

**34:11-56.72 to 34:11-56.76**  
**LEGISLATIVE HISTORY CHECKLIST**  
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**LAWS OF:** 2020               **CHAPTER:** 65

**NJSA:** 34:11-56.72 to 34:11-56.76 (Concerns skilled and trained workforce in work by contractors in certain industries.)

**BILL NO:** S972               (Substituted for A805)

**SPONSOR(S)** Fred H. Madden and others

**DATE INTRODUCED:** 1/27/2020

**COMMITTEE:**               **ASSEMBLY:** Labor

**SENATE:** Labor

**AMENDED DURING PASSAGE:** Yes

**DATE OF PASSAGE:**               **ASSEMBLY:** 6/29/2020

**SENATE:** 6/29/2020

**DATE OF APPROVAL:** 8/13/2020

**FOLLOWING ARE ATTACHED IF AVAILABLE:**

**FINAL TEXT OF BILL** (First Reprint enacted) Yes

**S972**

**INTRODUCED BILL (INCLUDES SPONSOR'S STATEMENT):** Yes

**COMMITTEE STATEMENT:**                       **ASSEMBLY:** Yes

**SENATE:** Yes

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, ***may possibly*** be found at [www.njleg.state.nj.us](http://www.njleg.state.nj.us))

**FLOOR AMENDMENT STATEMENT:** No

**LEGISLATIVE FISCAL ESTIMATE:** No

**A805**

**INTRODUCED BILL (INCLUDES SPONSOR'S STATEMENT):** Yes

**COMMITTEE STATEMENT:**                       **ASSEMBLY:** Yes

**SENATE:** No

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, ***may possibly*** be found at [www.njleg.state.nj.us](http://www.njleg.state.nj.us))

**FLOOR AMENDMENT STATEMENT:** No

**LEGISLATIVE FISCAL ESTIMATE:** No

**VETO MESSAGE:** No

**GOVERNOR'S PRESS RELEASE ON SIGNING:**

Yes

**FOLLOWING WERE PRINTED:**

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**REPORTS:**

No

**HEARINGS:**

No

**NEWSPAPER ARTICLES:**

No

RWH/CL

(CORRECTED COPY)

P.L. 2020, CHAPTER 65, *approved August 13, 2020*  
Senate, No. 972 (*First Reprint*)

1 AN ACT concerning a skilled and trained workforce in construction  
2 work by contractors in certain high-risk chemical manufacturing  
3 and processing facilities and supplementing article 2B of chapter  
4 11 of Title 34 of the Revised Statutes.

5

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

8

9 1. The Legislature finds and declares that:

10 a. The use of unskilled and untrained workers at chemical  
11 manufacturing and processing facilities that generate, store, treat,  
12 handle, refine, process, and transport hazardous materials is a risk  
13 to public health and safety, and the risk to public health and safety  
14 is particularly high when workers are employed by outside  
15 contractors because they generally are less familiar with the  
16 operations of the facility and its emergency plans and the owner or  
17 operator of the facility has less incentive to invest in their training.

18 b. Requiring that workers employed by outside contractors at  
19 these facilities be paid at least at a rate equivalent to the prevailing  
20 journeyman wage for their occupations, or be registered in  
21 approved apprenticeship programs, is necessary to provide an  
22 economic incentive for employers to use only the most skilled  
23 workers to perform work that poses a risk to public health and  
24 safety. The wage scale is also necessary to provide an economic  
25 incentive for the workers to obtain the mandatory advanced safety  
26 training required by section 3 of P.L. , c. (C. ) (pending before  
27 the Legislature as this bill).

28 c. Requiring that apprentices be registered in approved  
29 advanced safety training is necessary to ensure that these workers  
30 are receiving the proper training and on-the-job supervision and that  
31 the programs are subject to proper oversight.

32 d. The requirement that at least 60 percent of the  
33 journeymen working for a contractor be graduates of an  
34 approved apprenticeship program is necessary to ensure that the  
35 majority of the journeymen will have had appropriate classroom  
36 and laboratory instruction for their occupations. A phase-in for this  
37 requirement will avoid disruption of the industry.

**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.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Assembly ALA committee amendments adopted June 15, 2020.

1       2. As used in this act:

2       "Apprenticeship program" means a registered apprenticeship  
3 program providing to each trainee combined classroom and on-the-  
4 job training under the direct and close supervision of a highly  
5 skilled worker in an occupation recognized as an apprenticeable  
6 trade, registered by the Office of Apprenticeship of the U.S.  
7 Department of Labor.

8       "Approved advanced safety training for workers at high hazard  
9 facilities" means a curriculum approved by the State Office of  
10 Apprenticeship pursuant to section 4 of this act.

