

ASSEMBLY, No. 5226

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED MARCH 25, 2019

Sponsored by:

Assemblyman ROY FREIMAN

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Assemblyman VINCENT MAZZEO

District 2 (Atlantic)

Assemblywoman JOANN DOWNEY

District 11 (Monmouth)

Co-Sponsored by:

Assemblyman Armato

SYNOPSIS

Provides for suspension of scheduled minimum wage increases for economic reasons.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 3/26/2019)

1 AN ACT concerning increases in minimum wage and supplementing
2 Title 52 of the Revised Statutes.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. a. On or before July 28, 2019, and on or before every July
8 28 thereafter until the minimum wage is \$15.00 per hour pursuant to
9 section 5 of P.L.1966, c.113 (C.34:11-56a4) as amended by
10 P.L.2019, c.32, conditions can support a minimum wage increase,
11 the State Treasurer shall annually make a determination and certify
12 to the Governor and, pursuant to section 2 of P.L.1991, c.164
13 (C.52:14-19.1), the Legislature whether each of the following
14 conditions is met:

15 (1) Total nonfarm employment for the State, seasonally
16 adjusted, decreased over the three-month period from April to June,
17 inclusive, prior to the July 28 determination. This calculation shall
18 compare seasonally adjusted total nonfarm employment in June to
19 seasonally adjusted total nonfarm employment in March, as
20 reported by the Department of Labor and Workforce Development.

21 (2) Total nonfarm employment for the State, seasonally
22 adjusted, decreased over the six-month period from January to June,
23 inclusive, prior to the July 28 determination. This calculation shall
24 compare seasonally adjusted total nonfarm employment in June to
25 seasonally adjusted total nonfarm employment in December, as
26 reported by the Department of Labor and Workforce Development.

27 (3) Retail sales and use tax cash receipts for the State fiscal year
28 ending one month prior to the July 28 determination is less than
29 retail sales and use tax cash receipts from for the State fiscal year,
30 ending 13 months prior to the July 28 determination. The
31 calculation for the condition specified in this paragraph shall be
32 made as follows:

33 (a) The Division of Taxation shall publish by the 10th of each
34 month on its Internet website the total retail sales (sales before
35 adjustments) for the prior month derived from its daily retail sales
36 and use tax reports.

37 (b) The Division of Taxation shall publish by the 10th of each
38 month on its Internet website the monthly factor required to convert
39 the prior month's retail sales and use tax total from all tax rates to a
40 retail sales and use tax total.

41 (c) The Department of the Treasury shall multiply the monthly
42 total from subparagraph (a) of this paragraph (3) by the monthly
43 factor from subparagraph (b) of this paragraph (3) for each month.

44 (d) The Department of the Treasury shall sum the monthly totals
45 calculated in subparagraph (c) of this paragraph (3) to calculate the
46 12-month July 1 to June 30, inclusive, totals needed for the
47 comparison in this subparagraph.

1 Under the bill, the scheduled minimum wage increases would be
2 suspended based on certain decreases in employment, seasonally
3 adjusted, and decreases in retail sales and use tax cash receipts.
4 The State Treasurer is required to certify these conditions to the
5 Governor and the Legislature, and upon the Treasurer's
6 certification, the scheduled minimum wage increases would be
7 suspended for one year. If the scheduled minimum wage increases
8 are suspended due to the specified decreases in employment and
9 retail sales and use tax cash receipts, the dates to increase the
10 minimum wage in the aforementioned pending legislation would be
11 postponed by an additional year.

12 Additionally, under the bill, the scheduled minimum wage
13 increases would be suspended if total revenues received by the State
14 in a fiscal year have decreased by at least two percent from the
15 preceding fiscal year. For purposes of this calculation, a decrease
16 in revenues that is the result in a change in tax policy or law would
17 not be considered as a decrease in revenues with respect to any
18 impact the change in minimum wage has on revenue collection.

19 The State Treasurer is required to certify this decrease in
20 revenues to the Governor and the Legislature, and upon the
21 Treasurer's certification, the scheduled minimum wage increases
22 would be suspended.

23 If the scheduled minimum wage increases are suspended due to a
24 two percent decrease in revenues, the suspension would remain in
25 effect until such time as the total revenues received by the State
26 reach the level of revenues prior to the two percent decrease in
27 revenues. When the suspension is lifted, all dates specified in the
28 aforementioned legislation would be postponed by the number of
29 years the suspension was in effect.