

# ON THE ROAD

MARCH 2008  
VOLUME I ISSUE 3

## NEW JERSEY GASOLINE C-STORE AUTOMOTIVE ASSOCIATION NEWSLETTER



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## NJGCA is Back ON TRACK

### Savings Returned to Members Participating in Workers Compensation AND Health Care Coverage

For decades NJGCA members received a check every year representing Workers Compensation savings because as a group, NJGCA members had operated their businesses safely for the previous year. Because of our buying power as a group, our carrier Meadowbrook Insurance will be returning approximately 5% of the premiums paid by NJGCA participants in the program. ONLY NJGCA members are permitted to participate in the Meadowbrook Program. Checks will begin being mailed in mid-March.

You may recall that a savings was not passed on to members last year due to several very high claims caused by serious accidents involving member's employees. Meadowbrook has returned a savings to NJGCA members for 32 of the 34 years that we have sponsored this program. Remember, the State of NJ sets Worker Compensation rates, but when you participate in our program the law allows the insurance company to pass any savings to NJGCA members. Also remember that state law requires employers to have workers compensation insurance or face stiff fines.

In addition to the check some members will receive next month because they participated in the NJGCA Workers

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Compensation Program, members that participate in the **NJGCA/AMT** Health Coverage Program will also receive a check.

As you know, **NJGCA** has had a 30 year relationship with Association Master Trust (AMT). **NJGCA** is one of 13 trade associations that have banded together for better purchase power to form AMT and provide our members with Health Care Coverage.

This year the **NJGCA/AMT** sub trust has approved a savings dividend that will be paid to all **NJGCA** members in good standing as of December 31, 2007, and purchased AMT Health Care Coverage during 2007. Checks will be mailed beginning in March 2008. (Some of you may have received your checks already.)

So **NJGCA** is Back on Track. Although the main reason that you belong to **NJGCA** is to keep you informed about industry goings on, and representation in legislative matters that affect your business, we have always strived to provide members with money saving benefits as a bonus.

What else have we been doing?? Calls continue from members having problems with motor vehicle inspections and DEP inspections. MVC sting cars are out there and many of you are getting caught performing inspections improperly. Unfortunately, too many of you are also being caught fraudulently performing inspections, and passing cars that shouldn't be passed.

We are always happy to help our members deal with penalties and we usually get a hearing in front of MVC officials. We have accompanied scores of members to their hearings in Trenton and in many cases have been successful reducing suspensions and fines. We would prefer to assist members who have made careless and honest mistakes. Members who have made dishonest mistakes always give us a black eye.

The DEP seminars that we sponsored in January were hugely successful. We have begun the process of getting all of our members in to compliance. This is just the beginning and there is much more work to be done. This will be a never ending process and **NJGCA** will continue to keep you informed and urged to comply.

Members revealed much difficulty with tank truck

drivers spilling gasoline and leaving spill buckets filled with gasoline. DEP has made it clear that YOU will be held responsible if an inspection is done and spill buckets have product in them. Please report all instances to us and we will be happy to follow up with the oil companies and the trucking companies. This does not alleviate you of your responsibility. You should be checking the spill buckets before and after every delivery. Take pictures if necessary. Report the incident to the trucking company AND **NJGCA**. EMPTY the spill buckets!

The marketplace is getting hairy again. Expect it to get worse. The price of crude oil and the price of gasoline have been and will remain extremely volatile. There has not been any real reason for the fluctuations of price. Supplies have remained relatively steady and speculators continue to wreak havoc.

Retailers should calculate the margin that is needed to profitably run their business. Although easier said than done, **NJGCA** encourages you to be steadfast and refrain from cutting your price. You cannot afford to give your gas away. You are also encouraged to adopt cash/credit pricing and stop letting the credit card companies make more than you.

We are encountering problems with some suppliers and jobbers. Many of you have been able to purchase your property and are able to make your own supply agreement. Contact us before you sign an agreement so that we can make sure you are getting the best deal. We have developed a list of jobbers that we believe are good to do business with. We are also finding that some of the jobbers out there need an attitude adjustment. Call us first and we will guide you through the process.

Our friends at the Alliance of Automotive Service Providers (AASP/NJ) are sponsoring their annual Trade Show March 28-30. They have graciously provided **NJGCA** with a booth at the show. We encourage you to attend this show as there will be many vendors that will have products and services that are utilized in your business. Please contact us for complimentary tickets, and stop by to meet the **NJGCA** staff.

