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# ON THE ROAD

THE OFFICIAL COMMUNICATION OF THE NEW JERSEY GASOLINE C-STORE AUTOMOTIVE ASSOCIATION  
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## 2017 Year in Review



## A Look Ahead to 2018

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## *Another New Governor*

In the summer of 1979, in the midst of the Iran oil embargo and gasoline shortage, I was invited to a private meeting with Governor Brendan Byrne in his office at the State House. I

was part of a small group of gasoline retailers who were driving around the state and advocating a total shut down of gas stations in New Jersey. This was in response to new regulations that capped the profit we were allowed on a gallon of gas. Governor Byrne tried unsuccessfully to convince me and others to end our effort to shut down gas stations. A year later I was invited back to Governor Byrne's office as part of Small Business Week 1980. Governor Byrne was very unpopular back then as he instituted the NJ Income Tax, and took some blame for the long gas lines because of his close relationship with President Carter. At the time I didn't have a clue how politics worked, I only cared about government policy that affected my profits. Brendan Byrne left office disliked by many. Years later Brendan Byrne became a well-respected and even a beloved former governor, and was treated as an elder statesman until his passing just a few weeks ago.

Enter Governor Tom Kean. The 1981 gubernatorial election was the closest in NJ history. It took over a month to count and recount the ballots before Tom Kean was declared the winner by only 1,700 votes. Four years later he won re-election by the widest margin in NJ history, achieving 71% of the vote. It was during the Kean administration that I learned about state government and how bad policy had a detrimental effect on small business. I was tutored by others and began advocating for smarter state policy on taxes, regulations, insurance and legal reform, and environmental policy. All of these issues would become the foundation for effectuating government policy in the gasoline and auto repair businesses around NJ. I was fortunate to meet with Governor Kean on multiple occasions, to garner support for the first issue I helped reform. UNEMPLOYMENT. If you think the unemployment system today needs to be reformed, you should have seen the mess that existed before small business owners pushed Governor Kean to make changes back then. I learned how to advocate for small business, and have fond memories of working with Governor Kean. Tom Kean left office as the most popular and beloved governor in NJ history. He remains beloved today.

After stewing over his close loss to Tom Kean in 1981, Jim Florio was finally elected Governor in 1989. Governor Florio went on to throw his popularity out the window when he increased NJ taxes by \$2.8 BILLION. He is still remembered today for placing a tax on toilet paper that ultimately was rescinded in response to an angry electorate. Governor Florio although unpopular, was close with our association back then. Florio was a prime sponsor while he was in the General Assembly of the NJ Franchise Act in 1974. In general, business both large and small disliked Governor Florio and he was run out of town and lost his bid for re-election to Christie Whitman in 1993. I had the opportunity to meet with Governor Florio many times as part of a group of business owners to unsuccessfully persuade him to ease both taxes and regulations on small businesses. Even though I disagreed with him on many

issues, I liked Governor Florio; he was a kind and honest man. Last year my wife and I sat with him at a dinner for Assemblyman Burzichelli and I was amazed at how he remembered NJGCA (NJGRA back then) and how proud he remains of his sponsorship of the NJ Franchise Act. He was pleased to learn of NJGCA involvement to amend the NJ Franchise Act in 2010, and we had a delightful evening with him. Even though he was much disliked when he left office, he is now a well-respected elder statesman much like his predecessors Governors Byrne and Kean.

In 1993, I had the pleasure of introducing then Candidate for Governor Christie Todd Whitman to an audience of Small Business owners at a forum one week before she stunned the political world by defeating the sitting Governor Florio. It was the first of many experiences that I had with Governor Whitman over the next 7 years. Although we were pleased with her success in cutting taxes, you may remember the debacle (that she stood behind) when the NJ State Motor Vehicle Inspection Program was first awarded to Parsons. I was in the thick of that battle with her and then MVC Chief Dick Kamin. Governor Whitman was generally liked by small business and gave me much access to her office on issues pertaining to the high cost of healthcare. Governor Whitman appointed me to the Small Employer Group Benefits Program, and made sincere efforts to protect business from these rising costs. I had another opportunity in 1995 to introduce her again at a big event honoring the delegates to the White House conference on small business of which I was one. Although I got along with her and liked her very much, I look back at several bad decisions that have led to the many ills we suffer today with our State Budget. She set the tone that allowed her successors to borrow billions of dollars without voter approval, and is the reason NJ owes over \$70 billion in unpaid pension contributions. Even though I was invited to many private meetings with her, and convinced her to do positive things for the business community, I think that overall her administration did not serve the people of NJ very well, and created much of the mess we are in today. I didn't know it then, but I know it now. Seventeen years after leaving office, she has never achieved the same beloved stature that was granted to much less popular predecessors of her office.

Governor Jim McGreevey won election in 2001 in a landslide. Those words are hard to say because I was a senior advisor in 2001 to his opponent Bret Schundler. Governor McGreevey and I had friendly banter at many campaign events where I accompanied Candidate Schundler, but after he was elected, the friendly nature went out the window as he governed in a fashion that raised taxes on business, and created burdensome regulations especially on my friends in the service station industry. Even though I was no longer in business, I held an affection that remains to this day for my brethren who own gas stations and auto repair shops. Governor McGreevey exacerbated the borrowing that was begun by his predecessor Governor Whitman, including raiding the Unemployment Trust Fund (that I mentioned earlier was my first real success advocating for good public policy). McGreevey left office after several scandals before his term was finished, and there are mixed feelings as to his status today among those in the political world and the

citizens of NJ. I don't miss him. McGreevey's term was finished by Senate President Dick Codey who was well liked and still popular. Today, Governor Codey still serves in the NJ State Senate where he has been a thorn to NJGCA members as he is the prime mover of laws harmful to convenience store owners and has chastised me and NJGCA in public hearings.

Although I take great issue with the 54th Governor of NJ, Jon Corzine, I must give credit where credit is due. Jon Corzine was elected in 2005 and set about destroying any popularity that he had by proposing to sell the Garden State Parkway and NJ Turnpike, which would permit a private enterprise to increase tolls as needed in order to make a profit. The sale would have given the state over \$30 billion with which to pay down some of the debt that Corzine's predecessors created. Corzine is also the governor who raised the sales tax a full percentage from 6% to 7%. The credit due to Governor Corzine is directly due from NJGCA, as he is the Governor who signed into law the Right of First Refusal amendment to the NJ Franchise Act. Both retailers and distributors owe Governor Corzine a debt of gratitude for this. Jon Corzine never was able to fully gain the confidence of the people of New Jersey and he was defeated for re-election in 2009.

Perhaps the greatest disappointment I have ever had with a NJ Governor is in Governor Chris Christie. Many including myself had high hopes for this Governor. Myself and NJGCA President Tim Arata met with then-candidate Christie in early 2009 and left our meeting wowed by the prospect of a Governor who would actually govern. The Christie term started out like a breath of fresh air and hope began to rise. Christie tackled some tough issues and set about reducing the regulatory burden on small businesses, as well as reducing taxes. Although Christie gutted the private inspection system when he eliminated safety inspections,

he was doing a good job changing the way Trenton does business. He was riding high with the citizens and had huge approval ratings. Then he decided to run for President and everything changed. It was as if he took his foot off the gas in NJ and focused solely on the Oval Office. He did not follow through on promises that he had made to fully privatize the inspection system which has cost both the taxpayers of NJ and auto repair shops a lot of money. It was, however, his veto pen that stopped many tax increases and \$15 minimum wage. So it is with great ambivalence that I write about Governor Christie. He is leaving office with lower approval ratings than even Governor Florio. History and time may rehabilitate how the public views his legacy. Although I have harsh feelings for Christie, we all may miss him when he is gone.

That brings us to the new Governor Phil Murphy. Governor Murphy has promised, and even campaigned saying that he intends to raise taxes. I fear that he may try to increase the gas tax even further as he is promising big improvements to NJ transit and its infrastructure. He has made promises during the campaign to increase the minimum wage to \$15 an hour. I am already getting indications that NJDEP, MVC, and other agencies will be instructed to hand out higher fines in order to gain the funds necessary to operate their departments. I am hopeful that once the new Governor hears from organizations such as NJGCA, and fully understands the implications his proposed policies will have on business, that he will reconsider some of them. Somehow his promises appear to add over \$3 billion in increased spending, and that money has to come from somebody. I fear that the "somebody" is you and I and our wallets. For now we wish him well and hope he will govern by making decisions that will benefit all of NJ's citizens. If hope doesn't do it, then we will have our work cut out for us here at NJGCA.



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# NJGCA'S OCCUPATIONAL SAFETY AND HEALTH (OSHA) COMPLIANCE CORNER



*\*\*Editor's Note: Because of stepped up OSHA activity, NJGCA expects to be proactive in reminding members of the importance of workplace safety. OSHA penalties can be extremely expensive and can be avoided. Please send any questions you may have regarding workplace safety to Debbie Hill at [debbie@njgca.org](mailto:debbie@njgca.org) and we will forward your questions anonymously to Justin Baker at the NJ Department of Workforce Development. Justin's answers will be published in upcoming issues of OTR. Justin's introductory article is below.\*\**

## Occupational Safety and Health Compliance Corner

Justin Baker, Chief of Occupational Health  
New Jersey Department of Labor and Workforce Development (NJLWD)

I want to thank Sal Risalvato for inviting me to create this forum for members of NJGCA. My program at NJLWD is called the Occupational Safety & Health (OSH) On-Site Consultation Program. The purpose of the program is to help NJ businesses keep their employees safe and comply with USDOL OSHA's regulations. This program is free and the results are confidential from all parties including OSHA and FOIA/OPRA requests. Though confidential, USDOL OSHA funds 90% of the program to assist small businesses with OSHA compliance. The end of this column will better describe these services and the benefits your facility will receive.

