

# ASSEMBLY, No. 5891

## STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED JUNE 9, 2021

**Sponsored by:**

**Assemblyman JOSEPH V. EGAN**

**District 17 (Middlesex and Somerset)**

**Assemblyman ROBERT J. KARABINCHAK**

**District 18 (Middlesex)**

**Assemblyman PARKER SPACE**

**District 24 (Morris, Sussex and Warren)**

**Senator FRED H. MADDEN, JR.**

**District 4 (Camden and Gloucester)**

**Senator STEVEN V. OROHO**

**District 24 (Morris, Sussex and Warren)**

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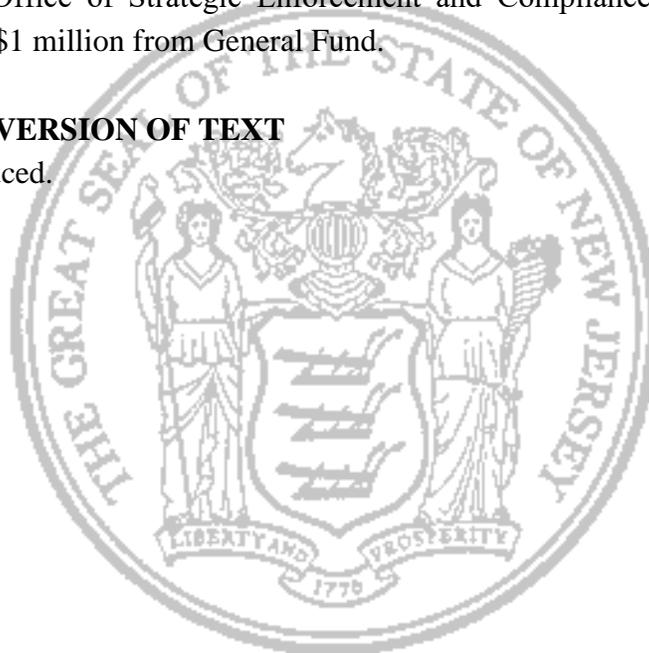
**Assemblymen Wirths, Verrelli, Senators Greenstein, Singleton and Lagana**

**SYNOPSIS**

Creates “Office of Strategic Enforcement and Compliance” in DOLWD; appropriates \$1 million from General Fund.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/30/2021)**

1 AN ACT concerning the establishment of the “Office of Strategic  
2 Enforcement and Compliance” in the Department of Labor and  
3 Workforce Development and supplementing Title 34 of the  
4 Revised Statutes.

5

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

8

9 1. As used in this act:

10 “Commissioner” means the Commissioner of Labor and  
11 Workforce Development, or the commissioner’s designee.

12 “Department” means the Department of Labor and Workforce  
13 Development.

14 “Direct business assistance from the department” means  
15 monetary or financial assistance in any form, including but not  
16 limited to a grant or other monetary or financial benefit awarded to  
17 a person by the department to assist the person in the conduct or  
18 operation of a business, occupation, trade, or profession in the  
19 State, in connection with the following programs:

20 (1) Customized training services provided pursuant to section 5  
21 of P.L.1992, c.43 (C.34:15D-5);

22 (2) Employment and training services provided pursuant to  
23 section 6 of P.L.1992, c.43 (C.34:15D-6);

24 (3) Employment and training services funded by the  
25 Supplemental Workforce Fund for Basic Skills under section 1 of  
26 P.L.2001, c.152 (C.34:15D-21);

27 (4) Outreach and training programs for minority group members  
28 and women in construction trade occupations or other occupations  
29 utilized in the performance of public works contracts funded by the  
30 New Jersey Builders Utilization Initiative for Labor Diversity  
31 (NJBUILD) pursuant to section 1 of P.L.2009, c.313 (C.52:38-7);

32 (5) The New Jersey Innovation and Research Fellowship  
33 Program pursuant to section 3 of P.L.2015, c.235 (C.34:15D-26);

34 (6) The Apprenticeship Start-Up Grant Program pursuant to  
35 section 3 of P.L.2019, c.417 (C.34:15D-6.1);