If you are not receiving our weekly email update every Friday, please call the office and let us know. We will add your email address to our distribution list.





## Message From NJGCA Executive Director Sal Risalvato

Dear NJGCA Member,

How am I doin?? Is NJGCA better?? Have we been able to help you??

This isn't getting any easier. The marketplace is jumping up and down, lawmakers are trying to dump on you, and the economy is threatening to take the vacation that YOU need.

Sometimes I wonder how you do it. I know many of you feel frustrated and sometimes want to pack it in. Your frustration and fears are justified and understood. However, you have always taken the bull by the horns to control your own destiny by being in your own business.

The spirit of a small business owner can not be matched. Believe me; every small business owner has his struggles no matter what business he is in. Other small business owners think owning a gasoline service station or a convenience store or an auto repair shop is a cake walk.

The tougher it gets for you, the more work I have here. I am trying to get this governor and this legislature to understand that you are not their punching bag. Trenton thinks every problem is solved by throwing money at it and they get the money from you. Trenton continues to come up with stupid ideas that burden you and your customers. I am taking every opportunity to poke them in the eye whenever they dream up stupid laws and taxes. It isn't the approach a sweetheart of a guy like me wants to take, but Trenton is out of control and I don't have much choice.

I am also willing to toss my sweetheart image aside when it comes to the market place. I sent an email recently to all members stating:

***“STOP IT! ENOUGH! WHAT IS WRONG WITH YOU? CAN'T YOU ADD AND SUBTRACT?”***

*Let me be clear; there are laws that prohibit below cost selling. I can't stop you from selling gasoline at no profit, but I can stop you from selling it below cost. And I will!*

*I am asking each of you to report any competitor that you suspect is selling gas below the invoice cost. I will file complaints with Weights and Measures, and I will follow up with the Attorney General of New Jersey if I have to.*

*If your competitor is a member of NJGCA and is*

*violating the law then shame on him, I will still file the complaint. Enough said. Please evaluate your own circumstances and make smart business decisions.”*

Oh.....and octane cheaters.....I am going to get you too! My members are out there slugging it out and scrapping every day to make an honest living. I am not going to let dishonest businesses make it harder.

I am energized by the comments that you have made to me in conversations and in emails. Thank you for noticing a difference in NJGCA and letting us know. I understand how difficult it is for you, and I am willing to scrap along with you every step of the way. The staff here is energized too.

I have been hopeful that I can get out on the road to begin meeting more of you. I need to be here in the office and in Trenton on the front lines instead of drinking all of your coffee. Rebuilding this organization is a challenge that keeps me here, but I promise I will be visiting as soon as I can.

I want to pay tribute to other organizations that look out for you. Unfortunately it has never been the policy of NJGCA to embrace other groups and historically we have always built walls around ourselves. I have been trying to knock down those walls and I have reached out to several organizations in NJ that have similar interests.

The Alliance of Automotive Service Providers (AASP/NJ) and the Garden State Towmen's Association (GSTA) are two organizations that I have been coordinating several legislative issues with, and I appreciate their efforts. Mechanics Education Association (MEA) is another organization that I have reached out to. Elevating the status of the folks in our business is something very important to me and I have great respect for MEA's efforts to do just that.

Keep your chin up, stay involved, and get active with NJGCA because we need your help!

As always; **Membership in a Strong Trade Association is One of the Best Investments You Can Make!**

Thanks again for your continued encouragement.

Sal Risalvato  
[sal@njgca.org](mailto:sal@njgca.org)



**\*\*\* DEAR DEBBIE , THANKS FOR YOUR ATTENTION TO MY SITUATION . THE ASSOCIATION HAS BEEN A LIFE / BUSINESS SAVER FOR ME . I'M HAPPY TO SAY THAT I'VE NOTICED A NICE IMPROVEMENT IN THE GROUP'S OPERATION IN THE PAST YEAR. KEEP UP THE GOOD WORK !**  
**BRUCE GREENWOOD RAMSEY AUTO**



## MESSAGE FROM OUR PRESIDENT TIM ARATA

I have been thrilled to meet so many of you over these past few months. Most recently I attended the DEP seminars in Pompton Plains and Tinton Falls and was able to meet hundreds more of you.

