

# Legislative Update

Summer 2010

Porzio Governmental Affairs has compiled the following information to keep you apprised of recent New Jersey legislative developments.

## If I Had a Hammer...

Following the passage of the statutory two percent property tax cap, the topic that took center stage in Trenton this summer is the "Tool Kit," (that is until the Hanson report discussed below pushed this a rung down the ladder for a week or so). A concept first introduced by Governor Christie during his budget address, the "Tool Kit" is frequently described as a "33-bill package." However, it bears little resemblance to that neatly organized box on the workbench in your grandfather's basement. Rather, it is an amorphous collection of 33 initiatives that aim to provide local government entities with the reforms they need to meet the cap. They range from changing arbitration practices and procedures for employee discipline to promoting shared services to moving election dates and revising methods of voter notification.

These reforms differ in order and description based on the organization, branch of government, party, or house with whom you are speaking. At this point, each reform appears to have at least one bill attached to it and in some cases, there are several. Many have only Republican sponsors, some are bipartisan, and a few are Democratic bills.

The Senate has taken some action related to the "Tool Kit," holding a hearing on seven bills on July 19. Three of the bills were released: one that allows gross income tax refunds to be credited against a taxpayer's delinquent property taxes; one that permits publication of legal notices by government entities on official websites instead of newspapers; and one that expands the universe of organizations that are allowed to file complaints with the Council on Local Mandates. You get the picture: relatively easy bills with relatively little impact. The other four bills were placed up "for discussion only" and the one that would

have engendered the most debate, legislation that would cap sick leave pay and vacation carry forward for school and local employees, was not heard. The Committee is slated to return for further consideration of these and perhaps other bills on August 12. Previously, the Senate State Government had released a bill that provided that only one sample ballot be sent to each voting household.

In the Assembly, most of the "Tool Kit" bills still have only Republican sponsorship. However, senior members of the Democratic caucus have each been assigned a group of issues related to property tax reform that roughly correspond to the reforms in existing "Tool Kit" bills. The Assembly has not met this summer following the passage of the property tax cap and does not appear to have plans to do so.

Overall, the summer in Trenton turned out to be quieter than expected following Governor Christie's calling in the Legislature over the July 4th weekend. Once the two houses passed the cap, the talk of nonstop meetings and a full legislative schedule subsided.

So, what's next? The Christie administration is pushing hard for passage of the "Tool Kit" even though it is not clearly defined. Local governments, school boards, and public colleges are clamoring for legislation that will untie their hands in terms of employee benefits, civil service, collective bargaining, and shared services so that they have a chance of coming in under the cap. The Senate has several committee dates and a session set for August but certain members have expressed concerns about some of the initiatives that have the greatest impact on public employees. Of course, these are the ones that will allow for the greatest local government savings. The public employee unions are prepared to fight to the death. The Assembly's direction has not been established or at least made public. Overall, what's next is unclear. But with this Governor, we know that inaction is not one of the tools in the tool kit.

## Let the Games Begin

When the Governor issued Executive Order 11 in February, he created the New Jersey Gaming, Sports and Entertainment Advisory Commission to "comprehensively address the unprecedented financial and structural challenges confronting New Jersey's gaming, professional sports and entertainment industries." Known in interested circles as the "Hanson Commission" after its chair, Jon F. Hanson, its recommendations were released on July 21 to dropped jaws around New Jersey.

To start, the report essentially proposes a State takeover of Atlantic City. Without even looking at the pluses or minuses of this approach, observers were shocked to see this Governor - one who wants not just to trim government but also to mow it down - endorse a proposal that requires a substantial increase in State oversight of an entity. Specifically, the report calls for the creation of a "'Clean and Safe' Tourism District" and accompanying Master Plan, "with State oversight." A revised regulatory structure governing casinos and improved access to the resort via air, rail, and ferry are other components of the recommendations in this area.

Moving to the north, the report also addresses the least-loved architectural structure in New Jersey, Xanadu. It calls for bringing resolution to the on-hold

project via State financial support. Again, this is a surprising recommendation from Governor Christie.