36 (7) The Apprentice Assistance and Support Services Pilot  
37 Program pursuant to section 1 of P.L.2019, c.419 (C.34:15D-6.2);

38 (8) The New Jersey Pathways Leading Apprentices to a College  
39 Education (NJPLACE) Program pursuant to section 1 of P.L.2009,  
40 c.200 (C.34:15D-24);

41 (9) Any other program funded in whole or in part by the  
42 Workforce Development Partnership Fund established under section  
43 9 of P.L.1992, c.43 (C.34:15D-9);

44 (10) Any program funded by or through the Department in  
45 whole or in part under the “Workforce Innovation and Opportunity  
46 Act,” (29 U.S.C. s.3101 et seq.);

1 (11) Any program funded by or through the Department in  
2 whole or in part under the “Wagner-Peyser Act,” (29 U.S.C. s.49 et  
3 seq.);

4 (12) The Talent Network Program pursuant to section 2 of  
5 P.L.2019, c.125 (C.34:15D-29);

6 (13) The industry-valued Credentials pilot program pursuant to  
7 P.L.2019, c.252 (C.34:15D-30 et seq.);

8 (14) The High-Growth Industry Regional Apprenticeship  
9 Development Grant Pilot Program pursuant to P.L.2019, c.314  
10 (C.34:15D-32);

11 (15) The Youth Transitions to Work Partnership pursuant to  
12 P.L.1993, c.268 (C.34:15E-1 et seq.);

13 (16) The At-Risk Youth Mentoring Program pursuant to  
14 P.L.1999, c.279 (C.34:15F-1 et seq.); and

15 (17) Any other similar program by which the department confers  
16 a monetary or financial benefit upon a person to assist the person in  
17 the conduct or operation of a business, occupation, trade or  
18 profession in the State.

19 "Final order" means either a final administrative determination of  
20 the Commissioner issued following adjudication of a matter as a  
21 contested case pursuant to the “Administrative Procedure Act,”  
22 P.L.1968, c.410 (C.52:14B-1 et seq.), and the Uniform  
23 Administrative Procedure Rules, N.J.A.C.1:1, or where the  
24 department has made a finding regarding a violation of law or rule,  
25 or regarding the levying of a penalty or fee pursuant to law or rule,  
26 and has notified the violator of same and where the violator has  
27 either expressly waived the right to a hearing or has waived the  
28 right to a hearing by virtue of having failed to request same within  
29 the appropriate time limit established by either law or rule.

30 “Person” means a natural person or an organization, including  
31 but not limited to, a corporation, partnership, proprietorship, limited  
32 liability company, association, cooperative, joint venture, estate,  
33 trust, or government unit.

34 “Strategic enforcement” means a proactive, rather than purely  
35 complaint driven, approach to enforcement, which focuses agency  
36 resources to assist vulnerable employee communities and target  
37 high-violation industries with the ultimate goal of increasing the  
38 cost to violators of non-compliance, thereby changing non-  
39 compliant behavior in a sustainable way.

40 “State wage, benefit and tax laws” means “State wage, benefit  
41 and tax laws” as that term is defined in section 1 of P.L.2009, c.194  
42 (C.34:1A-1.11).

43

44 2. a. There is hereby established in the department an “Office  
45 of Strategic Enforcement and Compliance,” which shall oversee and  
46 coordinate across the divisions of the department and, when  
47 necessary, between the department and other State agencies and

1 entities, strategic enforcement of State wage, benefit and tax laws,  
2 as deemed appropriate by the commissioner.

3 b. Each division within the department selected by the  
4 commissioner shall designate at least one employee whose duties  
5 shall include, among others, serving as a liaison with the “Office of  
6 Strategic Enforcement and Compliance.”

7 c. The commissioner shall devote departmental resources,  
8 including those of the department’s Office of Research and  
9 Information, to support a data-driven approach to the work of the  
10 “Office of Strategic Enforcement and Compliance.”

