

ASSEMBLY, No. 2012

STATE OF NEW JERSEY

INTRODUCED MAY 13, 1996

By Assemblywoman GILL, Assemblyman IMPREVEDUTO
and Assemblywoman Buono

1 AN ACT concerning wages paid under public contracts and
2 supplementing chapter 32 of Title 52 of the Revised Statutes.

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

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7 1. A public body shall not enter into a public contract under which
8 goods or services are furnished to the public body, unless that contract
9 includes:

10 a. A provision that every employee who produces the goods or
11 services furnished to the public body shall be paid wages at a rate not
12 less than the minimum wage rate required pursuant to the provisions
13 of section 5 of P.L.1966, c.113 (C.34:11-56a4);

14 b. A provision that the contractor shall provide wage records
15 requested by the Commissioner of Labor; and

16 c. A provision that the contractor shall accept the penalties
17 imposed by section 2 of this act if the required wages are not paid.

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19 2. If the Commissioner of Labor determines, after investigation,
20 that any wages for the work done to furnish goods or services under
21 a public contract have been paid at a rate less than the rate required by
22 the contract pursuant to section 1 of this act, the commissioner shall
23 notify the contractor of the determination. If the contractor disagrees
24 with the determination, the contractor may, not more than 10 after the
25 notification is given, apply to the commissioner for a hearing which
26 shall be afforded and a final determination rendered within 10 days of
27 the request for a hearing. If no hearing is requested, the determination
28 shall become a final determination upon the expiration of the 10-day
29 period following the notification. Upon a final determination by the
30 commissioner that wages have been paid at a rate less than the rate
31 required by the contract:

32 a. The contract shall be terminated immediately, unless the State
33 Treasurer determines that an immediate termination would have a
34 significant adverse impact on the public body, in which case the
35 contract shall be terminated at the earliest time that the State
36 Treasurer determines that the contract can be terminated without a

1 significant adverse impact on the public body;

2 b. No subsequent contract with a public body shall be awarded to
3 the contractor, or to any business in which the contractor has an
4 interest, until five years have elapsed from the date of the final
5 determination; and

6 c. The State Treasurer shall place the name of the contractor, and
7 any business in which the contractor has an interest, on a list which
8 shall be made available to the public and provided, upon request, by
9 the State Treasurer to any public body upon request.

10 If, upon a hearing, the commissioner makes a final determination
11 that wages have been paid at a rate less than the rate required by the
12 contract and the contractor disagrees with that final determination, the
13 contractor may seek injunctive relief against the final determination in
14 Superior Court.

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16 3. No public body shall award a public contract to a contractor to
17 furnish goods or services to the public body without first ascertaining
18 that the contractor is not on the most current list made available by the
19 State Treasurer pursuant to subsection c. of section 2 of this act.

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21 4. For the purposes of this act, "public body" means the State of
22 New Jersey, any of its political subdivisions, any authority created by
23 the Legislature of the State of New Jersey and any instrumentality or
24 agency of the State of New Jersey or any of its political subdivisions.

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26 5. The Commissioner of Labor, in consultation with the State
27 Treasurer, shall adopt rules and regulations in accordance with the
28 "Administrative Procedure Act," P.L.1968, c.410 (C52:14B-1 et seq.)
29 as necessary to implement and enforce the provisions of this act.

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31 6. This act shall take effect immediately.

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STATEMENT

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36 This bill requires that every public contract to furnish goods or
37 services to the State or other public body include a provision that all
38 employees producing the furnished goods or services be paid not less
39 than the State minimum wage established pursuant to section 5 of
40 P.L.1966, c.113 (C.34:11-56a4), which is currently \$5.05 per hour.

41 If the required wages are not paid, the bill requires that the contract
42 be terminated immediately or as soon as possible without significant
43 adverse impact on the public body, and prohibits the awarding of
44 subsequent public contracts for five years to the contractor and any
45 business in which the contractor has an interest.

46 The bill is designed to protect those contractors who meet or

1 exceed the minimum standard for wages from unfair competition by
2 contractors who do not, including contractors who employ workers
3 outside of the State at substandard wages. The bill also enhances the
4 State's ability to implement the public policy adopted by the State
5 pursuant to section 1 of P.L.1966, c.113 (C.34:11-56a) to safeguard
6 workers' "health, efficiency, and general well-being and to protect
7 them as well as their employers from the effects of serious and unfair
8 competition resulting from wage levels detrimental to their health,
9 efficiency and well-being."

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14 Requires payment of minimum wage under public contracts.