Politically, it appears that the report contains something for legislators and other decision makers in the south and in the north. But what about in the middle? While the report calls for a "sustainable industry structure to preserve live horseracing," most observers agree that it is quite gray for thoroughbred racing and downright black for standardbred racing and breeding. This has a large impact on Monmouth and Ocean Counties, with Monmouth Park obviously located in the former and the bulk of the State's horse farms in both. Additionally, as the report essentially recommends the closing of the Meadowlands Racetrack (the main venue for standardbred racing), this could negate support for the recommendations from legislators in Bergen, Passaic, and other northern New Jersey counties despite the commitment to complete Xanadu.

Meanwhile, Democrats in the Legislature announced their own forum to examine gaming in New Jersey. Joining hands once again, Senate President Sweeney (D-Gloucester) and Assembly Speaker Oliver (D-Essex) called for a gaming summit that will be the "Democratic answer to the Administration's Hanson Commission." The Summit was kicked off on August 6 in Atlantic City with additional meetings still to be scheduled in the Meadowlands and Trenton. Of note, both the Senate President and the Speaker attended the first Summit meeting. The message from the two Democratic leaders was clear: they want to address the issue in a manner that will be favorable to all geographic regions and all elements of gaming.

Two Democrats from the southern part of the State are chairing the summit: Senator Jim Whelan (D-Atlantic), a former mayor of Atlantic City, and Assemblyman John Burzichelli (D-Gloucester). Each chairs the standing reference committee in his respective house that oversees gaming issues. Interestingly, no Republicans were appointed to the 10-member panel that exclusively consists of legislators.

## Haskell Draws Top Horses, Huge Crowd, and an Important Spectator

On August 1, the main attraction at this marquee Monmouth Park race was a rematch between Kentucky Derby winner Super Saver and Preakness champ Lookin at Lucky (Lookin at Lucky won the race by four lengths with Super Saver coming in fourth). Over 40,000 spectators showed up to watch this and 14 other races. One attendee drew particular attention: although officially on vacation at the shore, Governor Christie and his family left the surf for the turf. Given the release of the Hanson report 10 days before, and the many questions it raises regarding the future of horseracing in the State, his attendance at the Haskell sent a message that certainly gave the thoroughbred horse industry a reason to feel optimistic.

PGA Vice President and General Counsel Elected To  
International Attorney Organization



Christopher P. DePhillips, a principal at PGA's parent law firm, Porzio Bromberg and Newman P.C., has been elected to membership in the Federation of Defense & Corporate Counsel (FDCC). The FDCC is an elite group of civil defense lawyers from around the county and the world. Its members are recognized leaders in the legal community who have achieved professional distinction. The FDCC is dedicated to promoting the knowledge, justice, and professionalism of its members as they pursue the course of a balanced judicial system and represent those in need of defense in civil lawsuits. Prospective member undergo a rigorous selection and review process through which only a small percentage of nominees are

approved for membership.

## PGA Director of Legislative Affairs Becomes Council President

Sal Anderton, PGA's director of legislative affairs, was selected West Orange Township Council President on July 1. The five-member council elected him to the position for a one-year term, through July 1, 2011. He was first elected to the Council in 2008 and is in the middle of a four-year term.



## PGA Director of Compliance and Legal Affairs Launches Porzio, Bromberg & Newman's First Blog



Morristown law firm, Porzio, Bromberg & Newman, announces the launch of the firm's first blog, <http://porzioappeallaw.pbnlaw.com>. The Appellate Law blog informs followers about New Jersey Supreme Court, New Jersey Appellate Division, and Third Circuit cases. This blog summarizes and educates, in an easy-to-read format, appellate decisions, opinions, and issues on a regular basis. The firm's first blogger is Brian P. Sharkey, a counsel to the firm and also Director of Compliance and Legal Affairs for Porzio's lobbying subsidiary, Porzio Governmental Affairs.

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New Jersey, along with its counties and municipalities, contains a patchwork of ever-evolving laws and ordinances governing political contributions. The Porzio Pay-to-Play Database ("P2P") is a tool that allows you to stay competitive and confident that you are following the law. P2P will save you time and energy and allows you to focus on what really counts: growing your business. Visit the P2P website at [www.porziopaytoplay.com](http://www.porziopaytoplay.com), and schedule your free web demonstration by calling Ann Barzda at 609-396-6100; ext 17.

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