Some questions you might have are: what are the common hazards found in gas stations, how do employees get hurt, what is OSHA looking for when they visit, and how much can an OSHA citation cost me? These are all excellent questions. We can briefly review all of them.

### What are the common hazards found in gas stations?

The four most common hazards found by OSHA in Federal Fiscal year 2017 are noted below:

- Personal Protective Equipment (safety glasses, gloves, etc.)
- Hazard Communication (chemical use and training)
- Walking and Working Surfaces (slip, trips and falls)
- Control of Hazardous Energy (lock out / tag out)

These four hazards are common in all industries. Over 50% of the citations issued in gas stations included Personal Protective Equipment and Hazard Communication.

**How do employees get hurt?** Below are the most common causes of fatalities or severe injuries in gas stations.

- Being struck by vehicles
- Burns / explosions related to gasoline
- Carbon monoxide exposure
- Workplace violence

No one wants to see an employee get hurt. In addition to their pain and suffering, there are the added hardships of increased worker's compensation premiums, overtime pay to cover their shifts, and decreased employee morale. Having a strong safety and health program at your facility can greatly reduce the likelihood of employees being injured.

**What is OSHA looking for when they visit?** OSHA inspections are triggered in several different ways. For gas stations, most will be due to employee complaints or an accident / fatality. When OSHA arrives for an inspection they will be looking for or at the following:

- Written safety / health programs
- Employee training records
- OSHA 300 injury and illness forms
- Employee interviews
- A physical inspection of the facility
- Maintenance records for equipment

OSHA Compliance Officers may require photocopies of documents and take pictures of hazardous conditions found. If they find violations, then a written citation will be issued which includes exactly what standards were violated and a penalty amount for each. OSHA has up to 6 months to issue a citation following the inspection.

### How much can an OSHA citation cost me?

OSHA's fines increased in 2017. A willful violation has a maximum penalty of \$126,750 per instance. Willful violations are uncommon as OSHA must prove that the employer had knowledge of a hazardous condition and chose to ignore it. More commonly issued serious or other than serious violations carry maximum penalties of \$12,675 per instance. Penalty amounts can be reduced based on the size of the business, the employer's inspection history, and good faith efforts. Sometimes fines can be further reduced by opting for an informal conference with OSHA following the inspection. OSHA often mandates that employers contact my group for guidance as a condition of their informal conference.

In Federal Fiscal year 2017, the average penalty issued to gas stations was approximately \$5,400. The largest fine issued in NJ was \$17,927.

**How can I help keep my employees safe, develop OSHA required written programs, train my employees in OSHA required topics, and eliminate physical hazards at my facility?**

Hopefully after reading the information above you are asking these questions. The reason my program exists is to help businesses such as yours with these issues. A brief overview of the OSHA On-Site Consultation Program can be found below:

Keep your employees safe and your facility OSHA compliant.

- Free
- Confidential
- Scheduled on-site at your convenience
- No penalties or fines

The New Jersey Department of Labor and Workforce Development provides free On-Site Consultation Service to help employers keep their employees safe and comply with OSHA regulations. Experienced safety and health professionals guide you through the applicable OSHA Standards including Personal Protective Equipment, Hazard Communication, Control of Hazardous Energy, and many more. Consultations can be comprehensive or focused on a specific topic based your request. The service is voluntary so you can cancel at any time.

Once requested, consultation staff will contact you to set up a convenient time for the service. The process consists of an opening conference where programmatic issues are discussed, followed by a physical walkthrough of the facility, and concluding with a closing conference to review any issues found. If needed, consultants can provide noise and/or air monitoring to determine if employees are exposed to levels in excess of OSHA's permissible exposure limits (PEL). Once the consultation is completed you will receive a written report which includes hazards found, noise/air monitoring results (if applicable), and specific recommendations to improve safety and health. If interested, formal training or abatement assistance can be provided by the consultants following the initial visit.

Since consultation is a voluntary activity, you must request it. Please contact Justin Baker, Chief of Occupational Health at (609) 292-2832 or [justin.baker@dol.nj.gov](mailto:justin.baker@dol.nj.gov) with questions or to request a consultation.

*Justin Baker currently holds the position of Chief, NJ Dept. of Labor and Workforce Development, Occupational Safety and Health Consultation and oversees the OSHA On-Site Consultation Program. Prior to his work at NJLWD, Justin had 8 years of experience in OSHA and overall regulatory compliance in the private sector.*

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# US Department of Labor Question & Answer



**Member questions are submitted to Debbie Hill who is the NJGCA Director of Member Services, and forwarded to John Warner of the USDOL. Members' identities are never revealed. John's answers are published below:**

*\*\* Editors note: In this edition, a member posed a question that was not directly related to the USDOL. John Warner referred us to the unemployment offices of NJDOL. \*\**

**Member Question:** I will be closing my shop as I am going out of business. I have several longtime employees that are expecting to find work elsewhere once my business is closed permanently and they are no longer receiving pay from me. However, should they not find suitable employment, they will file for and claim unemployment benefits. What will happen if their unemployment benefits exceed the amount of funds that are in the account set aside for my business that has been funded through payroll taxes over the years?

**Response from Employers Customer Service at NJDOL:**

- 1) For as long as he was in business, the employer has been paying unemployment taxes, and the taxes paid have accumulated in the employer's account.
- 2) A small percentage of the employee's wages and funds were also deposited into this account.
- 3) When a business owner closes their business they must close their tax account with the NJ Division of Taxation, and their account with NJ Unemployment
- 4) Former employees who do not have full time positions are entitled to receive unemployment benefits. The money will be taken from the employer's account which has been built up over the time while the business was operating .
- 5) Should the funds be depleted, the owner of the business will receive an assessment for funds paid out above what was previously deposited into the fund.

For any additional questions call NJ Employer Customer Service 609-984-2296.

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# NJGCA MBP AMATO AGENCY CLEARED OF WRONGDOING

Last year, longtime NJGCA MBP the Amato Agency was erroneously tied to a client who had committed insurance fraud. Although the Amato Agency had dropped the client, the Office of the NJ Attorney General chose to cast a big net and brought charges against all who had previously serviced the client without regard to actual guilt or innocence.

Many of you may remember when NJ Attorney General Anne Milgram wrongly charged many innocent gasoline retailers with "Scamming" motorists back in 2008. NJGCA filed a lawsuit demanding the evidence that eventually cleared 240 innocent retailers. The charges filed against the Amato Agency were another example of outrageous conduct by the highest law enforcement agent in NJ.

NJGCA takes issue with the conduct of Law Enforcement when they take actions to give the appearance that they are protecting the public, when in fact they are self-aggrandizing their own office.

The following is a statement issued by the Amato Agency:

*"We are pleased to announce that on 11/13/2017, the Superior Court of NJ issued a Judgement of Dismissal for all charges against The Amato Agency LLC.*

*The Amato Agency would like to express its sincere gratitude to all the association members, policy holders & colleagues for standing by them during this difficult time.*

*The Amato Agency looks forward to servicing its policy holders and strengthening its relationships with its Automotive Trade Associations."*

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# THE YEAR IN GAS PRICES

By: Eric Blomgren

Gas prices in 2017 were largely stable throughout the year, bouncing around within a range of about 30¢ a gallon. As you can see in the chart below, there was one major exception—the huge spike caused by Hurricane Harvey, which hit Houston and did major damage across the Gulf Coast. Harvey has now been estimated to be the single costliest hurricane in American history, inflicting nearly \$200 billion in damage. For comparison, Hurricane Sandy, the number three costliest hurricane, did about \$71 billion. Houston is the major hub for oil in this country, and this hurricane knocked out about 20% of the country’s refining capacity. On 8/25 the storm made landfall in Texas. The average wholesale price in NJ (with taxes) shot from \$2.15 on 8/23 to \$2.66 on 8/31. It would take nearly a month for prices to fall back to the range they were in before the hurricane hit.

2017 prices were higher than they were in 2016 and 2015, however they remained far below the level they sat at in the years beforehand, due to the ongoing

strength of US drilling, which is driven by the fracking revolution. OPEC and Russia spent the year trying to restrict the supply of oil and increase prices. While their efforts did have some effect, the US continues to be a drilling and refining powerhouse able to offset their cuts. The break-even point for US fracking has fallen sharply in the last few years, helping keep prices low despite the best efforts of OPEC.

This was also the first full year since the increase in the state’s gas tax of 22.6¢ a gallon. In fact, the entire reason why wholesale prices are higher this year than the last two is because of this tax increase. If you subtract that increase, then prices this year were actually the second lowest in the last decade.



2017	Average Rack Price + Tax	Change From Previous Month
January	\$2.15	-\$0.02
February	\$2.10	-\$0.05
March	\$2.08	-\$0.02
April	\$2.20	\$0.13
May	\$2.16	-\$0.05
June	\$2.05	-\$0.11
July	\$2.12	\$0.08
August	\$2.20	\$0.08
September	\$2.36	\$0.16
October	\$2.21	-\$0.15
November	\$2.32	\$0.11
December	\$2.26	-\$0.06

**From:** boyden friendly  
**Sent:** Thursday, October 26, 2017 7:20 AM  
**To:** Sal Risalvato <sal@njgca.org>  
**Subject:**

Sal, I hope you receive this email because you know I do not email very well. I want to tell you how good Dana Tank Insurance is. They went out of their way to solve a problem with my insurance. NJDEP had incorrect information on file and claimed that my underground tanks were installed in 1961. This of course created problems with my insurance. Eric Dana and his assistant Amy got to the bottom of this and after much leg work and investigation solved the problem. I am very grateful that NJGCA encourages their members to deal with people and companies like this. Now my wife and I can sleep because of the efforts of Dana Tank Insurance.

