

34:11-56.48 to 34:11-56.57

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LAWS OF: 1999 **CHAPTER:** 238

NJSA: 34:11-56.48 to 34:11-56.57 ("Public Works Contractor Registration Act")

BILL NO: A2161 (Substituted for S1900)

SPONSOR(S): Kelly & Doria

DATE INTRODUCED: June 4, 1998

COMMITTEE: **ASSEMBLY:** Labor; Appropriations

SENATE: Commerce

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** May 10, 1999

SENATE: June 24, 1999

DATE OF APPROVAL: October 14, 1999

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL: 1st Reprint
(Amendments during passage denoted by superscript numbers)

A2161

SPONSORS STATEMENT: (Begins on page 5 of original bill)	Yes
COMMITTEE STATEMENT:	ASSEMBLY: Yes
	Yes
	SENATE: Yes
FLOOR AMENDMENT STATEMENTS:	No
LEGISLATIVE FISCAL ESTIMATE:	No

S1900

SPONSORS STATEMENT: (Begins on page 5 of original bill)	Yes
COMMITTEE STATEMENT:	ASSEMBLY: No
	SENATE: Yes
	Identical to Senate Statement for A2161
FLOOR AMENDMENT STATEMENTS:	No
LEGISLATIVE FISCAL ESTIMATE:	No

(continued)

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2-11-99 (Labor)
3-18-99 (Appropriations)

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

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REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: No

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P.L.1999, CHAPTER 238, *approved October 14, 1999*
Assembly, No. 2161 (*First Reprint*)

1 AN ACT concerning public works contractors and supplementing
2 P.L.1963, c.150 (C.34:11-56.25 et seq).

3

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

6

7 1. This act shall be known and may be cited as "The Public Works
8 Contractor Registration Act."

9

10 2. The Legislature finds and declares that:

11 a. There is growing concern over the increasing number of
12 construction industry workers on public works projects laboring under
13 conditions which violate State labor laws and regulations concerning
14 wages, unemployment and temporary disability insurance, workers'
15 compensation insurance, and the payment of payroll taxes;

16 b. Contractors and subcontractors receiving the benefit of public
17 tax dollars for their work should not be allowed to exploit their
18 workers by denying them benefits and pay mandated by law;

19 c. It is therefore necessary and proper for the Legislature to
20 establish a registration system for contractors and subcontractors
21 engaged in public works projects in order to better enforce existing
22 labor laws and regulations in the public works industry.

23

24 3. As used in this act:

25 "Commissioner" means the Commissioner of Labor or his duly
26 authorized representatives.

27 "Contractor" means a person, partnership, association, joint stock
28 company, trust, corporation, or other legal business entity or successor
29 thereof who enters into a contract ¹**to perform public work as defined**
30 **in section 2 of P.L.1963, c.150 (C.34:11-56.26),** which is subject to
31 the provisions of the "New Jersey Prevailing Wage Act," P.L.1963,
32 c.150 (C.34:11-56.25 et seq.) for the construction, reconstruction,
33 demolition, alteration, repair or maintenance of a public building
34 regularly open to and used by the general public or a public
35 institution,¹ and includes any subcontractor or lower tier subcontractor
36 of a contractor as defined herein¹, except that, for the purposes of this
37 act, no pumping station, treatment plant or other facility associated

EXPLANATION - Matter enclosed in bold-faced brackets[thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly ALA committee amendments adopted February 11, 1999.

1 with utility and environmental construction, reconstruction,
2 demolition, alteration, repair or maintenance shall be regarded as a
3 public building regularly open to and used by the general public or a
4 public institution.¹

5 "Department" means the Department of Labor.

6 "Worker" includes laborer, mechanic, skilled or semi-skilled laborer
7 and apprentices or helpers employed by any contractor or
8 subcontractor and engaged in the performance of services directly
9 upon a public work, regardless of whether their work becomes a
10 component part thereof, but does not include material suppliers or
11 their employees who do not perform services at the job site.

12

13 4. No contractor shall bid on or engage in any contract for public
14 work as defined in section 2 of P.L.1963, c.150 (C.34:11-56.26)
15 unless the contractor is registered pursuant to this act.

