

SENATE LABOR COMMITTEE

STATEMENT TO

SENATE, No. 577

STATE OF NEW JERSEY

DATED: MARCH 23, 2020

The Senate Labor Committee reports favorably Senate Bill, No. 577.

This bill requires the State, or any other public body, to include a labor harmony agreement as part of any contract it enters with a contractor in connection with a retail or distribution project in which a public body has a proprietary interest as a financier, investor, lessee, lessor, operator, or owner of the project or its property or facilities of the project, as a provider of financial assistance for the project or facilities, or as a receipt of revenues from the project or facilities of the project.

The bill defines a contractor as a business that enters into a contract to undertake a covered retail or distribution project, serve as the operator of any facility that is part of a covered project, or provide services integral to project operations.

A labor harmony agreement is defined as an agreement between a contractor and a labor organization, which requires, for the duration of the agreement, that the labor organization and its members agree to refrain from picketing, work stoppages, boycotts, or other economic actions against the contractor.

A labor harmony agreement would apply for at least five years after the covered project becomes fully operational and, apply, also for a period of at least five years, to successor contractors who take the place of initial contractors during the time in which public bodies continue to have a proprietary interest in the project.

A public body would be allowed to enter into a contract without a labor harmony agreement only if it issues a written public statement documenting the basis of its determination that the labor harmony agreement would prevent the project from going forward, subject to the review and approval of the Commissioner of Labor and Workforce Development. The bill also directs public bodies to submit to the commissioner evidence of a labor harmony agreement and up to date information regarding and changes in submitted information. The commissioner is directed to make the submitted information public in an annual report of all covered projects and all instances of public bodies not requiring labor harmony agreements.

The commissioner is directed to adopt regulations which include the provision of remedies and procedures for public bodies to enforce

compliance with the provisions of the bill and labor harmony agreements entered into under the bill.

This bill was pre-filed for introduction in the 2020-2021 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.