Thanks  
 Tony Legros  
 Boyden Friendly Service, Maplewood, NJ

# Federal Tax Reform

By: Eric Blomgren

Just before Christmas, Congress passed and the President signed into law the most significant tax reform/tax cut package in 30 years. For most Americans, this package will lead to a savings of several hundred or several thousand dollars per year. Here in New Jersey, the situation is a little more complex. Since the creation of the federal income tax just over a century ago, taxpayers have been able to deduct the full cost of their property tax and state income tax. Going forward, this deduction has been limited to the first \$10,000 of state and local tax (SALT). Given that NJ has by far the highest property taxes in the nation, as well as some of the highest state income taxes (which may be getting higher next year), this could be a significant blow and may lead to some in the state actually paying more in total tax burden, while those who still receive cuts will see them be much smaller than if they lived in almost any other state.

The package also focused heavily on cuts to business taxes. The federal corporate tax is lowered significantly, from 35% (one of the highest in the world) to 21%. Most small businesses, however, are "pass through" corporations, this designation includes LLCs, S-Corps, and partnerships. These businesses pay taxes at the standard income tax rates. They will now be given a standard deduction worth 20%.

Below is a basic summary of the biggest changes in the new law. It affects so many different aspects of the tax code that every taxpayer will have a different result, so consult your accountant for the effect on you!

## • ENERGY

- o Allows oil drilling in a small portion of the Arctic National Wildlife Refuge (ANWR)
- o Tax credits for electric vehicles and wind farms retained

## • CHANGES FOR BUSINESSES

- o Corporate Tax lowered to 21% from 35%
- o Pass-through businesses get standard 20% deduction
  - Up to \$157,500 for single filer/\$315,000 for joint
  - After that level, process becomes much more complicated
- o Corporate Alternative Minimum Tax is repealed
- o Depreciable assets can have their full cost deducted in one year instead of amortizing over several years.
  - This is only for equipment purchased between 9/27/2017-1/1/2023
  - Does not apply to structures
- o Small business Section 179 expensing cap increased to \$1 million (from \$500,000)
- o The Work Opportunity Tax Credit (WOTC) is continued through December 31, 2019

## • INCOME TAXES

- o Income tax rate lowered in almost every bracket

Income Level		Income Tax Rate	
Single Filing	Joint-Filing	Current	New Law
up to \$9,525	up to \$19,050	10%	10%
\$9,525-\$38,700	\$19,050-\$77,400	15%	12%
\$38,700-\$82,500	\$77,400-\$165,000	25%	22%
\$82,500-\$157,500	\$165,000-\$315,000	28%	24%
\$157,500-\$200,000	\$315,000-\$400,000	33%	32%
\$200,000-\$500,000	\$400,000-\$600,000	33-35%	35%
\$500,000+	\$600,000+	39.6%	37%

- o These changes expire in 2025 unless renewed
- o Standard Deduction doubled to \$12,000 for single filers and \$24,000 for joint
- o Deductions
  - State and Local Taxes: can deduct up to \$10,000 of property tax and state income/sales tax
  - Charitable contributions deduction kept
  - Mortgage interest deduction kept, but lowered from the first \$1 million to the first \$750,000 of home value
    - No change for current mortgages
    - Deduction for a second home kept as well
  - Retirement savings deduction kept
  - Student loan interest deduction kept
  - Deduction for medical expenses and expanded
    - Anyone whose medical expenses are 7.5% of their income or more can deduct them, down from 10% of income
  - Almost all other deductions eliminated
  - 94% of US taxpayers expected to take the standard deduction
- o Children/Dependents
  - Eliminates personal and dependent exemption of \$4,150
  - Child tax credit increased from \$1,000 to \$2,000, income threshold increased to \$400,000
  - \$500 credit for each non-child dependent (elderly, child over 17)
- o Estate tax exemption doubled to \$11.2 million for singles and \$22.4 million for couples, but tax is not repealed

## • Repeals the federal individual mandate for health insurance

## • Lowers federal taxes on beer, wine, and liquor

## • \$1.5 trillion in cuts (total)

- o Hope is that it will stimulate economic growth that will lead to more revenue, reducing impact on the debt to about \$450 billion total. More realistic estimates say effect will be likely double that.



## Legislative Roundup

# Important Issues Affecting Your Business

By Eric Blomgren

### **MINIMUM WAGE INCREASE**

First, a reminder that because of the 2013 constitutional amendment, the NJ minimum wage increased to \$8.60 an hour on January 1, 2018. Please ensure that all your employees are being paid at least that much per hour, your payroll company will NOT automatically increase their wage.

In one of the first actions after his election, Phil Murphy held a press conference with the returning leader of the state Senate, Steve Sweeney, and the new leader of the Assembly Craig Coughlin. There they all pledged their support to increasing the New Jersey minimum wage to \$15 an hour.

They did commit to phasing that increase in, however there appears to be disagreement over how long that phase-in should be. Gov. Murphy said he would like to see it fully implemented within three to four years, while Sen. Pres. Sweeney said he wanted a longer timeline. There is also talk of exemptions for certain situations or industries.

It seems to be a political certainty that the minimum wage will be increased, and that the bill will eventually require the rate to be \$15 an hour (with future increases caused by inflation after that). Among the provisions that we hope to see will be to extend the timeline for as long as possible, set a lower wage for small businesses (at least temporarily as in NY state), and create a lower training wage that will last several weeks if not months.

In order to accomplish any of this, we will need the vocal and active support of business owners. Please stay tuned to your email for updates. One of the most helpful things you can do is figure out how much a \$15 minimum wage (\$22.50 for overtime) will cost your business, and what you will have to do in response to it (such as raising your price for gas by X cents a gallon). Please email this to [eric@njgca.org](mailto:eric@njgca.org).

### **INSPECTION UPDATE**

It has now been a full two years since the contract for the new inspection program was released to the public, and we still do not have the program in place. Back in February 2016, four companies submitted bids to operate the new program. Three of them submitted bids similar to each other, one bidder (SGS) submitted a bid that was fully half the cost. The State chose the low bidder. Two of the bidders, OPUS and Parsons, immediately challenged the decision to award the contract to SGS. After more than a year, the State decided to throw out the bid from SGS on a technicality. The contract was then awarded to OPUS in September. Parsons immediately challenged this award too, and the contract remains in limbo. The current contract with Parsons has been extended for a fifth time, until November 2018. It is possible that this can will continue to be kicked down the road into the new Murphy Administration for them to evaluate. The ideal for NJGCA would be for the new Administration to throw out this proposed contract completely and create a fully decentralized program in which all inspections are performed in private shops. However, if the current proposal is going to go into effect then

we are rooting for OPUS, as their proposed fee for PIFs was the lowest of the four bidders. NJGCA has made a presentation to the Murphy Transition Team in order to bring this issue to the new Governor's attention. We plan to actively pursue efforts to convince the new Governor that the central lanes should be closed, and ALL inspections be performed in private repair shops.

### **SALES TAX REDUCTION**

As part of the final phase-in of the 2016 tax reform bill (which raised the gas/diesel tax), the sales tax has been lowered effective January 1, 2018 to 6.625% (from 6.875%). The NJ estate tax has been eliminated completely.

### **TOWING FIX**

The NJ Legislature moved quickly to fix an outstanding flaw with the 2007 Predatory Towing Prevention Act. The PTPA was created in order to crack down on unscrupulous tows from private lots, but it has since been interpreted to govern all non-consent tows, including police ordered tows from accident scenes. This has led to a problem for towers who risk violating the state law or violating the municipal towing ordinance, or else just eating the cost of certain services and labor. Several NJGCA members acted as activists on this issue and were instrumental in seeing a bill passed. Thankfully S-3459/A-5329, a bill fixing this problem, was introduced and passed this December under the leadership of Sen. Paul Sarlo (D-Bergen). The bill was signed by Governor Christie on his final day in office.

### **NUCLEAR POWER SUBSIDIES**

In December the NJ Legislature attempted to ram through a new bill which would increase power rates in order to subsidize PSEG's nuclear power plants in Salem County. PSEG claims that because of the increasingly low cost of natural gas, their nuclear power plants will no longer be able to sell electricity at a profit, and as a result they will have to shut them down. Nuclear power has the benefit of producing no carbon emissions, unlike natural gas. About 40% of the electricity used in NJ comes from these plants, which employ about 1,600 people in Southwest NJ. However, most of the power generated at these plants will be consumed by users as far away as Illinois, but only NJ ratepayers will be paying for the subsidy. The size of the subsidy will be over \$300 million per year, which works out to an increase of your electric bill of about 3%. NJGCA is a member of a coalition led by the AARP and NJ Chemistry Council to oppose this increase in electric bills. The bill was being rushed through during the "lame-duck" meeting of the Legislature, but was ultimately unable to make it through the entire legislative process and expired.

### **MERCURY AND LEAD WHEEL WEIGHT BAN**

In December the state Senate unanimously passed the bill banning the sale or installation of wheel weights which contain either lead or mercury. Apparently as much as 12 tons of lead is leached into the environment of New Jersey every year because of these weights popping off tires. About seven other states have already banned these products (including New York), and many large retailers have already chosen to stop selling them. In January the Governor signed the bill into law, it takes effect on July 7, 2018.