16

17 5. a. A contractor shall register in writing with the department on
18 a form provided by the commissioner. The form shall require the
19 following information:

20 (1) The name, principal business address and telephone number of
21 the contractor;

22 (2) Whether the contractor is a corporation, partnership, sole
23 proprietorship, or other form of business entity;

24 (3) If the contractor's principal business address is not within the
25 State, the name and address of the contractor's custodian of records
26 and agent for service of process in this State;

27 (4) The name and address of each person with a financial interest
28 in the contractor and the percentage interest, except that if the
29 contractor is a publicly-traded corporation, the contractor shall supply
30 the names and addresses of the corporation's officers;

31 (5) The contractor's tax identification number and unemployment
32 insurance registration number; and

33 (6) Any other relevant and appropriate information as determined
34 by the commissioner.

35 b. At the time of registration, and subsequently upon request, the
36 contractor shall submit to the commissioner documentation
37 demonstrating that the contractor has worker's compensation
38 insurance coverage for all workers as required by law.

39

40 6. a. The contractor shall pay an initial annual registration fee of
41 \$300 to the commissioner. The registration fee for the second annual
42 registration shall be \$300. Upon successful completion of two
43 consecutive years of registration, a contractor may elect to register for
44 a two-year period and pay a registration fee of \$500.

45 b. A contractor who is performing public work on the effective
46 date of this act shall submit the registration application form and fee

1 to the commissioner within 30 days of the effective date of this act.

2 c. Registration fees collected pursuant to this act shall be applied
3 toward the enforcement and administration costs of the Division of
4 Workplace Standards, Office of Wage and Hour Compliance, Public
5 Contracts section and Registration section within the department.

6

7 7. Upon receipt of the fee, form and documentation required by
8 section 5 of this act, the commissioner shall issue a certificate of
9 registration to the contractor. A registration certificate shall be valid
10 for one calendar year from the date of registration. Registrations shall
11 be renewed not less than 30 days before the expiration date of the
12 immediately preceding registration.

13

14 8. Contractors not performing public work on the effective date of
15 this act shall file a registration form and submit a fee to the department
16 before submitting a bid for a public work contract. A contractor shall
17 not be precluded from bidding for a public work contract or
18 performing public work if the contractor has submitted a registration
19 application to the department, and includes a copy of the application
20 with the bid. The department shall review the application and make a
21 determination regarding registration within 30 days of receipt of the
22 application.

23

24 9. a. A contractor who: (1) willfully hinders or delays the
25 commissioner in the performance of his duties in the enforcement of
26 this act; (2) fails to make, keep, and preserve any records as required
27 under the provisions of the "New Jersey Prevailing Wage Act,"
28 P.L.1963, c.150 (C.34:11-56.25 et seq.); (3) falsifies any such record,
29 or refuses to make any such record accessible to the commissioner
30 upon demand; (4) refuses to furnish a sworn statement of such records
31 or any other information required for the enforcement of this act to the
32 commissioner upon demand; (5) pays or agrees to pay wages at a rate
33 less than the rate prescribed by the "New Jersey Prevailing Wage Act,"
34 P.L.1963, c.150 (C.34:11-56.25 et seq.); or (6) otherwise violates any
35 provision of this act, shall be guilty of a disorderly persons offense.

36 b. As an alternative to or in addition to sanctions provided by the
37 "New Jersey Prevailing Wage Act," P.L.1963, c.150 (C.34:11-56.25
38 et seq.), the commissioner may, after providing the contractor with
39 notice of any alleged violation of this act, and with an opportunity to
40 request a hearing before the commissioner or his designee:

41 (1) Revoke or suspend the registration of a contractor for a period
42 of not more than five years; or

43 (2) Require a contractor, as a condition of initial or continued
44 registration, to provide a surety bond payable to the State. The surety
45 bond shall be for the benefit of workers damaged by any failure of a
46 contractor to pay wages or benefits pursuant to or otherwise comply

1 with the provisions of the "New Jersey Prevailing Wage Act,"
2 P.L.1963, c.150 (C.34:11-56.25 et seq.) or this act. The surety bond
3 shall be in the amount and form that the commissioner deems
4 necessary for the protection of the contractor's workers, but shall not
5 exceed \$10,000 per worker. The surety bond shall be issued by a
6 surety that meets the requirements of N.J.S.2A:44-143.

7

8 10. The commissioner may adopt regulations pursuant to the
9 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.)
10 to carry out the purposes of this act.