11 d. (1) As a precondition to the award to a person of direct  
12 business assistance from the department, and as a precondition for  
13 the department to report to another State agency or entity that a  
14 business is in substantial good standing, the department shall  
15 determine whether the person has any outstanding liability to the  
16 department under any of the statutes or rules that the department  
17 enforces, including but not limited to, for unpaid contributions to  
18 the unemployment compensation fund or the State disability  
19 benefits fund; to any individual on whose behalf the department has  
20 issued a final order for the payment of wages or benefits; or for any  
21 penalties, fees or interest due the department pursuant to a final  
22 order issued under any of the statutes or rules that the department  
23 enforces.

24 An as an example, prior to the department reporting substantial  
25 good standing as required under the “New Jersey Economic  
26 Recovery Act of 2020,” P.L.2020, c.156 (C.34:1B-269 et al.), the  
27 department shall complete the determination required by this  
28 paragraph.

29 If the department determines that a person has any outstanding  
30 liability to the department under any of the statutes or rules that the  
31 department enforces, the application by the person for direct  
32 business assistance from the department shall be denied, and it shall  
33 be reported to any inquiring State agency or entity that the business  
34 is not in substantial good standing. If a person is seeking the award  
35 of direct business assistance from the department, or where a report  
36 has been requested as to whether the person is in substantial good  
37 standing with the department, if the person has entered into an  
38 agreement with the department to immediately and fully comply  
39 with the statutes and rules enforced by the department and to  
40 resolve all delinquencies or deficiencies within a time period  
41 specified by the commissioner, then the commissioner may approve  
42 the award of direct business assistance from the department, or  
43 issue a report that the person is in substantial good standing with  
44 the department, notwithstanding the outstanding liability to the  
45 department under any of the statutes or rules that the department  
46 enforces.

1       (2) The “Office of Strategic Enforcement and Compliance” shall  
2       oversee and coordinate review processes good standing with the  
3       Department’s laws and rules as determined under paragraph (1) of  
4       this subsection.

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6       3. There is appropriated from the General Fund to the  
7       Department of Labor and Workforce Development, \$1,000,000 to  
8       support and expand the “Office of Strategic Enforcement and  
9       Compliance” established within the department under this act.

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11       4. This act shall take effect immediately.

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#### STATEMENT

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16       This bill creates the “Office of Strategic Enforcement and  
17       Compliance” within the Department of Labor and Workforce  
18       Development to oversee and coordinate across the divisions of the  
19       department and, when necessary, between the department and other  
20       State agencies and entities, strategic enforcement of State wage,  
21       benefit and tax laws, as deemed appropriate by the commissioner.

22       The bill provides that as a precondition to the award to a person  
23       of direct business assistance from the department, and as a  
24       precondition for the department to report to another State agency or  
25       entity that a business is in substantial good standing, the department  
26       is required to determine whether the person has any outstanding  
27       liability to the department under any of the statutes or rules that the  
28       department enforces, including but not limited to, for unpaid  
29       contributions to the unemployment compensation fund or the State  
30       disability benefits fund; to any individual on whose behalf the  
31       department has issued a final order for the payment of wages or  
32       benefits; or for any penalties, fees or interest due the department  
33       pursuant to a final order issued under any of the statutes or rules  
34       that the department enforces.

35       If the department determines that a person has any outstanding  
36       liability to the department under any of the statutes or rules that the  
37       department enforces, the bill provides that the application by the  
38       person for direct business assistance from the department will be  
39       denied, and it will be reported to any inquiring State agency or  
40       entity that the business is not in substantial good standing. If a  
41       person is seeking the award of direct business assistance from the  
42       department, or where a report has been requested as to whether the  
43       person is in substantial good standing with the department, the bill  
44       provides that if the person has entered into an agreement with the  
45       department to immediately and fully comply with the statutes and  
46       rules enforced by the department and to resolve all delinquencies or

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1 deficiencies within a time period specified by the commissioner,  
2 then the commissioner may approve the award of direct business  
3 assistance from the department, or issue a report that the person is  
4 in substantial good standing with the department, notwithstanding  
5 the outstanding liability to the department under any of the statutes  
6 or rules that the department enforces.

7 The bill appropriates from the General Fund to the Department  
8 of Labor and Workforce Development, \$1 million to support and  
9 expand the “Office of Strategic Enforcement and Compliance” to  
10 effectuate the purposes of the bill.