## **STAGE II VAPOR RECOVERY**

Effective December 23rd NJDEP officially approved the changes to its regulations on Stage II vapor recovery. From now on, Stage II is no longer required at any station. Those with vacuum-assist systems must have someone properly decommission their system by 12/20/2020. Those with a balance system can either decommission or leave their system on (but they must properly maintain it).

## **UNSAFE TIRE BAN EFFECTIVE MARCH 1ST**

Back in August, Gov. Christie signed into law A-3896, which banned the sale of unsafe tires. This ban goes into effect on March 1, 2018. Please ensure that you do not possess any tires with any of the flaws described below:

- A tread depth of less than 1/16 inch
- Damage exposing the reinforcing plies of the tire
- Improper repairs including any repair to the sidewall, tread shoulder, or belt edge; any puncture that has not been sealed or patched on the inside and repaired with a cured rubber stem through the outside; or any puncture repair of damage larger than 1/4 inch
- The tire shows evidence of prior use of a temporary tire sealant without evidence of a subsequent repair
- Has a defaced or missing tire identification number
- Has inner liner or bead damage
- Shows indication of internal separation, such as bulges or local areas of irregular tread wear

A violation of this law will be subject to a civil penalty of up to \$500 for a first offense.

## **ELECTION 2017 RESULTS**

In November, Democrat Phil Murphy was elected to be the 56th Governor of the state of New Jersey. He defeated Republican Kim Guadagno 56%-42%. Former Assembly Speaker Sheila Oliver will be his Lieutenant Governor. Governor-Elect Murphy's first appointment to his cabinet was to name Gurbir Grewal to the position of Attorney General, making him the nation's first Sikh to hold that position.

In the state Legislature it was a good night for Democrats. They easily defended all of their seats in both houses and picked up two open Assembly seats, increasing their majority to 54-26. In the Senate, Democrat Troy Singleton won the open seat being vacated by Republican Sen. Diane Allen in Burlington County, and Democrat Vin Gopal defeated Sen. Jen Beck in Monmouth County, becoming the first South Asian elected to the NJ state Senate. Republican Chris Brown defeated appointed Democratic Senator Colin Bell in Atlantic County, meaning the split in the state Senate for the next four years will be 25-15 Democratic. While the net change in seats was relatively small, Republicans only narrowly avoided a disaster as several of their members in normally safe districts saw huge swings against them as a result of the twin unpopularity of President Trump and Governor Christie.

Democratic Senate President Sweeney faced a heavy challenge financed almost entirely by the NJ Education Association (teachers' union). A total of \$18.7 million was spent in that race, making it the most expensive state legislative race in American history. In the end, it proved to have little effect as the Senate President won 59%-41%, despite the fact that his district cast more votes for Donald Trump than Hillary Clinton just a year earlier. Sen. Sweeney was chosen by his colleagues to remain leader of the Senate. On the Assembly side, Middlesex County Democrat Craig Coughlin was chosen to be the new Assembly

Speaker. He will take over after four years of Hudson County Speaker Vincent Prieto.

## **ELECTION 2018 PREVIEW**

2018 is shaping up to be a big political year both in New Jersey and nationally. Republican majorities in both houses of Congress are at risk of flipping to Democratic control. Midterm elections are almost always tough for the President's party, and that will be especially true if the President's approval ratings continue to languish in the range of 35%, as they have for most of his first year in office. Democrats need to flip a net of two seats in the Senate to take control. That may seem like a very small challenge, but almost of all the seats on the ballot are held by Democrats, many of whom represent states that voted Trump in 2016 (this is because this class of senators was last on the ballot in 2012, when President Obama was reelected and Democrats won almost all competitive races). Democrats will need to virtually run the table in the Senate in order to take control. In the House, the Republican advantage is 241-194. Democrats need a net gain of 24 seats to take control. Right now, control is seen by most observers as a tossup.

Here in New Jersey, Senator Bob Menendez (D) has already announced that he is running for a third term. The corruption trial against him was ultimately declared a mistrial after the jury could not decide whether his actions met the strict legal definition of corruption. Republicans are hopeful they may be able to give him a competitive race, but first they need a candidate. Overcoming history will also be a challenge, the last time a Republican was elected to serve in the US Senate from NJ was Clifford Case in 1972.

For most of the last twenty-five years, there have been few if any competitive House elections in NJ. From 1998-2016 only three incumbents have been defeated for reelection, and rarely is more than one seat competitive at a time. This year, as many as 5 of our 12 seats will be contested heavily. In the 2nd District at the southern tip of the state, longtime Rep. Frank LoBiondo (R) announced he would retire rather than seek reelection. This seat voted for both Obama and Trump. State Sen. Jeff Van Drew (D-Cape May) announced that he would run for the seat. In the 3rd district, made of Burlington and Ocean Counties, Rep. Tom MacArthur (R) may face a serious challenge in this historic swing district which also voted for both Obama and Trump. Two traditionally safe Republican districts in the Northwest of the state will be heavily contested. Both districts are home to a large number of high-income/high-education white voters who are traditionally a core of the Republican Party but have been uniquely repelled by Donald Trump. Both the 7th and 11th districts, represented by Leonard Lance and Rodney Frelinghuysen respectively, went from fairly decisive wins for Mitt Romney in 2012 to an even split in 2016. The one Democratic district that should be competitive is the 5th district, stretching from the northern half of Bergen County up to Sussex and Warren Counties. This district was represented for many years by Republican Scott Garrett, who was defeated narrowly in 2016 by Josh Gottheimer.

There will also be a few special elections for the General Assembly. The new Governor has already announced his intent to appoint four Assemblymembers to new offices, which means those districts will have special elections.

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# MEMBERSHIP MEMO!

Welcome to 2018 ... Fasten your seatbelts!

I hope all of you were able to have fun and enjoy some family time over the holidays.

**I have a few topics to touch base with you on this month:**

- Be on the lookout for our 2018 Member Benefit Partner (MBP) Brochure: I'm shocked that more of you aren't taking advantage of the money saving / making programs that have been assembled for you. Check it out, you might find one or more that will benefit you.

- Data Security: Ladies and gentlemen, if you think for one short minute that your business is meaningless in the world of cyber crime, please don't. There has been a monumental increase in ransom-ware attacks on small businesses. It's not because the hackers think your data is so valuable. It's because your data is valuable to you! They just want to make you pay to get it back, and with the value of the bitcoin (which is the ransom currency of choice) skyrocketing over

\$11,000 per, you should be making sure you have a solid backup and recovery plan in place. It's no longer a matter of if, but when.

- Introspection: Just a reminder. If anyone has multiple locations but is trying to fly under the radar by having only one location as a member with NJGCA, I would ask that you go to our website [www.njgca.org](http://www.njgca.org) and read over the Membership Fairness Doctrine. Like the above topic, that too is not a matter of if but when.

Alright then, I wish all of you a prosperous and healthy 2018. I hope to see you in the near future. Let's join together and try to recruit new members so we can be stronger.

Thank you for reading. Until next time.

Cheers!

Greg



Peter Gudzak

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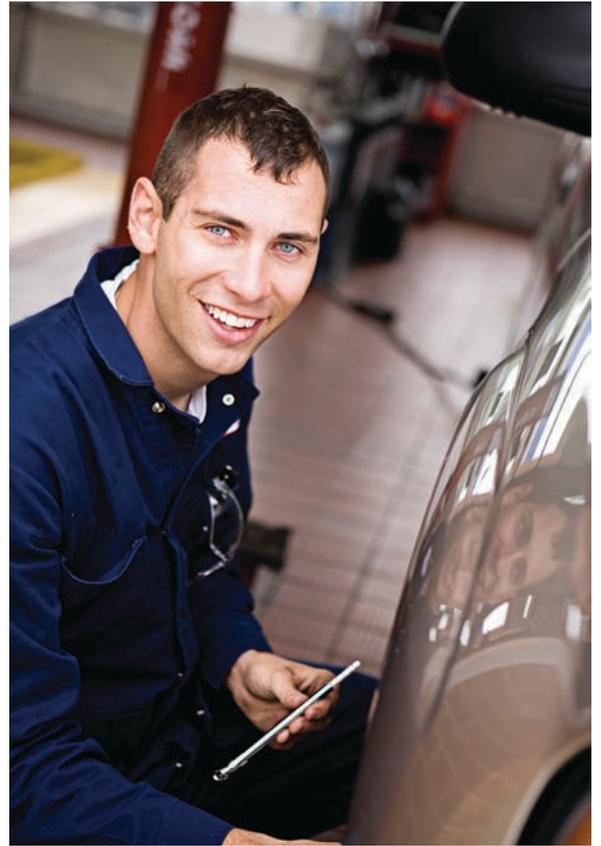
# Great News for NJGCA Members

## Group Health Coverage through NJGCA and Association Master Trust

**U**nless you're a large business with hundreds or thousands of employees, providing and administering a health benefits plan can be a huge burden. However, if you're a NJGCA member, you can now take advantage of a great group offering through the **Association Master Trust**

NJGCA member companies are eligible for comprehensive self-funded health and dental benefits through Association Master Trust. The Association Master Trust covers approximately 10,000 participants from thirteen trade and member association benefit trusts.

Qualifying NJGCA member firms can now enjoy all of the benefits of network services and modern claims administration. By being a member of AMT you're part of a large group, and have access the same great health benefits plans the big guys do!



*To learn more about AMT's self-funded health  
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# NEW RULES FOR PURCHASING REFRIGERANT EFFECTIVE JANUARY 1, 2018!

Effective January 1, 2018 the EPA will require service technicians to have Section 609 credentials to service motor vehicle air conditioning systems.

