SENATE, No. 3607

STATE OF NEW JERSEY

218th LEGISLATURE

INTRODUCED MARCH 18, 2019

Sponsored by:
Senator VIN GOPAL
District 11 (Monmouth)
Senator KRISTIN M. CORRADO
District 40 (Bergen, Essex, Morris and Passaic)

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

CURRENT VERSION OF TEXT
As introduced.
AN ACT concerning increases in minimum wage and supplementing
Title 52 of the Revised Statutes.

BE IT ENACTED by the Senate and General Assembly of the State
of New Jersey:

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

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

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

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

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

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

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

(d) The Department of the Treasury shall sum the monthly totals
calculated in subparagraph (c) of this paragraph (3) to calculate the
12-month July 1 to June 30, inclusive, totals needed for the
comparison in this subparagraph.
b. On or before July 28, 2019, and on or before every July 28 thereafter until the minimum wage is $15.00 per hour pursuant to section 5 of P.L.1966, c.113 (C.34:11-56a4) as amended by P.L.2019, c.32, to ensure that the State General Fund fiscal condition can support the next scheduled minimum wage increase, the State Treasurer shall annually make a determination and certify to the Governor and, pursuant to section 2 of P.L.1991, c.164 (C52:14-91.1), the Legislature whether total revenues received by the State each fiscal year have decreased by at least two percent from the preceding fiscal year.

For purposes of this subsection, a decrease in revenues that is the result of a change in tax policy or law shall not be considered as a decrease in revenues with respect to any impact the change in minimum wage has on revenue collection.

c. (1) If, for any year, the condition in either paragraph (1) or (2) of subsection a. of this section is met, and if the condition in paragraph (3) of subsection a. is met, then the minimum wage increases scheduled pursuant to section 5 of P.L.1966, c.113 (C.34:11-56a4) as amended by P.L.2019, c.32, for the following year shall be suspended.

If the scheduled minimum wage increases are suspended pursuant to this paragraph for the following year, all dates specified in section 5 of P.L.1966, c.113 (C.34:11-56a4) as amended by P.L.2019, c.32, shall be postponed by an additional year.

(2) If the State Treasurer certifies under subsection b. of this section that total revenues received by the State in a fiscal year have decreased by at least two percent from the preceding fiscal year, the minimum wage increases scheduled pursuant to section 5 of P.L.1966, c.113 (C.34:11-56a4) as amended by P.L.2019, c.32, for the following year shall be suspended.

If the scheduled minimum wage increases are suspended pursuant to this paragraph (2) for the following year, the suspension shall remain in effect until such time as the total revenues received by the State reach the level of revenues prior to the two percent decrease in revenues. When the suspension is lifted, all dates specified in section 5 of P.L.1966, c.113 (C.34:11-56a4) as amended by P.L.2019, c.32, shall be postponed by the number of years the suspension was in effect.

2. This act shall take effect immediately.

STATEMENT

This bill provides two mechanisms by which the minimum wage increases scheduled in recently enacted legislation, P.L.2019, c.32, would be suspended for economic reasons.
Under the bill, the scheduled minimum wage increases would be suspended based on certain decreases in employment, seasonally adjusted, and decreases in retail sales and use tax cash receipts. The State Treasurer is required to certify these conditions to the Governor and the Legislature, and upon the Treasurer’s certification, the scheduled minimum wage increases would be suspended for one year. If the scheduled minimum wage increases are suspended due to the specified decreases in employment and retail sales and use tax cash receipts, the dates to increase the minimum wage in the aforementioned pending legislation would be postponed by an additional year.

Additionally, under the bill, the scheduled minimum wage increases would be suspended if total revenues received by the State in a fiscal year have decreased by at least two percent from the preceding fiscal year. For purposes of this calculation, a decrease in revenues that is the result in a change in tax policy or law would not be considered as a decrease in revenues with respect to any impact the change in minimum wage has on revenue collection. The State Treasurer is required to certify this decrease in revenues to the Governor and the Legislature, and upon the Treasurer’s certification, the scheduled minimum wage increases would be suspended.

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