For any leader of an organization to meet rank and file members is exciting. I am always anxious to get your feedback and ideas about how we are doing, or how we can do better. After having met many of you at our Fall Meetings, I was especially encouraged when so many members attended the DEP seminars.

I was surprised by how thirsty members are for information, and I was very pleased to see **NJGCA** efforts to quench that thirst. I feel progress is being made.

Sal does not let me have any rest as he is always scheduling meetings with legislators or regulators and demanding that I attend. It is a hectic pace but I am happy to do it. I still have to mind my own shop, but I love this business and I want to do everything I can to make things better.

People are noticing us. More important is that they

have been reading about us and understanding the difficulties we have in our business. Every time the news media asks us for our position on issues affecting the public, we have an opportunity to make our customers understand what it takes to keep their cars rolling.

I too worry about the price of gas. I too wonder how I will survive. I also worry about my customers. How does all of this affect the economy and what will be in store for me as a result?

I know this. The time, money, and effort that I put in to **NJGCA** gives me the confidence to keep plugging away. I am certain that **NJGCA** is looking way beyond the horizon to where I could ever see without them. I am keeping my finger on the pulse of the industry and **NJGCA** is helping me to do that. **NJGCA** is helping you too, and that makes me happy.

Please attend the AASP/NJ trade show March 28-30. Let's have a cup of coffee there and let me know what is on your mind.

Tim Arata  
tim@njgca.org

A handwritten signature in black ink, appearing to read 'Tim Arata'.



## 120 LEGISLATORS IN 120 DAYS

Do you know your legislator? If the answer is yes, then it is important that you contact them about the matters discussed in this issue; but if you do **not** know who represents you please visit [www.njleg.nj.state.us](http://www.njleg.nj.state.us) to find your legislator. It is highly important that you become involved in the legislative process to help derail the many trains that can run through your front door.

This year **NJGCA** is taking an active role in meeting all 120 legislators, especially since nearly half of our legislature is either a new member or in a new position. From Zone Pricing to Right to Repair, and Paid Family Leave to Reg Flex, it is your voice that helps legislators understand the real effects they are pushing upon your businesses.

As we meet with our legislators, it is our hope to bring many of you with us, so that your legislator can see the

real in-district effects. Do not underestimate the voice you have when you sit down and talk with someone as the person who elected them. There are many things we can do as your organization in establishing a healthy dialogue, but they want to hear from you too. It's your well-being and your business that is at stake, join us and become active in our legislative efforts.

We will call you when we have scheduled a meeting with a legislator from your district. We understand how difficult it is to leave your business, but **PLEASE** try to attend. Legislators respond more to the voters and constituents that they represent. There will be times when these meetings will be scheduled at night if it is more convenient for the legislator.

## DEP SEMINARS A HUGE SUCCESS - YOU SHOULD HAVE BEEN THERE!

We have been working tirelessly to move beyond the blame game and towards a productive relationship with the DEP. This was highlighted in the seminars that took place in late January. The DEP was willing to give lessons in compliance, and our membership turned out in numbers that illustrated that **NJGCA** is committed to environmental compliance and protection.

Seminars were held in Pompton Plains and Tinton Falls. Both sessions were filled to a standing room only capacity. Questions from members never ended and both days found the 4 PM conclusion go way past 5 o'clock.

Please do not be mistaken, the inspections **WILL** continue, and you must get your stations in compliance with state and federal mandates. The fines are harsh and the DEP is reluctant to let anyone off the hook for violations, but your efforts to comply will be rewarded. You will not find a friend in the DEP unless you take a proactive role in understanding and complying with their regulations.

The most important thing you can do is to understand the equipment that you are using. Know what kind of tanks you have, what type of vapor recovery system you use, and ensure they are properly registered with

DEP. Understand what tests are required and how often they need to be performed. Find out what the company standards are for tank or systems checks, because many of the laws revolve around ensuring the equipment is used the way it was created to

be used. Keep your spill buckets clear of debris, watch for delivery truck drivers unlawfully by-passing your overfill protection, and make sure driver spills are reported immediately. When you do these things then you are on a path towards compliance.

The DEP is starting to help us, but you must also help yourself. Please contact us with any failures by the delivery companies to comply with regulations and we will follow up. Please take advantage of the ATS Environmental FREE compliance screening that **NJGCA** has negotiated for members only. ATS will assist you to ensure that you are up-to-date with the regulations and compliance standards. Above all, when you know that something is wrong do not cover it up. If any leak detection occurs please make sure the first call you make is to the DEP hotline at 1-877-WARN-DEP (1-877-927-6337). Please notify **NJGCA** and we will assist you as you deal with DEP.