11       "Labor organization" means an organization which represents,  
12 for purposes of collective bargaining, employees of contractors or  
13 subcontractors engaged in contracting subject to the provisions of  
14 subsection a. of section 3 of P.L. , c. (C. ) (pending before  
15 the Legislature as this bill), and has the present ability to refer,  
16 provide or represent <sup>1</sup>a<sup>1</sup> sufficient number of qualified employees to  
17 perform the contracted work in a manner consistent with the  
18 provisions of P.L. , c. (C. ) (pending before the Legislature  
19 as this bill) and a plan mutually agreed upon by the labor  
20 organization and the owner or operator.

21       <sup>1</sup>"OEM" means original equipment manufacturer and refers to  
22 organizations who manufacture or fabricate equipment for sale  
23 directly to purchasers or other resellers.<sup>1</sup>

24       "Prevailing hourly wage rate" means the prevailing hourly wage  
25 rate set for the applicable occupation and geographic area pursuant  
26 to the "New Jersey Prevailing Wage Act," P.L.1963, c.150  
27 (C.34:11-56.25 et seq.).

28       "Registered apprentice" means an apprentice registered in an  
29 apprenticeship program who is performing work covered by the  
30 standards of that apprenticeship program and receiving the  
31 supervision required by the standards of that apprenticeship  
32 program.

33       "Skilled journeyman" means a worker who:

34       a. Has either graduated from an apprenticeship program for the  
35 applicable occupation, or has at least as many hours of on-the-job  
36 experience in the applicable occupation as would be required to  
37 graduate from an apprenticeship program for the applicable  
38 occupation; and

39       b. Has completed within the prior two calendar years at least  
40 20 hours of approved advanced safety training for workers at high  
41 hazard facilities, including approved advanced safety training that  
42 occurred in an approved apprenticeship program. This requirement  
43 shall apply only to work performed on or after January 1, 2025.

44       "Skilled and trained workforce" means a workforce that meets  
45 all of the following criteria:

46       a. <sup>1</sup>(1)<sup>1</sup> All the workers shall, as of January 1, 2021, be paid  
47 <sup>1</sup>at least 80 percent of<sup>1</sup> the applicable prevailing hourly wage rate,

1 and shall be either registered apprentices or skilled journeypersons;

2 <sup>1</sup>~~and~~

3 (2) All the workers shall, as of January 1, 2022, be paid at least  
4 85 percent of the applicable prevailing hourly wage rate, and shall  
5 be either registered apprentices or skilled journeypersons;

6 (3) All the workers shall, as of January 1, 2023, be paid at least  
7 90 percent of the applicable prevailing hourly wage rate, and shall  
8 be either registered apprentices or skilled journeypersons; and

9 (4) All the workers shall, as of January 1, 2024, be paid the  
10 applicable prevailing hourly wage rate, and shall be either  
11 registered apprentices or skilled journeypersons.<sup>1</sup>

12 b. All the workers have, as of January 1, 2025, completed  
13 within the prior two calendar years at least 20 hours of approved  
14 advanced safety training for workers at high hazard facilities.

15 c. (1) As of January 1, 2021, at least 30 percent of the skilled  
16 journeypersons shall be graduates of an apprenticeship program for  
17 the applicable occupation.

18 (2) As of January 1, 2022, at least <sup>1</sup>~~45~~ <sup>1</sup>40 percent of the  
19 skilled journeypersons shall be graduates of an apprenticeship  
20 program for the applicable occupation.

21 (3) As of January 1, 2023, at least <sup>1</sup>~~60~~ <sup>1</sup>50 percent of the  
22 skilled journeypersons shall be graduates of an apprenticeship  
23 program for the applicable occupation <sup>1</sup>~~,~~ <sup>1</sup>.

24 <sup>1</sup>As of January 1, 2024, at least 60 percent of the skilled  
25 journeypersons shall be graduates of an apprenticeship program for  
26 the applicable occupation.

27 <sup>1</sup>(5) As of January 1, 2025, all of the workers shall have  
28 completed within the prior two calendar years at least 20 hours of  
29 approved advanced safety training for workers at high hazard  
30 facilities,

31 except that the requirements of this subsection c. shall not apply  
32 to the extent that the contractor requests qualified workers from a  
33 labor organization that refers or provides qualified workers, but the  
34 organization is unable to refer or provide sufficient qualified  
35 workers within 48 hours of the request, Saturdays, Sundays, and  
36 Holidays excepted, and shall not apply to the extent that compliance  
37 is impracticable because an emergency requires immediate action to  
38 prevent harm to public health or safety or to the environment, but  
39 the criteria shall again apply as soon as the emergency is over or it  
40 becomes practicable for contractors to obtain a qualified workforce.