The sales restriction is established by EPA regulations (40 CFR Part 82, Subpart F) under Section 608 of the Clean Air Act. Only EPA-certified technicians are allowed to purchase ozone-depleting substances (ODS) used as refrigerants. The sales restriction covers refrigerants contained in cylinders, cans or drums, except for the sale of small cans of substitute refrigerants for use in motor vehicle air conditioners. The sales restriction does **not** cover refrigeration and air-conditioning equipment or components containing refrigerants.

## How does this effect you?

Starting January 1, 2018, technicians must pass a certification exam offered by an approved technician certification program in order to maintain, service, repair or dispose of appliances containing ODS or substitute refrigerants. The certification exam will be updated to reflect the new rules and new refrigerants. The technicians are required to keep a copy of this certificate at their place of business. **This copy of your certificate must be maintained for three years after no longer operating as a technician.**

**Autopart International will not sell refrigerant to any service provider without proof of this certificate effective January 1, 2018.**

The following people can buy any type of ozone-depleting refrigerant under this sales restriction effective January 1, 2018:

- Technicians who have earned the Section 608 Technician Certificate.
- Employers of Section 608 certified technician (or the employer's authorized representative) if the employer provides the refrigerant wholesaler written evidence that he or she employs at least one properly certified technician.

The following people can buy refrigerant found acceptable for use in a motor vehicle air conditioner (MVAC):

- Technicians who have earned the Section 609 Technician Certificate.

Service professionals can satisfy the sales requirement by showing their certificate or wallet card prior to purchase. Section 609 credentials can be earned with the EPA-approved ASE Refrigerant Recovery and Recycling Program. ASE recommends that technicians take the program online so they can get their results instantly.

The program costs \$19 and more details can be found at [ase.com/609](http://ase.com/609).

## When does the clerical class code apply to my workers compensation insurance policy?

By: The Amato Agency

This is the most asked and most misunderstood question regarding workers compensation policies. Workers compensation insurance is not only an important insurance coverage, but also required by NJ State Law.

The clerical classification is an “exception” that is available on all auto service related industry policies. While many times it is obvious which employees are under the governing classes (a mechanic is under the auto repair code, a gas pumper under the gas station code, etc.), it is not always so easy to determine the employees who qualify for the clerical exception class code.

The Workers Compensation Bureau of New Jersey (known as NJCRIB) was formed to oversee and advise this coverage for all employers in the state. NJCRIB assigns the governing class code based on the main business activity. Examples are Auto Repair, Gas Station, Convenience Store and Auto Body Repair.

NJCRIB is very specific as to the duties required to be eligible for the clerical classification exception code:

*“The duties of a clerical office employee include creation or maintenance of financial or other employer records, handling correspondence, computer composition, technical drafting, and telephone duties, including sales by phone. The clerical office classification continues to apply to a qualified clerical office employee who performs a duty outside of a qualified office area when that duty does not involve direct supervision or physical labor and is directly related to that employee’s duties in the office. These duties do not exclude the depositing of funds at the bank, purchase of office supplies, and pickup and delivery of mail provided they are incidental and directly related to that employee’s duties in the office. However, for the purposes of this rule, the definition of clerical duties excludes outside sales or outside representatives; any work exposed to the operative hazards of the business; and any work, such as stock or tally clerk, which is necessary, incidental or related to any operations of the business other than a clerical office.”*

NJCRIB also requires a clerical office separated from all other work areas. The clerical office cannot be an area where other work, service or inventory is located or sold.

Many times an employer will think that because an employee works as a “service writer” or some other role other than mechanic or pumper, that they should be classed as clerical. Errors are generally not identified until there is an audit, which causes an increase in premium and a lot of anguish.

Some of the common duties which will make an employee eligible or ineligible for the clerical code in an auto service business include:

### **INELIGIBLE DUTIES:**

- Diagnosing/repairing autos
- Test driving customer autos
- Pumping gas
- Working in convenience store
- Managing employees
- Assigning work to mechanics

### **ELIGIBLE:**

- Computer work
- Paying bills / sorting mail / paperwork
- Bank deposits
- Separated from bays and customer area

If an employee/owner performs any of the ineligible duties (even if they also perform the eligible duties), they are excluded from the clerical “exception” class code.

While most times, the misclassification of employees as clerical is simply a mistake by the employer, accountant, insurance agent or auditor, the intentional misclassification of an employee’s duties can be considered insurance fraud/theft and can be criminally prosecuted. As an example, recently a former client of The Amato Agency was accused of misrepresenting the classification codes of his employees. The Amato Agency was brought in on the charges, because there was an allegation the agency was aware of the duties which the client had misrepresented. The charges against The Amato Agency were dismissed, but the former client pled guilty and was sentenced to prison, fines, and restitution.

Workers compensation insurance can be a big expense for a business. The best way for a business to control the cost is to keep a safe work environment for employees. NJCRIB applies substantial discounts to individual businesses with good loss history. NJCRIB also allows insurance companies to apply additional discounts for the same reasons. In addition to the discounts, the association plan through NJGCA rewards employers with dividends. The dividends are determined after the policy term and are based on the loss history of the Association Members. While not guaranteed, the dividends to NJGCA members have been very consistent due to the great performance of its members.

Please look for our next workers compensation article regarding audits and payroll reporting.

*Article compiled by Joe Amato Sr. and Joe Amato Jr. on behalf of The Amato Agency. Please contact us with any questions, corrections or concerns.*

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\*\* Manuals Included in Cost of Class \*\*

## 2. One Day Class for NJ Emissions Inspectors Training

To be licensed as a Motor Vehicle Emissions Inspector, you must complete this course and pass a "Written Exam" given by the State of New Jersey. NJGCA offers this training in a ONE DAY State approved training program that will provide an understanding of inspection related issues including EPA regulations, safety, diesel, customer service, and the New Jersey state specific curriculum. **This specially tailored NJGCA course fulfills all requirements.**

**Class Options:** Thursday February 15th OR Thursday, March 22nd

**Class Time:** 6:30 AM to 3:00 PM (Donuts, Coffee, Pizza & Soda provided)

**Class Fees:** Members = \$275                      Non-Members = \$325

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# Credit Card Floor Limits

By: Louis Puglisi, Merchant Pro Express

What is a Floor Limit? How does it affect my transaction processing at the pumps?

Floor Limit (sometimes called a "Credit Floor") is the amount above credit card transactions that must be authorized before being processed. For example, if the Floor Limit is set at \$25.00, every purchase above \$25.00 would require a pre authorization or approval. If the transaction is less than the credit Floor Limit, no authorization is required by the payment processor. Transactions \$24.99 and below would be processed automatically.

Floor Limits can vary business to business and have very specific rules regarding Automated Fuel Dispenser (AFD) / Pay at The Pump Retailers. In the basic retail environment, such as Auto Repair or Convenience Stores, Floor Limits are no longer an issue of concern.

Some NJGCA Members may recall Floor Limits as standard practice before electronic processing via credit card terminals and Automated Fuel Dispensers were available. Retailers were required to acquire a carbon impression of the credit card and call in to the card issuing bank for approval.

Accepting transactions without a pre authorization for a dollar amount above the set Floor Limit can expose you to chargebacks, and this is one of the reasons a lot of chargebacks are lost. Taking the extra step for pre authorization above the Floor Limit will protect you from a chargeback. e.g. Floor Limit of \$100, Transaction amount \$150.00, Retailer liable for \$50.00 above set Floor Limit.

Here are the Floor Limits for Automated Fuel Dispensers here in the US:

- \* Visa, MasterCard, Discover, American Express Credit and Debit: \$100.00.
- \* Visa, MasterCard Fleet, Purchase and Corporate Credit: \$150.00.

Floor Limits are established and set by your Automated Fuel Dispenser Service Contractor in accordance with these rules. I suggest keeping them at the highest allowable dollar amount. If the transaction amount is above the Floor Limit, take the extra step and acquire pre authorization. In doing so, you will reduce chargeback liability, maximize fuel amounts customers pump in one transaction, speed up your transaction times, serve more customers and ultimately increase profits and gallons sold!

For any additional information or a rate review, feel free to contact Louis Puglisi, Merchant Pro Express, NJGCA Member Benefit Partner at 609-957-1784 or [lpuglisi@merchantproexpress.com](mailto:lpuglisi@merchantproexpress.com)



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\* NJGCA's Workers' Compensation Program has paid a dividend 20 times in the past 22 dividend eligible years.

# Electric Vehicles: Promises and Problems

By: Eric Blomgren

In 2007, Congress passed and President George W. Bush signed the Energy Independence and Security Act. Among the many goals of the bill was to pave the way for a future dominated by electric vehicles. After a decade of hearing that the coming EV revolution is just around the corner, the market is still dominated by gasoline fueled vehicles. Still, recent actions by various governments combined with the further advancement of electric vehicle (EV) technology is pointing towards a future in which EVs finally start breaking through. To give an idea of the challenge for EVs to break through, consider that last year saw a dramatic increase in the sale of all electric vehicles -- a total of one thousand were sold, which equates to 0.2% of the new car market.

If there is to be an EV evolution in the US, NJ will likely be at the forefront due to our high population density and location at the center of the Northeast Corridor. EVs are selling in NJ at twice the national rate. Analysts say that once the cost of the extra electricity is accounted for, the cost to keep an EV fueled is about half what it is for a gasoline vehicle. EV engines are also generally simpler than internal combustion engines, which means lower maintenance expenses (a downside for auto repairers). In terms of carbon emissions, they are about 70%-80% cleaner in NJ, even when the extra electricity that must be generated is accounted for (this is also largely due to the fact that about half the energy used in NJ is carbon-free because of our nuclear plants).

