



by Philip Kirschner
President

Report

TO MEMBERS

Too Many Antibusiness Bills Threaten Weak Economy

They're at it again. A group of state lawmakers, many of them with close ties to labor unions and environmental groups, has galloped out of the starting gate in the new legislative session with a fistful of proposed bills that would impose staggering cost burdens on the state's employers and deal a potentially crippling blow to the state economy.

Unfortunately, some of these bills have already been released from legislative committees. The New Jersey Business & Industry Association has marshaled its resources to fight these bills to prevent them from becoming law. This should keep us very busy this spring.

The worst of these bills would mandate a paid 15-minute rest breaks for every employee in the state, increase the cost of workers' compensation, impose a big healthcare tax on large employers, and impose hefty taxes on waste-disposal and water.

These proposals could hardly come at a worse time. New Jersey's economic recovery is already weak. Many employers are struggling. New Jersey was 41st in the nation in its rate of private-sector job creation in 2004. These bills send a terrible message to the state's business community and cement our reputation for having a poor business climate. Our state government leaders should make sure that these bills are stopped.

Following are brief descriptions of these bills, which NJBIA is working hard to defeat. Keep in mind that this is the short list. We are fighting other antibusiness legislation as well:

- **Paid Rest-Break Mandate:** Ready for a floor vote in the Senate is S-1021 (Sweeney), which would mandate that every employee in every business gets a paid 15-minute break after four hours. In response to a Membership Alert, NJBIA members have sent 4,000 messages to state legislators urging them to oppose this absurd piece of legislation and telling them not

to micromanage our businesses.

- **Workers' Compensation:** Legislation that would increase workers' compensation premiums by increasing payments to permanently disabled workers has been released by the Senate Labor Committee. S-1005 (Sweeney) would hike workers' comp payments all at once by the equivalent of 25 years worth of cost-of-living adjustments. This bill could increase benefit payments by as much as \$200 million in one year and cause workers' compensation surcharges to double.
- **Healthcare Tax:** NJBIA has formed the Coalition for a Competitive New Jersey to stop a draft committee substitute of S-477 (Sweeney, Coniglio), which would force employers with 1,000 or more employees to pay a huge healthcare tax. The bill would force these employers to spend at least \$4.17 per hour for health benefits on each employee, including part-timers (this works out to \$8,673 annually, assuming a 40-hour work week), or pay the difference as a tax to the State of New Jersey.
- **Water Tax:** Employers would pay at least \$13 million more for water under legislation released by the Senate Environment Committee. S-969 (Smith, Martin) would increase the water tax to 4 cents per 1,000 gallons from 1 cent per 1,000 gallons. The burden of the tax would fall disproportionately on the business community, which has been taxed more than enough already.
- **Trash Tax:** SCS-557 (Smith) would impose a \$3-per-ton tax on solid waste to generate \$34 million per year for recycling programs. This is another knee-jerk tax on business. Legislators should look to other ways to increase recycling efforts at the local and county levels.

The Legislature has been in session for just two months, and already we are dealing with this avalanche of terrible legislation. Enough of this nonsense! I urge you to contact your legislators. Tell them how these bills will hurt your business and the state's economic competitiveness. They must be defeated.