## MOTOR VEHICLE INSPECTIONS

As of this writing there have not been any developments regarding the new Motor Vehicle Inspection system. The MVC has been very tight lipped about the contract and has refused to discuss the status with us. Although we are frustrated with this approach, we understand the reason and agree. When the previous contract was awarded in 1999 there was much speculation about inappropriate discussions between the winning bidder (Parsons) and State officials. Because of the ensuing fiasco and investigative fallout, the State has appropriately maintained a Zero Tolerance No Communication Policy with any parties having an interest in the award of the new contract.

**NJGCA** has reviewed each of the bids since this is public information. We have met with leaders from AASP/NJ, MEA, and PATA to determine which bidder is best for the PIF community.

We requested a meeting with the MVC officials on the selection committee and we were notified of the Zero

Tolerance Communication Policy that all officials are required to abide by. They may refuse to speak to us, but they can't stop us from writing a letter.

In January **NJGCA** Executive Director Sal Risalvato authored a letter that was signed collectively by the above named organizations and sent to MVC expressing our preferences. There has been no communication from MVC since or any indication as to how the committee is proceeding. MVC is sticking to their No Communication Policy with interested parties.

**NJGCA** participates on the Repair Excellence Council (REC). The February meeting was postponed until March because MVC officials also participate at the REC. Since there wasn't anything for them to report in February, and the meeting has been rescheduled for March, we believe that a decision will be forthcoming shortly so that MVC officials can report at the March meeting. Stay Tuned.

## ISSUE UPDATES

### PAID FAMILY LEAVE



*NJGCA Exec. Director Sal Risalvato testifies against paid family leave at Assembly Commerce Committee.*

Paid family leave legislation seems to be on a consistently winding road. This legislation has been reintroduced but now makes a few accommodations for small businesses.

Labor unions are adamant that all employees be given 12 weeks **annually** of **PAID** leave to care for a newborn or newly adopted child. They also want these **PAID** benefits to include the care of a sick parent or child. The amount paid will be up to \$524 a week.

**NJGCA** and other small business organizations have been successful having the bill's Primary Sponsor Senator Sweeney reintroduce this legislation with an agreement to reduce the benefit length from 12 weeks to 6 weeks. The new bill also does not require small businesses to guarantee that an employee's job will be available at the end of the 6 weeks. Instead, employers will be free to immediately replace an

employee choosing to take advantage of this new benefit.

However, **NJGCA** is still adamant that this legislation hurts our members, and provides incentives for employees to opt for benefits rather than work. The potential for abuse is high and we believe that this new benefit will be nothing more than a government sanctioned summer vacation program. Please visit our web site to read Executive Director Sal Risalvato's Op-Ed on this subject.



## **MOTOR VEHICLE OWNER'S RIGHT TO REPAIR ACT**

In the last legislative session the *Right to Repair* Bill made its way to the floor of the Assembly where it was denied a vote. The sponsor, Assemblyman Reed Gusciora, believes that this year can be different, but there is much work to do before Right to Repair will be posted for a vote in the Assembly. This bill has nearly 20 firm commitments; however, Assembly Speaker Roberts refuses to post this bill until at least 21 more Assembly members choose our side in this debate.

**NJGCA** members must contact each of their legislators and help them understand the importance of this legislation. Legislators must be made to understand that unless *Right to Repair* is passed, it will eventually become impossible for you to repair your customer's cars.

Remind them that you are paying for information through subscriptions such as *All Data and Mitchell On Demand*. Tell them that with each year of technological innovations and manufacturers withholding the needed information, that your technicians are finding it impossible to service the customers that CHOOSE your location for repairs instead

of dealerships. Legislators must understand that motorists will eventually lose their choice and will be forced to bring their cars to dealers for repairs.

You can also help the effort by relaying to us each and every individual case when you were unable to get the required information or "Flash" a computer to make necessary repairs. We don't need the customer's name, but we do need the year, make, and model of the car, and the nature of the problem. Describe your failed attempt to get the required information. We will make sure that legislators are aware of these cases.