11

12 11. This act shall take effect on the 180th day after the date of
13 enactment, but the Commissioner of Labor shall take such anticipatory
14 administrative action in advance as shall be necessary for the
15 implementation of the act.

16

17

18

19

20 _____
21 Requires public works contractors to register with Department of
Labor to ensure compliance with labor laws.

1 STATEMENT

2
3 This bill requires contractors and subcontractors who perform
4 public works contracts to register with the Department of Labor. The
5 purpose of the registration system is to enable the department to better
6 enforce existing State and federal labor laws concerning wages,
7 unemployment and temporary disability insurance, workers'
8 compensation insurance, and the payment of payroll taxes.

9 Contractors and subcontractors who would be required to register
10 are those who perform or wish to bid on contracts for "public work"
11 as defined in the "New Jersey Prevailing Wage Act," P.L.1963, c.150
12 (C.34:11-56.25 et seq.). A contractor or subcontractor would not be
13 able to perform or bid on such contracts unless the contractor has
14 registered with the department or has submitted a registration
15 application.

16 Registration would be required annually. Contractors would have
17 to submit a \$300 fee, a form with information regarding the ownership
18 of the contractor, and other information and documentation
19 demonstrating compliance with applicable State and federal labor laws.
20 Revenues from the fees collected would go toward the enforcement
21 and administration costs of the Division of Workplace Standards,
22 Office of Wage and Hour Compliance, Public Contracts Section and
23 Registration section within the department.

24 Under the bill, the Commissioner of Labor may sanction a
25 contractor by requiring the contractor, as a condition of initial or
26 continued registration, to provide a surety bond payable to the State
27 for the benefit of workers damaged by any failure of the contractor to
28 pay wages or benefits or otherwise comply with applicable labor laws.
29 A violation of the act would be considered a disorderly persons
30 offense, and the violator would be subject to a fine of \$500 and a term
31 of imprisonment not to exceed six months. Additionally, the
32 commissioner could impose sanctions available under P.L.1963, c.150
33 (C.34:11-56.25 et seq.).

L.1999 6.238

ASSEMBLY LABOR COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2161

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 11, 1999

The Assembly Labor Committee reports favorably Assembly Bill No. 2161.

As amended, this bill requires certain contractors and subcontractors who perform public works contracts to register with the Department of Labor. The purpose of the registration system is to enable the department to better enforce existing State and federal labor laws concerning wages, unemployment and temporary disability insurance, workers' compensation insurance, and the payment of payroll taxes.

Contractors and subcontractors who would be required to register are those who perform or wish to bid on contracts for "public work" as defined in the "New Jersey Prevailing Wage Act," P.L.1963, c.150 (C.34:11-56.25 et seq.). A contractor or subcontractor would not be able to perform or bid on such contracts unless the contractor has registered with the department or has submitted a registration application.

Registration would be required annually. Contractors would have to submit a \$300 fee, a form with information regarding the ownership of the contractor, and other information and documentation demonstrating compliance with applicable State and federal labor laws. Revenues from the fees collected would go toward the enforcement and administration costs of the Division of Workplace Standards, Office of Wage and Hour Compliance, Public Contracts Section and Registration Section within the department.

Under the bill, the Commissioner of Labor may sanction a contractor by requiring the contractor, as a condition of initial or continued registration, to provide a surety bond payable to the State for the benefit of workers damaged by any failure of the contractor to pay wages or benefits or otherwise comply with applicable labor laws. A violation of the act would be considered a disorderly persons offense, and the violator would be subject to a fine of \$500 and a term of imprisonment not to exceed six months. Additionally, the commissioner could impose sanctions available under P.L.1963, c.150 (C.34:11-56.25 et seq.).

The committee amendments exclude from the provisions of the bill:

(1) Every structure or other public work which is not a building; and
(2) All facilities, pumping stations or treatment plants which are not associated with utility or environmental construction or other public work. The first excluded group is comprised of all street, highway, bridge, transit, port, airport, environmental cleanup, park, landfill or underground projects or any other projects which are not buildings. The second excluded group are all facilities, including buildings, which are "associated with" utility or environmental construction or other work.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 2161

STATE OF NEW JERSEY

DATED: MARCH 18, 1999

The Assembly Appropriations Committee reports favorably Assembly Bill No. 2161 (1R).