Carmakers are stepping up their offerings. General Motors plans to have 20 different EV models available five years from now, Volkswagen plans to offer an electric model of every one of its 300 different car models by 2030. Tesla continues to lead the way, its Model 3 sedan is expected to cost \$35,000 and they plan to sell 500,000 next year (although they have already missed several production targets). Tesla has also unveiled a new all electric semi-truck it has designed. Still, Bloomberg predicts it will not be until 2029 that the typical EV is the same cost as the typical gas powered vehicle, and initial buy-in cost is only one of the complications holding the public back from more wide scale adoption. For example, a conventional powertrain costs about \$6,000, an EV powertrain costs about \$16,000. Their estimate also does not take into effect government grants and credits, which the new Murphy Administration has expressed interest in.

The Paris Climate Accord, designed to fight climate change, is already proving to be a big incentive in other countries. France, Norway, China, India, and the United Kingdom have all announced in the last year that they will ban the sale of gasoline-only powered vehicles in their countries by 2040. California may follow suit. Importantly though (and lost in much of the reporting), the ban is not on gasoline powered cars, it's on gas only vehicles. A hybrid that can only travel 10 miles on electric and 400 miles on gasoline would qualify and could still be sold.

Oil companies are starting to grow a little concerned. BP estimates that EVs will shrink the demand for gasoline by about 3.3% in 2025, although population growth will offset some of that loss. Estimates vary wildly. Bloomberg predicts that in 2040 about one-third of vehicles on the road will be EVs, Exxon says the number will be 6%. Shell has decided to purchase NewMotion, a Dutch company which owns Europe's largest charging network. They also plan to roll out EV charging stations at many of their stations, particularly in Europe.

Still, there are a variety of challenges. Even the most bullish estimates forecast two thirds of the vehicles on the road 25 years from now to be gasoline powered. There are a wide variety of very serious problems that will only crop up once the EV share of the market goes beyond the tiny numbers it has now. The electric grid in NJ is old, and if the EV ownership hits about a 5% market share, it won't be able to provide enough electricity without serious upgrades (which are already needed for a variety of other reasons). Where will the extra electricity come from? Can solar and wind truly provide that much energy, and at what additional cost? What about the batteries themselves? They are constructed from rare earth elements like graphite (30% cost increase this year), lithium (45% increase in 2017), and cobalt (115% increase). As demand for EVs and their batteries increases, these materials will see their costs continue to increase. These minerals are also a bit like oil, in that they are largely concentrated in just a few nations, like China and the war-torn Congo.

Having adequate access to charging stations is a widely talked about problem right now. But one issue that is rarely talked about is what happens if EVs really do start to dominate? Adding a handful of chargers to local grocery stores, malls, and office buildings can easily meet current and near-future demand, but what if one quarter of all the cars at the mall on a busy Saturday need a charger? Can anyone expect that they will be running electrical wires

under the asphalt across parking lots that size? The cost of installing a charging station is generally higher than the cost of the equipment itself, what if the demand is there for 100 vehicles and not just 3? What about the millions of people who can't park their car in a garage at night? There's no practical way to charge a car parked on the street, or to run an extension cord out an apartment window overnight.

Meeting that scale of demand is likely where dedicated fueling locations will come into play. A dedicated fueling station could afford to install fast charging stations. They would still take 15 or 20 minutes to get customers back on their way, but future retailers could use that as an opportunity to build out the store aspect of their c-store. Nice indoor seating, TVs, fast and free Wi-Fi, and fresh snacks could make it more like a cafe and generate profits from customers charging their vehicles outside. Of course, that would require a larger footprint as well.

In the near term, it is tough for a gas station to compete in the EV charging market since it means going up against a Starbucks or Whole Foods, chains that customers are more likely to want to spend some meaningful amount of time in. The other big current challenge is how to earn your money back after installing a station. A fast charging station and installation can cost in the neighborhood of \$50,000. To earn that money back, the retailer would need a meaningful markup on the cost of the charge. But what happens to your business model if Walmart or Costco decides to just eat the initial cost and give away the electricity at a fraction of what the gas station is charging? It's very possible that the most challenging phase of EV adoption for current fuel retailers is the phase we are entering into in the next few years: enough adoption to undermine the current marketplace but not enough for stations to establish and dominate their niche.

Beyond EVs, there are a few other trends that may disrupt the fueling marketplace. Even though battery powered EVs are the center of attention, hydrogen fuel cell vehicles are making progress too. They are completely carbon free and most importantly the infrastructure for hydrogen can function essentially the same way as the current gasoline infrastructure, at least as far as motorists are concerned. Hydrogen vehicles have a fairly similar range to gas-powered ones and it takes about as long to refill. The cost per mile to travel on hydrogen is a bit higher than current gas prices, although about the same as when gas prices are in the \$3 a gallon range. Air Liquide, a major French chemical company, has partnered with Toyota and Honda

to more aggressively push hydrogen in the US, including by building at least two stations in New Jersey.

The other big potential disruptor is self-driving cars. A car that drives itself could speed off and get itself filled at any time, in theory. Uber has said that its long-term plan is that once self-driving technology advances enough, they will be able to eliminate all their drivers and lower the cost of an Uber trip so much that for most people it will be cheaper to not own a car at all and instead use a cheap Uber for every single trip. Of course, it's also possible that 25 years from now, things will be mostly the same as they are now.

From: Anthony Paccione  
Sent: Tuesday, January 02, 2018 9:23 AM  
To: sal@njgca.org  
Subject: DEBBIE HILL

How are you Sal, my name is Anthony Paccione. I'm sure you have got a ton of emails from me in regards to my case with MVC. I just wanted to reach out and tell you how wonderful Debbie has been to me. She has gone above and beyond for me the past few months and I can't thank you enough. Since I have been in business, this has been the absolute hardest thing I have ever gone through. Debbie has been nothing but professional and totally goes out of her way for me all of the time, working from home and even on her vacation. I really just wanted to thank all of you guys at NJGCA for helping me and doing what you can for me. NJGCA has done nothing but help me since I started with you and I thank you so much. Even if I lose my case I know she has done everything in her power to help me and for that I am forever grateful.

Thank you,  
Anthony Paccione  
Homer Ave Automotive, Pleasantville, NJ

# NJDEP "NEW" Rules for USTs and Stage II Decommissioning

by Debbie Hill

NJ Department of Environmental Protection (NJDEP) has proposed new rules for Underground Storage Tank (UST) owners in New Jersey. This is the first time NJDEP has updated the UST rules since 1988. The "new" rules have been submitted to the office of Administrative Law and should be published in January of 2018. If you own or operate an UST System – **you will be responsible for following the new rules beginning October 13th, 2018. NJGCA wants to keep you informed, and there is a lot of new information you will need to know!!** In the near future NJGCA will be hosting classes with NJDEP, and we will have more information on the dates and times. We will keep you informed! In the meantime I wanted to highlight **some** of the items you need to be aware of now:

## 1) OPERATOR TRAINING:

- a. By October 13th, 2018 you must have a Class A/B/C Operator at your location.
- b. The A/B Operator is the Owner/Operator and the Class C Operator is your service attendant.
- c. Your Class A/B Operator may also train your Class C Operator and keep records of all training.
- d. Important: If you have two locations and your Class C Operator (Service Attendant) works at two locations – he/she must have Class C training at each site!
- e. We have been providing information about the upcoming training schedule by NJDEP through Rutgers University. Classes have been held in New Brunswick, Bordentown, and now they have added Morris Township.
- f. Upcoming Classes: February 7th, 2018 – New Brunswick, NJ  
March 8th, 2018 – Morris Township, NJ  
Register for Class: Visit: [www.cpe.rutger.edu/brochures/intros/ust-AB.html](http://www.cpe.rutger.edu/brochures/intros/ust-AB.html)
- g. After you take the class – You must register for the testing through International Code Council (ICC). Register for testing: [https://www.iccsafe.org/wp-content/uploads/UST-AST\\_EIB.pdf](https://www.iccsafe.org/wp-content/uploads/UST-AST_EIB.pdf)

## 2) UNDERGROUND STORAGE TANK REGISTRATIONS:

- a. UST Registrations will be changing from a three (3) year cycle to a one (1) year cycle. The registration fee will remain the same: You currently pay \$150.00 for 3 years; you will be going to an annual renewal of \$50.00 for one year.
- b. Beginning in March of 2018 the UST registration department will be using a new form: Form Information: UST Facility Certification Questionnaire Form – UST 021 version 2.0 10/17/17 edition. The first cycle of UST Registrant renewals have been offered to use the form, as NJDEP sent the new form to Bergen County UST owners in November 2017.
- c. Passaic/Sussex County UST Owners UST Registrations expire on March 31, 2018. They will be receiving a letter from NJDEP with the new form in January 2018.
- d. Hudson/Warren County UST Owners will receive the updated UST questionnaire for the June 30th 2018 renewals.
- e. If you have not received the new UST Facility Registration Questionnaire and you need it you may call our office and ask for Debbie to receive a copy.

## 3) CONTAINMENT TESTING:

- a. The new UST Rules require "new" containment testing:
  - Spill Buckets – This is where the tanker hose connects to drop the load of fuel at your location. Spill Buckets will be tested every three years. The test has to be performed as a hydrostatic (water) or vacuum test. If your spill buckets are monitored with a sensor for leak detection, additional testing may be required.
  - Containment Sumps – If you have double wall piping and you are registered as using interstitial monitoring as your primary form of release detection for your piping, you will need to test your tank top (containment sump) and Under Dispenser Containment (see below). Sumps are under the large manhole cover over each tank. The sumps already have sensors in them that are connected to your Electronic Monitoring System (Veeder Root). The sumps have to be tested to make sure any water or fuel in them will set off an alarm, and to make sure all fluids will be held in a manner that does not allow it to leak into the environment. This testing can be very cumbersome, as there are many devices in the sumps that can allow for a leak. **Low Level testing** may be an option and less costly to test; however, this can only be used if you have "**positive shut down sensors**" in your sumps that are connected to your Electronic Monitoring System.
  - Under Dispenser Containment Devices – Under your dispensers you may have a containment device that will have to be tested to make sure it too holds any fluids that do not allow any leakage into the environment.