It is imperative that you communicate this urgency to your customers and have them contact their legislators too. With a concerted effort, we are confident that we will see Right to Repair pass in this legislative session. Governor Corzine has already indicated that he will sign this legislation should it get to his desk. Please go to [www.state.njleg.nj.us](http://www.state.njleg.nj.us) and click on [find you legislator](#) for contact information.

## **HOT FUELS**

After a failed attempt in the last legislative session to pass legislation mandating temperature adjusted pumps, Assemblywoman Bonnie Watson-Coleman has re-introduced this "Hot Fuels" legislation. Many states are trying to pass legislation that will adjust gasoline dispensed at the pump for ambient temperature changes. The average temperature across New Jersey varies only slightly from the 60 degree range that gasoline is already compensated for at the rack prior to deliveries.

The costs for a gasoline retailer to retro-fit pumps with temperature compensation equipment can range from \$25,000 to well over \$100,000 depending on the number of pumps at each location.

Retailers are already seeing the effects of ethanol distorting the calibration of their pumps and in most cases retailers are **GIVING** gas away with each sale. Consumers are not being cheated in New Jersey because whatever gas expands in the summer months it contracts in the winter months.

Presently **NJGCA** is conducting scientific tests in collaboration with several vendors. Top Dog Nozzle and EZ DBR are **NJGCA** Member Benefits Partners (MBP) that help our members track gasoline inventory and with calibration difficulties. We are conducting tests at locations

during the cold weather months and will compare them to the results of warm weather months. We expect our test results will demonstrate to legislators that there isn't a need to require pumps in NJ to be outfitted with temperature compensation equipment.

This legislation is nothing more than *feel good* legislation that allows legislators to falsely demonstrate to activists that they are protecting consumers. There is also an effort being made in Washington to effectuate similar legislation nationwide. **NJGCA** firmly believes that such legislation should not pass in New Jersey or nationally. Stay tuned as this legislation is not going to go away without a fight.

Again, we are finding that many retailers, depending on their volume are **GIVING** gas away because their pumps are more frequently out of calibration do to the corrosive effects of ethanol. You should have your pumps professionally checked on a regular basis and calibrated accordingly. At today's prices it is suicide to be giving away hundreds of dollars a month. Reconciling your gasoline inventories is also effected, and reporting to DEP can become problematic. **NJGCA** has negotiated discounts with Top Dog Nozzle and EZ DBR to help you control these problems. Call us for details.



## **REGULATORY FLEXIBILITY**

**NJGCA** is currently working with the Advocate from the Small Business Administration (SBA) to seek an expansion of the Regulatory Flexibility Act (Reg Flex). The bill sponsored by Assemblyman Chivikula and many co-sponsors would help alleviate the pains of regulatory fines and other factors not specifically mandated by legislation.

The components of Reg Flex expansion would force the DEP and other state regulators to perform a cost benefits analysis of regulations, and show that small businesses can survive such regulations, fines, and permit costs. For those members who own a gas station, there is no doubt that you will greatly benefit from this legislation. DEP would have to show that their \$50,000 fines for certain underground storage “violations” do not unfairly and unnecessarily burden the small independent gasoline retailers.

This effort is moving forward, but it is unknown whether we will be successful in implementing the expansion to cover already existing regulations. We are working with the sponsors to ensure that we pass Reg Flex this legislative session. Right now is the perfect time to pass this legislation as the struggling economy is causing legislators to consider what burdens they are willing to place on the small businesses that drive our economy.

However, **NJGCA** needs your help in this effort. It is important for us to document the fines, permit costs, and regulatory costs associated with your business. It is especially important to document those fines that are handed down even when you are currently in compliance. **NJGCA** will fight for this legislation because it helps prevent the state from filling its coffers with your hard earned money.

## **ZONE PRICING**

Legislation to end the practice known as zone pricing has been introduced in previous legislative sessions by Assemblyman Bramnick. The bill has been reintroduced in the new legislative session and now has the support of several new sponsors.

Assemblymen Biondi, Johnson and Diegnan have joined as co-sponsors. Increased support is undoubtedly coming from your voices to these legislators about the effects of price discrimination and the use of zone pricing by oil companies to choose who stays in the market and who is forced out of business.

**NJGCA** Government Affairs Assistant Christopher Stark is collecting information to present our case to the legislators, but we need your help. Please contact Chris if you are in a zone pricing situation. We must document the brand and DTW at your location, and the retail price and DTW (if known) of your competitor. We must also denote the distance between your location and that of the offending competitor. Every piece of information is vital to building an unwavering case against big oil. The ball is rolling in Trenton and with your help we can make major gains in the zone pricing movement in this legislative session.