Assembly Bill No. 2161 (1R) requires certain contractors and subcontractors who perform public works contracts to register with the Department of Labor. The registration system will better enable the department to enforce existing State and federal labor laws concerning wages, unemployment and temporary disability insurance, workers' compensation insurance, and the payment of payroll taxes.

Contractors and subcontractors who perform or wish to bid on contracts for "public work" as defined in the "New Jersey Prevailing Wage Act," P.L.1963, c.150 (C.34:11-56.25 et seq.) will be required to register. A contractor or subcontractor will not be able to perform or bid on such contracts unless the contractor has registered with the department or has submitted a registration application.

The bill requires annual registration. Contractors will submit a \$300 fee, a form with information regarding the ownership of the contractor, and other information and documentation demonstrating compliance with applicable State and federal labor laws. Revenues from the fees collected will go toward the enforcement and administration costs of the Division of Workplace Standards, Office of Wage and Hour Compliance, Public Contracts Section and Registration Section within the department.

Under the bill, the Commissioner of Labor may sanction a contractor by requiring the contractor, as a condition of initial or continued registration, to provide a surety bond payable to the State for the benefit of workers damaged by any failure of the contractor to pay wages or benefits or otherwise comply with applicable labor laws. A violation of the act will be considered a disorderly persons offense, and the violator will be subject to a fine of \$500 and a term of imprisonment not to exceed six months. Additionally, the commissioner can impose sanctions available under P.L.1963, c.150 (C.34:11-56.25 et seq.).

FISCAL IMPACT:

No fiscal information is available concerning the number of contractors who would be expected to pay the newly created fee.

SENATE COMMERCE COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 2161

STATE OF NEW JERSEY

DATED: JUNE 7, 1999

The Senate Commerce Committee reports favorably Assembly Bill No. 2161 (1R).

This bill requires certain contractors and subcontractors who perform public works contracts to register with the Department of Labor. The purpose of the registration system is to enable the department to better enforce existing State and federal labor laws concerning wages, unemployment and temporary disability insurance, workers' compensation insurance, and the payment of payroll taxes.

Contractors and subcontractors who would be required to register are those who perform or wish to bid on contracts subject to the "New Jersey Prevailing Wage Act," P.L.1963, c.150 (C.34:11-56.25 et seq.). A contractor or subcontractor would not be able to perform or bid on such contracts unless the contractor has registered with the department or has submitted a registration application.

Registration is required annually. Contractors are required to submit a \$300 fee, a form with information regarding the ownership of the contractor, and other information and documentation demonstrating compliance with applicable State and federal labor laws. After two years of being registered, the contractor may elect to register for a two-year period and pay a registration fee of \$500. Revenues from the fees collected are to go toward the enforcement and administration costs of the Division of Workplace Standards, Office of Wage and Hour Compliance, Public Contracts Section and Registration Section within the department.

A contractor is guilty of a disorderly persons offense if he: willfully hinders or delays the commissioner in the performance of his duties in the enforcement of this bill; fails to make or keep any records as required under the provisions of the "New Jersey Prevailing Wage Act;" falsifies any such record; refuses to furnish a sworn statement of such records; pays or agrees to pay wages at a rate less than the prevailing wage; and otherwise violates any provision of this bill.

Under the bill, the Commissioner of Labor may sanction a contractor by revoking or suspending his registration for a period of not more than five years or requiring the contractor, as a condition of initial or continued registration, to provide a surety bond payable to

the State for the benefit of workers damaged by any failure of the contractor to pay wages or benefits, or otherwise comply with applicable labor laws. Additionally, the commissioner may impose sanctions available under "New Jersey Prevailing Wage Act," P.L.1963, c.150 (C.34:11-56.25 et seq.).

The provisions of the bill do not apply to: (1) structures or other public works which are not buildings; and (2) pumping stations, treatment plants and other facilities associated with utility or environmental construction or repair. The first excluded group is comprised of all street, highway, bridge, transit, port, airport, environmental cleanup, park, landfill or underground projects or any other projects which are not buildings. The second excluded group are all facilities, including buildings, which are "associated with" utility or environmental construction or other work.

L.1099 c. 238

S1900 SINAGRA, KYRILLOS

5

1 11. This act shall take effect on the 180th day after the date of
2 enactment, but the Commissioner of Labor shall take such anticipatory
3 administrative action in advance as shall be necessary for the
4 implementation of the act.