#### 4) OVERFILL EQUIPMENT TESTING AND INSPECTION:

Your primary overfill device will need to be inspected and tested for proper operation every three years. It will be required for your tester to remove the device from the tank, inspect it, and measure the device to verify that it is set at a correct height within the tank to prevent an overfill.

There are three different overfill devices:

- 1) Automatic Shutoff Device – (Flapper Valve) set no higher than 95% of tank capacity
- 2) Outside Audible/Visual Overfill Alarm – Usually tied into your tank gauge and must be set to alarm no higher than 90% tank capacity.
- 3) Ball Floats (also known as flow restrictors) – these are set to restrict the flow of fuel at 90% tank capacity.
  - a. Ball Floats – If it is discovered your ball float is not working properly you will need to replace it with a different type of overfill device. Ball floats are no longer allowed to be installed in new tank systems.

#### 5) LEAK DETECTION EQUIPMENT TESTING:

If you have automatic tank gauge sensors and automatic line leak detectors, all of this equipment will need to be inspected and tested annually to make sure it is all functioning properly.

#### 6) ENHANCED VAPOR RECOVERY PRESSURE VACUUM VALVE

This year when you are having your testing performed at your facility it is important that you have your Pressure Vacuum Valve replaced with the “new” Enhanced Vapor Recovery (EVR) Pressure Vacuum Valve. NJDEP will be checking for the new EVR Valve beginning December 23, 2018 during their compliance inspections.

*It is very important that you are using a licensed and certified testing company to test your UST system. We highly recommend you use one of our Member Benefit Partners as we know they are properly licensed to perform the work you need!!*

## Stage II Decommissioning

#### **If you are decommissioning your Stage II Vapor Recovery you need to follow:**

- 1) Use a Licensed and Certified Contractor: They must have an **Installation or Closure License**
- 2) You must submit an email notice (14 days) prior to decommissioning to the NJDEP

Email address: [14dayUSTnotice@dep.nj.gov](mailto:14dayUSTnotice@dep.nj.gov)

##### a. The notice must include:

- i. Your Site Information – Name and Address
- ii. Contact Information for owner
- iii. When the decommissioning will take place
- iv. UST Registration Number and/or Facility ID Number
- v. Name of Contractor performing the decommissioning

##### b. After Decommissioning has been performed:

- i. The following three test results must be submitted back to NJDEP at the email address above:
  1. Pressure Decay Test
  2. Pressure Vacuum Valve Test
  3. Tie Tank Test

You must also include the PEI RP 300 Decommissioning Checklist

All results must be submitted back to NJDEP within 14 days after decommissioning is complete.

- 3) You must now also file for a new General Permit: GP004B

- a. The new permit GP004B will take the place of the GP 004A. You can file for this permit through your NJDEP Online account.
- b. If you need assistance call Debbie Hill at NJGCA at 732-256-9646.

## PEI RP300 Stage II Decommissioning Checklist

Facility ID#	Facility Name/Address	Qualified Technician Doing the Work	Date

RP300 Reference	Decommissioning Activity	Completed	N/A
14.6.1	Relieve pressure in the tank ullage.		
14.6.2	Drain liquid collection points.		
14.6.3, 14.6.4	Electrically and mechanically disconnect all vapor pumping or processing units.		
14.6.3	Disconnect all electrical components of the Stage II system so that no electrical hazards are created.		
14.6.3	Reprogram the dispenser electronics to reflect that Stage II vapor recovery is no longer in service.		
14.6.5	Securely cap the below grade vapor piping at a height below the level of the base of the dispenser.		
14.6.6	Securely cap the below grade vapor piping at the tank end if it is easily accessible.		
14.6.7	Securely cap the vapor piping inside the dispenser cabinet.		
14.6.8	Replace the Stage II hanging hardware with conventional hanging hardware.		
14.6.9	Install appropriate pressure/vacuum vent cap(s).		
14.6.10	Remove any Stage II instructions from the dispenser cabinet.		
14.6.11	Conduct a pressure decay test.		
14.6.12	Verify that the storage system is left in a condition that will reliably prevent the release of any vapors or liquids from any component of the storage system associated with Stage II vapor recovery.		

Notes

Signature of technician doing the work: \_\_\_\_\_ Date: \_\_\_\_\_

Signature of owner or owner's representative: \_\_\_\_\_ Date: \_\_\_\_\_

# THE GHOST OF CHRISTMAS FUTURE?

By: Eric Blomgren

Effective January 16th, New Jersey will be one of just eight states in the nation in which the Governor's office and both houses of the state Legislature will be controlled by Democrats. It will be the first time in eight years that NJ has been in this position. When the stars align and all three elements of lawmaking are under the control of one party, the speed at which laws can be made can be dramatically increased, as the checks-and-balances become weaker. There are a lot of ideas that have been toyed with and bills that have been introduced over the last eight years that have seen little action due to the fact that everyone knew Gov. Christie would veto them. With that certainty removed, there is the potential for some pretty extreme new laws and regulations to appear and seriously threaten your business. We thought we'd share with you several of the threats that we will be monitoring over the course of the next four years. We all should know about the upcoming fights over issues like \$15 minimum wage and mandatory paid sick leave. But once those are dealt with, what could be next on the horizon?

## EMPLOYMENT BENEFITS

There seems to be a strain of thought among some advocates and politicians that a job should not just be a simple exchange of money for labor among free citizens, but that a job should be, in effect, a social program. Paid sick leave is just the start. Currently in the Legislature are bills that would require employers to pay their employees when they have jury duty and provide as much as 40 hours of unpaid leave per year for employees to attend school-related events for their children. The "Healthy Workplace Act" would require employers to make sure none of their employees feel bullied by their coworkers. The "New Jersey Schedules That Work Act" would place a variety of restrictions on the process of scheduling hourly workers, including requiring they be paid an hour's time when on-call and not needed or if their shift is changed within 24 hours. Another idea that has been kicked around is that once you hire someone as a part-time employee, you should be legally required to give them at least 20 hours a week of work, and if you don't have need of their labor you should have to pay them anyway. In June a bill was introduced to greatly restrict at-will employment in NJ, meaning in order to fire or lay someone off, you will need to prove to the state that you have a good reason for it.

It is worth mentioning again that many of these are just proposals, and several of them include exemptions for certain kinds of businesses, including those with fewer than 10 or 20 employees.

## TOBACCO

There are a variety of anti-tobacco laws that have been kicking around the Legislature that could become big threats to a major source of revenue for c-stores. The chief threat is significantly higher taxes: on cigarettes, vaping products, cigars, and all other tobacco products. Also a big threat, based on the experiences of other states, is a ban on menthol cigarettes and a ban on rebates and coupons for tobacco products. One proposal would ban the sale of tobacco products by pharmacies, although that would likely be a boost to c-stores. Probably the most fundamental threat is a

licensing cap, like what has recently passed in Philadelphia and New York City. The proposal would grandfather-in all current tobacco retailers, and then let the number of locations selling cigarettes drop over time due to attrition. At a glance this idea might actually be good for small retailers as it would remove competition and allow for increased sales and margins over time. The problem though is that in both these cities, the licenses are non-transferable. That means if you wanted to sell your business, the new owner would lose the ability to sell tobacco at it, dramatically undercutting the value of the business.

## TAXES

Though as a candidate Gov. Murphy claimed the only tax he would support raising is the tax on income over \$1 million, we all know promises made during a political campaign have a tendency to be changed as circumstances change. Beyond tobacco taxes, a tax on soda seems the most likely threat, having already passed in several cities, most notably our neighbor Philadelphia. A bill creating a tax on plastic bottles has been kicking around the Legislature for the last decade and may come back again. A tax on plastic bags is also a distinct possibility. There has been some talk of a ban or tax on disposable plastic straws. The government of the United Kingdom is considering a tax on disposable coffee cups of about 34¢ a cup, it's possible such an idea might come here next.

Fighting climate change will be a priority of the new Murphy Administration, and one proposal put forward by a few other states has been to create a carbon tax on fossil fuel emissions. The proposals they have discussed would equate to an increase of gas prices of about 10-20¢ per gallon. The newest idea is apparently a Meat Tax. Yes, a special excise tax on meat as a way to discourage people from eating as much. The idea is that not only is too much meat bad for an individual's health, it's bad for the environment to cultivate. Needless to say, I don't think we would have a problem finding people to oppose that idea.

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# Are You Paying Too Much In Property Taxes?

by John R. Lloyd, Esq. and Mauro Tucci, Esq.,  
Chiesa Shahinian & Giantomasi PC



No one should be paying more property taxes than is absolutely necessary. Unfortunately for business owners, New Jersey continues to place the country's heaviest real property tax burden on commercial and industrial property owners. How do you know if your property taxes are too high? If they are, how can you reduce your property taxes?

The answer may be a property tax appeal. The amount you pay in property taxes is based on the assessed value of your property. A property tax appeal, if indicated, argues for a lower assessment, which in turn lowers the amount of property taxes.

While any substantial property may be a candidate for a successful appeal, property tax appeals generally present significant financial benefits to owners of commercial, industrial or multi-family residential rental properties.

