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SYNOPSIS
Imposes prevailing wage for public work on properties receiving tax abatements or exemptions.

CURRENT VERSION OF TEXT
Substitute as adopted by the Assembly Committee.
AN ACT concerning prevailing wage requirements for public work on certain properties receiving tax abatements or exemptions and amending P.L.1963, c.150.

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

1. Section 2 of P.L.1963, c.150 (34:11-56.26) is amended as follows:
   2. As used in this act:
      (1) "Department" means the Department of Labor and Workforce Development of the State of New Jersey.
      (2) "Locality" means any political subdivision of the State, combination of the same or parts thereof, or any geographical area or areas classified, designated and fixed by the commissioner from time to time, provided that in determining the "locality," the commissioner shall be guided by the boundary lines of political subdivisions or parts thereof, or by a consideration of the areas with respect to which it has been the practice of employers of particular crafts or trades to engage in collective bargaining with the representatives of workers in such craft or trade.
      (3) "Maintenance work" means the repair of existing facilities when the size, type or extent of such facilities is not thereby changed or increased. "Maintenance work" also means any work on a maintenance-related project that exceeds the scope of work and capabilities of in-house maintenance personnel, requires the solicitation of bids, and has an aggregate value exceeding $50,000.
      (4) "Public body" means the State of New Jersey, any of its political subdivisions, any authority created by the Legislature of the State of New Jersey and any instrumentality or agency of the State of New Jersey or of any of its political subdivisions.
      (5) "Public work" means construction, reconstruction, demolition, alteration, custom fabrication, or repair work, or maintenance work, including painting and decorating, done under contract and paid for in whole or in part out of the funds of a public body, except work performed under a rehabilitation program. "Public work" shall also mean construction, reconstruction, demolition, alteration, custom fabrication, or repair work, done on any property or premises, whether or not the work is paid for from public funds, if, at the time of the entering into of the contract:
         (a) The property or premises is owned by the public body;
         (b) A public body has provided, approved or authorized a tax abatement or tax exemption for the property or premises, unless the property or premises is, as the property of a nonprofit organization, EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.
exempt from taxation pursuant to R.S.54:4-3.6 and is not subject to
the provisions of section 1 of P.L.1979, c.303 (C.34:1B-5.1) or the
provisions of P.L.2004, c.127 (C.5:12-161.3 et al.); or

(a) (c) (i) Not less than [55%] 35 percent of the property or
premises is leased by a public body, or is subject to an agreement to
be subsequently leased by the public body; and

(b) (ii) The portion of the property or premises that is leased
or subject to [an] the agreement to be subsequently leased by the
public body measures more than 20,000 square feet.

(6) "Commissioner" means the Commissioner of Labor and
Workforce Development or his duly authorized representatives.

(7) "Workman" or "worker" includes laborer, mechanic, skilled
or semi-skilled, laborer and apprentices or helpers employed by any
contractor or subcontractor and engaged in the performance of
services directly upon a public work, regardless of whether their
work becomes a component part thereof, but does not include
material suppliers or their employees who do not perform services
at the job site. For the purpose of P.L.1963, c.150 (C.34:11-56.25
et seq.), contractors or subcontractors engaged in custom fabrication
shall not be regarded as material suppliers.

(8) "Work performed under a rehabilitation program" means
work arranged by and at a State institution primarily for teaching
and upgrading the skills and employment opportunities of the
inmates of such institutions.

(9) "Prevailing wage" means the wage rate paid by virtue of
collective bargaining agreements by employers employing a
majority of workers of that craft or trade subject to said collective
bargaining agreements, in the locality in which the public work is
done.

(10) "Act" means the provisions of P.L.1963, c.150 (C.34:11-31
56.25 et seq.) and the rules and regulations issued hereunder.

(11) "Prevailing wage contract threshold amount" means:

(a) In the case of any public work paid for in whole or in part
out of the funds of a municipality in the State of New Jersey or
done on property or premises owned by a public body or leased or
to be leased by the municipality, the dollar amount established for
the then current calendar year by the commissioner through rules
and regulations promulgated pursuant to the "Administrative
Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), which
amount shall be equal to $9,850 on July 1, 1994 and which amount
shall be adjusted on July 1 every five calendar years thereafter in
direct proportion to the rise or fall in the average of the Consumer
Price Indices for Urban Wage Earners and Clerical Workers for the
New York metropolitan and the Philadelphia metropolitan regions
as reported by the United States Department of Labor during the
last full calendar year preceding the date upon which the adjustment
is made; and
(b) In the case of any public work other than a public work described in paragraph (a) of this subsection, an amount equal to $2,000.

(12) "Custom fabrication" means: (a) the fabrication of plumbing, heating, cooling, ventilation or exhaust duct systems, and mechanical insulation; or

(b) any other fabrication which is either of components or structures pre-fabricated to specifications for a particular project of public work or of other materials finished into components without further modification for use in a project of public work or for use in a type or classification of a project of public work.

(cf: P.L.2019, c.44, s.1)

2. Section 3 of P.L.1963, c.150 (34:11-56.27) is amended as follows:

3. Every contract in excess of the prevailing wage contract threshold amount for any public work to which any public body is a party, or which is paid for in whole or in part out of the funds of a public body, or for public work to be done on property or premises which is owned by a public body, or for which a public body provides, approves or authorizes a tax abatement or tax exemption for a property or premises other than a property or premises which is, as the property or premises of a nonprofit organization, exempt from taxation pursuant to R.S.54:4-3.6 and is not subject to the provisions of section 1 of P.L.1979, c.303 (C.34:1B-5.1) or the provisions of P.L.2004, c.127 (C.5:12-161.3 et al.), or which is leased or to be leased by a public body, shall contain a provision that in the event it is found that any worker, employed by the contractor or any subcontractor covered by said contract, has been paid a rate of wages less than the prevailing wage required to be paid by such contract, the public body, the lessee to whom the public body is leasing a property or premises or the lessor from whom the public body is leasing or will be leasing a property or premises may terminate the contractor's or subcontractor's right to proceed with the work, or such part of the work as to which there has been a failure to pay required wages and to prosecute the work to completion or otherwise. The contractor and his sureties shall be liable for any excess costs occasioned thereby to the public body, any lessee to whom the public body is leasing a property or premises or any lessor from whom the public body is leasing or will be leasing a property or premises.

(cf: P.L.2007, c.68, s.2)

3. This act shall take effect immediately.