5

6

7

STATEMENT

8

9 This bill requires certain contractors and subcontractors who
10 perform public works contracts to register with the Department of
11 Labor. The purpose of the registration system is to enable the
12 department to better enforce existing State and federal labor laws
13 concerning wages, unemployment and temporary disability insurance,
14 workers' compensation insurance, and the payment of payroll taxes.

15 Contractors and subcontractors who would be required to register
16 are those who perform or wish to bid on contracts for "public work"
17 as defined in the "New Jersey Prevailing Wage Act," P.L.1963, c.150
18 (C.34:11-56.25 et seq.). A contractor or subcontractor would not be
19 able to perform or bid on such contracts unless the contractor has
20 registered with the department or has submitted a registration
21 application.

22 Registration would be required annually. Contractors would have
23 to submit a \$300 fee, a form with information regarding the ownership
24 of the contractor, and other information and documentation
25 demonstrating compliance with applicable State and federal labor laws.
26 Revenues from the fees collected would go toward the enforcement
27 and administration costs of the Division of Workplace Standards,
28 Office of Wage and Hour Compliance, Public Contracts Section and
29 Registration Section within the department.

30 Under the bill, the Commissioner of Labor may sanction a
31 contractor by requiring the contractor, as a condition of initial or
32 continued registration, to provide a surety bond payable to the State
33 for the benefit of workers damaged by any failure of the contractor to
34 pay wages or benefits or otherwise comply with applicable labor laws.
35 A violation of the act would be considered a disorderly persons
36 offense, and the violator would be subject to a fine of \$500 and a term
37 of imprisonment not to exceed six months. Additionally, the
38 commissioner could impose sanctions available under P.L.1963, c.150
39 (C.34:11-56.25 et seq.).

40 Excluded from the bill's provisions are contractors on projects
41 involving: (1) Structures or other public works which are not
42 buildings; and (2) All facilities, pumping stations or treatment plants
43 which are not associated with utility or environmental construction or
44 other public work. The first excluded group is comprised of all street,
45 highway, bridge, transit, port, airport, environmental cleanup, park,
46 landfill or underground projects or any other projects which are not

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- 1 buildings. In the second excluded group are all facilities, including
- 2 buildings, which are "associated with" utility or environmental
- 3 construction or other work.

Office of the Governor

PO BOX 004
TRENTON, NJ 08625

NEWS RELEASE

CONTACT: Jayne O'Connor
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RELEASE: October 14, 1999

Governor Christie Whitman today signed the following legislation:

A-1974, sponsored by Assembly Members Rose Marie Heck (R-Bergen) and Gerald Luongo (R-Camden/Gloucester) and Senators Diane Allen (R-Burlington/Camden) and James Cafiero (R-Atlantic/Cape May/Cumberland), appropriates \$70,000 to the Department of Environmental Protection, for the study and identification of historic sites associated with significant historic women in the state and the development of the "New Jersey Women's Heritage Trail." The New Jersey Historic Preservation Office will be responsible for identifying and documenting sites and will recommend how to develop a "New Jersey Women's Heritage Trail" tourism guide.

A-2767, sponsored by Assembly Members Michael Arnone (R-Monmouth) and Clare Farragher (R-Monmouth) and Senators Martha Bark (R- Atlantic/Burlington/Camden) and Robert Singer (R-Burlington/Monmouth/Ocean), authorizes housing authorities to enter into employment contracts with housing authority executive directors.

A-2161, sponsored by Assemblymen John Kelly (R-Bergen/ Essex/ Passaic) and Joseph V. Doria, Jr. (D-Hudson) and Senators Jack Sinagra (R-Middlesex) and Joseph M. Kyrillos, Jr. (R-Middlesex/Monmouth) requires public works contractors to register with the Department of Labor (DOL) to ensure compliance with labor laws. The bill will enable DOL to better monitor and enforce existing State and federal labor laws concerning wages, unemployment and temporary disability insurance, workers compensation insurance and payment of payroll taxes.

ACS for A-2454/2273, sponsored by Assemblywomen Barbara Buono (D- Middlesex), Carol Murphy (R-Essex/Morris/Passaic) and Barbara Wright (R-Mercer/Middlesex), establishes the "New Jersey Women's Micro-Business Pilot Program" in the Department of Community Affairs. The two-year pilot program will provide loans, loan guarantees, training and technical assistance to potential female entrepreneurs looking to start a home-based or part-time business. The program targets, but is not limited to, women with