva Edison as New Jersey's State Inventor. New Jersey was a center of innovation in Edison's era and continues to be a source of innovation for the entire country. In this state and the entire country, hundreds of towns, companies and products today bear Edison's name. Thomas Edison was a founding member of the State Chamber in 1911. Contact: [Michael Egenton](#)

Senate State Government, Wagering, Tourism and Historic Preservation Committee S-2771 Vote: Whelan, Jim (C) - Yes; Turner, Shirley K. (VC) - Yes; Oroho, Steven V. - Not Voting; Thompson, Samuel D. - Yes; Weinberg, Loretta - Yes

LABOR

Senate Labor Committee



Group Purchasing of Workers' Compensation Insurance - [S-2447](#) (Madden/D-4; Cunningham/D-31): Senate committee passed. Permits groups of employers establishing or participating in Taft-Hartley trust funds to purchase workers' compensation insurance as a group. The State Chamber is concerned that if a third party administrator needs to be hired for this specialized work, there may be added cost to the overall system. **Contact:** [Michael Egenton](#)

Senate Labor Committee S-2447 Vote: Madden, Fred H. (C) - Yes; Vitale, Joseph F. (VC) - Yes; Addiego, Dawn Marie - Abstain; Bucco, Anthony R. - No; Cunningham, Sandra B. - Yes

LEGAL



New Jersey False Claims Act - [A-4041](#) (Conaway/D-7; Singleton/D-7): Assembly passed 42-27-2. Retroactively addresses claims based on violations filed before March 13, 2008 and allows those claims to be amended to assert additional allegations. This legislation creates a worrisome legal precedent and complicates predictability for the business community. **Contact:** [Michael Egenton](#)

STATE BUDGET: DEPARTMENT HEARINGS

Assembly Budget Committee

On April 15, **State Chamber Board Member Steven M. Rose, Ed.D (Chairman of the New Jersey President's Council) and Susan Cole (President of Montclair State University)** expressed their urgency for increasing state investment in higher education. Dr. Rose told the Assembly panel that additional funding is vital to maintain and enhance New Jersey's reputation for a highly educated population. Dr. Rose referenced the State Chamber as an important partner in establishing best practices for preparing students for careers, and to better align New Jersey's higher education systems with the needs of employers. Montclair State University's President Susan Cole cited a 7.1 percent reduction in operating support. Furthermore, the New Jersey President's Council has partnered with the National Center for Higher Education Management Systems to study and analyze higher education funding in New Jersey. The findings, to be published this summer, will benchmark New Jersey against other states.

Assembly Budget Committee and the Senate Budget and Appropriations Committee

On April 22 and 29, **New Jersey Department of Education (DOE) Commissioner David Hespe** and **Schools Development Authority (SDA) CEO Charles McKenna** testified before the Assembly Budget Committee and the Senate Budget and Appropriations Committee. Commissioner Hespe stated that the Governor has allocated \$12.76 billion in school aid, which represents an increase of \$811 million over the current budget year. Specifically, this aid includes an increase of \$4.6 million in direct aid to schools and an increase of \$442 million to teachers' pensions and benefits. Additionally, the commissioner indicated that the department is midway through the initial PARCC assessment. On school construction, SDA CEO McKenna stated that two new schools opened in Long Branch and New Brunswick, and the SDA is continuing to work on 12 school construction projects throughout the state.

Assembly Budget Committee

On April 29, **New Jersey Department of Community Affairs (DCA) Acting Commissioner Charles A. Richman** testified before the Assembly Budget Committee on the progress the department is making on the Sandy recovery. The acting commissioner said that the DCA continues to be responsible for distributing nearly \$4 billion. For example, the state Rehabilitation, Reconstruction Elevation and Mitigation Program has 6,800 homeowner applications compared with fewer than 2,000 last year. More than 6,000 of those applications have been approved to fund construction projects. By late summer, Acting Commissioner Richman is confident that another 2,300 grants will be approved.

Assembly Budget Committee and the Senate Budget and Appropriations Committee

On May 6 and 19, **New Jersey Economic Development Authority CEO Melissa Orsen** testified before the Assembly Budget Committee and the Senate Budget and Appropriations Committee. The bulk of Ms. Orsen's comments centered on the Economic Opportunity Act of 2013, the state's premier business incentives program. The CEO announced that 23 projects were greenlit under the Economic Redevelopment and Growth Program, which will result in approximately 5,000 new permanent jobs, and 8,300 construction jobs. This investment will inject \$2.1 billion of private investment into communities across the state. The GROW NJ program, another part of the Economic Opportunity Act, has resulted in the creation of 12,480 new permanent jobs and 4,100 construction jobs. GROW NJ has saved 13,830 jobs. These jobs translate into 12 million square feet of new or improved commercial space and a \$1.5 billion investment in the state's economy.

TAXATION



Tax Expenditure Disclosure - A-939 (Singleton/D-7; Schaer/D-36; Benson/D-14; Eustace/D-38; Mosquera/D-4): Governor issued a conditional veto. Governor Christie is recommending modifications to the bill so it would take a more holistic view of the worth of a project or investment rather than introducing a series of new performance indicators that may not accurately determine a project's net benefits. As passed by the Legislature, the bill creates additional reporting and disclosure requirements for companies that receive economic development incentives and grants. The State Chamber believes this legislation will saddle New Jersey-based businesses with onerous tax reporting requirements and an uncertain sunset provision. Businesses have long-term budgets and rely on a predictable tax structure. The potential sunset of programs that are meant to provide tax relief would hinder general business operations. **Contact:** [Matt Malat](#)

TRANSPORTATION



General Aviation Appreciation Month - [SJR- 55](#) (Pennacchio/R-26; Sacco/D-32; DeCroce, B./R-26; Giblin/D-34; Rodriguez-Gregg/R-8): Assembly passed 69-1; sent to Governor. This joint resolution designates May of each year as "General Aviation Appreciation Month" in New Jersey. Aviation contributes over \$1 billion to the New Jersey economy. New Jersey's general aviation sector is an important travel option for our businesses that use their facilities. Contact: [Michael Egenton](#)

Thumbs up and down indicates the chamber's support or opposition to issues. Call the State Chamber Government Relations Department at (609) 989-7888 with questions or comments.