## **RETIRING? SELLING? WANT TO STAY BUSY?**

**NJGCA** is looking for people with experience to join our team of Territory Managers who work in the field visiting **NJGCA** members.

Several territories are available. **NJGCA** has always tried to employ previous members whenever possible. Even if you are not available now, let us know if you are interested and we will keep you in mind for the future.

Contact Phil Apruzzi [phil@njgca.org](mailto:phil@njgca.org)





## **MINIMUM WAGE INCREASE**

Since the 213th Legislative Session began in January, three minimum wage bills have been introduced: S-784 (sponsored by Senator Sweeney), A-1771 (sponsored by Assemblywoman Watson-Coleman), and A2108 (sponsored by Assemblyman Gusciora).

The bill proposing the highest hourly wage is S-784, which seeks to raise the State's minimum wage to \$8.50 an hour.

All three bills, however, seek an additional annual increase in some form after enactment.

**NJGCA** believes that a minimum wage increase will harm both employees and businesses. Any wage hike will circumvent market forces and impose a harsher



mandate on small business owners. Raising the minimum wage will cause a ripple effect that will raise the rate of higher wage earners. An increase in the minimum wage must be passed onto consumers at the pumps, in convenience stores, and in repair shops.

Many employees of **NJGCA** members are minimum wage employees, and this legislation will have a disastrous effect. Most of our members have a hard time finding employees to even work for minimum wage.

Rest assured that **NJGCA** is committed to fighting this legislation and will update you as more information is available.

## **24 HOUR PRICE CHANGE RULE APPLIED TO WHOLESALERS**

Senators Sacco and Vitale are sponsoring legislation along with co-sponsor Senator Van Drew to change the laws regarding the ability of wholesale gasoline distributors to change the price of gas more than once in a 24 hour period. This legislation is a basic response to the increased fines that retailers face if they change the price of gasoline more than once in a 24 hour period regardless of the number of deliveries per day. While **NJGCA** does **NOT** approve of any 24 hour limits at any level of the market, we will fight for legislation that equally limits wholesalers so that you are protected from losses because of delivery or costly fines. In this fight, we need to hear from each of you who get more than one delivery per day so that our case to the legislature may be set on a firm foundation.

## **MONETIZATION – TOLL-HIKE – GAS TAX**

Governor Corzine's 'monetization' plan to save State finances has been speculated on since the summer. In mid-January more details emerged.

The proposal has shifted from a "toll-road sale or lease" to a toll-hike of 800% by 2022. The proposal seeks to establish an independent Public Benefit Corporation (PBC) to manage the toll-roads and borrow nearly \$40 Billion against future toll-hikes. Tolls will increase 50% in 2010, 2014, 2018, and 2022, plus an annual cost-of-living adjustment. The plan will affect the NJ Turnpike, Garden State Parkway, Atlantic City Expressway, and tolls will be added to Route 440.

As the debate has raged in recent weeks, several legislators are proposing increases in the NJ Gas Tax in addition or in

lieu of the toll scheme. Stay tuned as this could get very ugly in Trenton as the legislature debates the budget.

**NJGCA** and our Members do not support this measure, or any other measure, that attempts to raise taxes or tolls on an overburdened public and business community. If implemented, the State will be paying back borrowed funds for the next 75-years; an irresponsible amount of debt to place on future residents and businesses. We are working with other organizations to oppose this measure, but encourage you, your employees, and your customers to vocally oppose this proposal.

Please see the **NJGCA** website to view a press-release and news articles opposing Governor Corzine's plan.



## **PREDATORY TOWING**

Governor Corzine signed the “The Predatory Towing Prevention Act” in late October 2007. The bill was originally introduced to prevent dishonest tow operators from taking advantage of motorists by charging outrageous fees. By the time the bill was amended in the Legislature, the law regulated an entire industry and implemented a form of price control.

It was a heavy-handed and unnecessary solution to a very simple problem.

The entire scenario is a simple lesson of what happens when owners succumb to poor business practices. Due to the deceitful behavior of a few creeps, all towing vendors will now be regulated.

The good news is the new law will not be implemented until October 2008. This means we still have an opportunity to see the bill amended and returned to its original intent; that is to punish unethical tow operators.