A careful analysis of your property tax assessment is necessary to determine whether it has been appropriately assessed and is not being charged more than its fair share of taxes. Even as general market conditions have improved for some property classes, the question of whether a particular property is properly assessed remains an essential exercise of due diligence for any owner or occupant of real estate in New Jersey. There may be unique factors impacting a property's value which are immune from general market conditions, such as the existence of environmental contamination.

On or before February 1, 2018, the tax assessor for each taxing district will issue a "Notice of Assessment," which will list, among other information, the property assessment for 2018. It is important to understand that the assessed value from the municipality is not

necessarily the actual market value of the property. If a property owner disagrees with an assessment, the municipality must defend the "equalized" value of that assessed property, which takes into account the average assessment in the district as a percentage of the average useable sale in the district. This equalized value is often higher than the assessment and is the value to be used in testing whether the property is fairly assessed.

An appeal of a 2018 assessment must be filed on or before April 1, 2018. All appeals may be made initially to your local County Board of Taxation, but if the assessment exceeds \$1,000,000, then the appeal may be made directly to the New Jersey Tax Court. Direct appeals to the Tax Court must also be made by April 1, 2018.

If you think your property tax assessment is too high, the time to start planning your property tax appeal is NOW. Determining whether your property is over-assessed requires careful evaluation and can take several weeks, and so the process of preparing your tax appeal starts months ahead of time. If you are eligible for an appeal but miss the April 1st deadline, you will need to wait until 2019 to save money on your property taxes.

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- Property Tax Appeals
- Employment
- Intellectual Property
- Regulatory & Government Affairs
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# Changes at NJGCA

*Since the last newsletter, our staff said farewell to longtime colleague and cherished team member Jacy Lance. Jacy joined the team almost five years ago, and earned a Master's Degree in public policy while excelling in her position with NJGCA. She will be joining Porzio Governmental Affairs.*

Filling Jacy's role is Michelle Horowitz, arriving at NJGCA after beginning her career as a Policy Research Assistant in the early childhood education policy field. In this position, Michelle has gained valuable experience in policy work, communications strategy, and research skills. Michelle is excited to join the team and is ready to apply her experience to serve the needs of NJGCA members and their interests.

\*\*\*\*\*

## Meet Your Office Staffer!

Michelle Horowitz, Communications & Research Director

### ***1. Tell us about yourself and your background:***

I grew up in Basking Ridge in Somerset County. After graduating from Ridge High School, I attended Rutgers University and pursued a bachelor's degree in Political Science with a minor in History. I was very fortunate to have an excellent mentor at my previous position who suggested I look into a Master's in Public Policy, and I ended up loving it! I am currently pursuing my Master's degree at the Bloustein School at Rutgers and plan to graduate in May of 2019.

### ***2. Tell us about your past work experience:***

During college I interned at the Office of Intergovernmental Affairs within the Office of the Governor. It was there that my passion for New Jersey policy work began. After college, I started a position as a Policy Research Assistant for an organization within Rutgers University that advocates for early childhood policies and research. Within this position, I worked with both the research and communications teams and learned both how to conduct and understand research, as well as how to effectively communicate what we learned into a message a broad audience can understand.

### ***3. What brought you to NJGCA and tell us about your role in the organization:***

I learned about the role through my former Bloustein classmate and NJGCA Research and Communications Director, Jacy Lance, who graduated in 2017. She was kind enough to inform me of the position opening at NJGCA and after learning more about her role, I was excited to apply. I have a passion for both learning and writing and after being told there would be much of those two aspects to the title, I was happy to accept the position! As the Research and

Communications Director, I am responsible for internal and external communications activities; including website content management, weekly Road Warrior and quarterly On the Road newsletter writing and dissemination, overseeing public relations efforts and media inquiries, and writing press releases, editorials, letters to the editor and other pieces that contribute to the advocacy work and overall messaging of NJGCA.

### ***4. How has your background in policy work prepared you for this industry from a communications perspective, and what do you hope to achieve as our new Communications Director?***

My experience working in the policy field has taught me many lessons. First, it is important to learn about and consider all positions and details of a policy, since policy work is rarely black and white. For every decision made and problem addressed, a group of people will be affected and it may impact their lives in some way, positive or negative. As important as messaging and strategy is, numbers sometimes speak louder than words, and I've learned how important data can be in shaping our arguments and messages. When we can marry both data and messaging and strategy in the right way, we build a strong foundation for spreading the word which leads to our interests being heard in Trenton and beyond. I could not be more excited to apply these lessons to my work at NJGCA!

### ***5. What do you do in your spare time?***

I love to spend time with my family, I am the oldest of five, so there is never a dull moment when the family gets together! I enjoy reading and spending time in the library finding new books, feel free to send me your recommendations! I also love to write and think of story ideas for when I retire someday (I have dreams of being the next Stephen King!). I love to cook and try new recipes of food I've never had before, watch my favorite shows on Netflix, volunteer at my local soup kitchen, play with dogs, and laugh with my friends.

### ***6. What would you say to prospective members about joining NJGCA?***

NJGCA offers a huge list of benefits for members. I would encourage prospective members to learn more about the amazing benefits and services NJGCA has to offer for them. NJGCA has built an amazing team to serve your needs through both member services to help your small business and represent your interests through advocacy work in Trenton. The staff is so passionate and knowledgeable on everything relating to gas, c-stores and the automotive industry and I look forward to working closely with them to serve your needs.



# Save TODAY with NJGCA Member Benefit Partners!

## THE NJGCA MEMBER BENEFIT PARTNER PROGRAM

NJGCA has been working hard to bring you and your business value through our Member Benefit Partners (MBPs). Hopefully, you are already taking advantage of many money-saving plans offered by our Member Benefit Partners. Our 2018 Member Benefit Partner Brochure should have recently arrived and this year we introduced four new Member Benefit Partners. They are listed in blue and marked with asterisks below. We are excited about the great opportunities that you have to save money with these partners!

### Here is a list of our current MBPs:

**ABLE-TECH** - Computers, Financial Management, Video Security Systems

**\*\*ACCESS ONE\*\*** - ATM Services

**AFFINITY FEDERAL CREDIT UNION** - Business Banking Services, Financing, Mortgages

**ALFA-TRONICS** - Pump & Tank Monitoring Services, Dispenser Security Specialists

**AMATO INSURANCE AGENCY** - Business, Garage Liability, Home and Auto Insurance

**AMERITRUST** - Workers Compensation Insurance (formerly Meadowbrook Insurance Group)

**ASSOCIATION MASTER TRUST (AMT)** - Health Coverage

**ATS ENVIRONMENTAL SERVICES** - Tank & Vapor Testing, NJDEP Compliance

**AUTOPART INTERNATIONAL** - Premium Parts Supplier

**AUTOMOTIVE TRAINING INSTITUTE (ATI)** - Education for a More Profitable Business

**BELLOMO FUELS** - Gasoline and Diesel Supplier

**BRENNAN LAW** - Environmental, Petroleum and Real Estate Law Specialists

**CBIZ INSURANCE** - Business, Garage Liability, Home and Auto Insurance

**C-3 TECHNOLOGIES** - Tank and Vapor Testing, NJDEP Compliance

**\*\*CHIESA SHAHINIAN & GIANTOMASI PC\*\*** - Legal Services

**COLE, SCHOTZ, MEISEL, FORMAN & LEONARD** - Legal Services

**CONSUMERS OIL CORP.** - Gasoline and Diesel Supplier

**CROMPCO** - Tank & Vapor Testing, NJDEP Compliance

**DANA TANK INSURANCE SPECIALISTS** - Underground Storage Tank Insurance

**ENERGY MARKETING PARTNERS, INC.** - Gasoline and Diesel Supplier

**ENVIRONMENTAL ALLIANCE, INC.** - Environmental Remediation & LSRP Services

**GILL ENERGY** - Gasoline and Diesel Supplier

**HAROLD LEVINSON ASSOCIATES** - Convenience Store Distributor

**HOUGH PETROLEUM** - Gasoline, Diesel, Motor Oil & Lubricants Supplier

**LAW OFFICES OF KENNETH L. BAUM** - Legal Services

**LENDING CAPITAL** - Commercial Financing

**LIBERTY / EWING OIL** - Gasoline and Diesel Suppliers

**LISKO ENVIRONMENTAL** - Environmental Remediation & LSRP Services

**MARC LAW** - Legal Services

**MERCHANT PRO EXPRESS** - Credit Card Processing & Consulting

**MITCHELL1** - Shop Management System, OEM Information

**P.F.I. INC. / NORTHWEST PETROLEUM** - Gasoline and Diesel Supplier

**PALISADES FUEL** - Gasoline and Diesel Supplier

**\*\*PASHMAN STEIN WALDER HAYDEN\*\*** - Legal Services

**PEAK ENVIRONMENTAL** - Environmental Remediation & LSRP Services

**PEAPACK GLADSTONE BANK** - Full Service Commercial Banking

**PPC LUBRICANTS/CASTROL OIL** - Motor Oil and Lubricant Supplier

**PRESTIGE ENVIRONMENTAL** - Environmental Remediation & LSRP Services

**QUICK & FRESH** - Convenience Store Distributor

**\*\*SAFETY-KLEEN\*\*** - Motor Oil and Lubricant Supplier & Environmental Solutions

**\*\*SALOMONE BROTHERS, INC\*\*** - Tank and Pump Replacement, Compliance Testing

**SERVICE STATION VENDING EQUIPMENT** - Service Station Vending, Air & Vacuum Systems

**SIMPAY** - Payroll and ATM Services

**SPARK CONTRACTORS** - Tank and Pump Replacement & Generator Installation & Service

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