**NJGCA** has been quietly working with many of the original co-sponsors of the legislation who do not agree with how it was amended. We hope to have a bill introduced in the coming months to revise this needless law. Not to go un-noticed are the efforts of The Garden State Towmen’s Association. **GSTA** has taken the lead and **NJGCA** has been supporting them at every turn. Predatory Towing is on the agenda each time we meet with legislators. We have let legislators know that we are watching how they vote on this issue.

## **HORROR HIGHLIGHT - DON’T LET THIS HAPPEN TO YOU**

Do you sell diesel fuel? Do you have customers that claim they are exempt from paying NJ State taxes? Do you have a valid Tax Exempt Certificate on file?

If you answered YES to the first two questions, and NO to the third question, then you have a problem.

A member has called **NJGCA** for assistance after the NJ Division of Taxation audited his business. NJ Taxation found that an ambulance company had been purchasing diesel fuel at this location for 10 years. The ambulance company claimed tax exemption but never provided our member with the appropriate exemption certificate. The ambulance company was never granted an exemption from the State of NJ.

Our member adjusted the customer’s bill every month by reducing the amount of tax that had been calculated on the pump. Our member then adjusted the amount of tax due on his monthly return by exempting the amount of gallons sold to the ambulance company. He even listed the Tax ID # of the ambulance company on the return. Our member did everything by the book with one exception...he never received the Certificate of Exemption from his customer.

Even though our member listed the customers Tax ID # on the return every month, it took the State 10 years to realize that an ineligible exemption was being claimed.

The result of this error is that the NJ Division of Taxation has billed our member for 10 years of unpaid taxes from the ambulance account. The amount was over \$40,000.00

Taxation has told our member that they are responsible for paying this assessment and has advised that he can collect the money from his customer. Of course his customer is running for the hills and refuses to pay. Our member may have a good case of fraud against his customer, but that won’t get him his \$40,000.00

How do you avoid similar problems? If you are allowing ANY customer to claim an exemption on Diesel or Sales Tax, then you **MUST** have the proper Tax Exempt Certificate on File. **DO NOT TAKE YOUR CUSTOMER’S WORD THAT THEY ARE EXEMPT!!!**

**NJGCA** has been involved trying to help this member and we are hoping for a positive conclusion. However, there is no guarantee that we will be successful and our member may be liable for over \$40,000 in taxes. If you think that you have a similar circumstance, please call us and we will help you determine the best course of action.

If you have a customer that wants to claim exemptions from paying taxes, please call our office so that we can properly advise you how to keep your customer happy and still comply with the law. We will have more on this in a future issue of On the Road.



# MOTOR VEHICLE INSPECTOR TRAINING CLASS SCHEDULED

## MVC INSPECTOR TRAINING CLASSES

NJGCA is offering a training courses to help you and your employees meet the NJ State requirements associated with Motor Vehicle Inspections. Classes are held in the Training Center at NJGCA headquarters. Classes are open to **ALL** technicians however; NJGCA members will receive up to a 40% discount.

### Motor Vehicle Emissions Inspector

This certification is required for anyone who performs Motor Vehicle Inspections in your shop. Technicians successfully completing this course will be certified as **Motor Vehicle Emissions Inspector**.

Six evening classes 6:45 – 10:00 PM

Class dates: Tuesdays & Thursdays 4/15/08 thru 5/1/08

Plus one test AFTERNOON May 6th or May 7th

NON-Members \$250.00 **NJGCA Members \$150.00 \*\* Save \$100**



*Students in NJGCA training class*

## UPCOMING EVENTS

### AASP/NJ-NORTHEAST 2008 REGIONAL AUTOBODY / AUTOMOTIVE TRADE SHOW

Northeast Regional Autobody Automotive Trade Show c/o Rockland Exposition Inc.

March 28-30, 2008

Rockland Community College Field House - Suffern, New York  
2008 Rockland-Northeast Trade Show Home Page

388 East Main Street • Middletown NY 10940  
info@rocklandexpo.com  
800.223.4648

We have been invited by our friends at the Alliance of Automotive Service Providers of New Jersey (AASP/NJ) to attend a 3 day trade show. There will be over 400 booths and over 140 companies in attendance, representing the repair equipment and business software products industry.

**NJGCA will have a booth at the event and will provide free tickets to any members who would like to attend.**

**This is a great opportunity to see the latest technology, equipment, services, and related suppliers in person!**





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