41 “State Office of Apprenticeship” means the Office of  
42 Apprenticeship in the State Department of Labor and Workforce  
43 Development. “The State Office of Apprenticeship” does not mean  
44 the Office of Apprenticeship in the United States Department of  
45 Labor.

1       3. a. An owner or operator of a stationary source that is  
2 engaged in activities described in Code 324110, 325110, 325180, or  
3 325199 of the North American Industry Classification System, as  
4 that code read on January 1, 2017, and has one or more covered  
5 processes for which the owner or operator is required to prepare and  
6 submit a Risk Management Plan, shall, when contracting with  
7 outside contractors for the performance of construction, alteration,  
8 demolition, installation, repair, or maintenance work at the  
9 stationary source, require that the contractors performing the work,  
10 and any subcontractors of the contractors, use a skilled and trained  
11 workforce to perform all onsite work which is in an apprenticeable  
12 occupation in the building and construction trades. The  
13 requirement to use a skilled and trained workforce shall apply to the  
14 onsite workforce of each contractor and subcontractor.

15       b. This section shall not apply to:

16       (1) Oil and gas extraction operations, and shall not apply to any  
17 contract awarded before January 1, 2021, unless the contract is  
18 extended or renewed after that date, and shall not apply to the  
19 employees of the owner or operator of the stationary source, or  
20 prevent the owner or operator of the stationary source from using its  
21 own employees to perform any work that has not been assigned to  
22 contractors while the employees of the contractor are present and  
23 working; <sup>1</sup>**[or]**<sup>1</sup>

24       (2) Any owner or operator, or contractor or subcontractor of the  
25 owner or operator, who has entered into a project labor agreement  
26 <sup>1</sup>or collectively bargained maintenance agreement<sup>1</sup> with labor  
27 organizations with registered apprenticeship programs, if all  
28 contracted work at the facility or site subject to the provisions of  
29 this section is also subject to the provisions of the project labor  
30 agreement <sup>1</sup>or collectively bargained maintenance agreement; or

31       (3) Contractors or subcontractors hired to perform OEM work  
32 for purposes of compliance with equipment warranty requirements<sup>1</sup>.

33  
34       4. The State Office of Apprenticeship, in consultation with the  
35 Department of Environmental Protection and the Commission on  
36 Higher Education, shall approve a curriculum of in-person  
37 classroom and laboratory instruction for approved advanced safety  
38 training for workers at high hazard facilities. That safety training  
39 shall be included in any apprenticeship program for apprentices  
40 who will work for contractors or <sup>1</sup>**[subcontractor]** subcontractors<sup>1</sup>  
41 at a stationary source subject to the provisions of this act, and shall  
42 be made available for employees of the contractors or  
43 subcontractors who had become skilled journeypersons before the  
44 training was included in their apprenticeship program. <sup>1</sup>The State  
45 Office of Apprenticeship shall be empowered to consider existing  
46 industry and trade safety programs for compatibility and fulfillment  
47 of requirements under this section.<sup>1</sup>

1       5. For the purpose of implementing the provisions of sections 1  
2 through 4 of P.L. , c. (C. ) (pending before the Legislature as  
3 this bill), the Commissioner of Labor and Workforce Development  
4 shall, and a worker employed in the performance of work subject to  
5 this act, the employer of the worker, or any designated  
6 representative of the worker or employer may, exercise all rights,  
7 powers or duties granted or imposed upon them by P.L.1963, c.150  
8 (C.34:11-56.25 et seq.).

9  
10       6. This act shall take effect on the 120th day following  
11 enactment.

12

13

14

15

16       Concerns skilled and trained workforce in work by contractors in  
17 certain industries.

# SENATE, No. 972

## STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED JANUARY 27, 2020

**Sponsored by:**

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

**District 4 (Camden and Gloucester)**

**Senator STEPHEN M. SWEENEY**

**District 3 (Cumberland, Gloucester and Salem)**

**SYNOPSIS**

Concerns a skilled and trained workforce in work by contractors in certain industries.

**CURRENT VERSION OF TEXT**

As introduced.





1 AN ACT concerning a skilled and trained workforce in construction  
2 work by contractors in certain high-risk chemical manufacturing  
3 and processing facilities and supplementing article 2B of chapter  
4 11 of Title 34 of the Revised Statutes.

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

8  
9 1. The Legislature finds and declares that:

10 a. The use of unskilled and untrained workers at chemical  
11 manufacturing and processing facilities that generate, store, treat,  
12 handle, refine, process, and transport hazardous materials is a risk  
13 to public health and safety, and the risk to public health and safety  
14 is particularly high when workers are employed by outside  
15 contractors because they generally are less familiar with the  
16 operations of the facility and its emergency plans and the owner or  
17 operator of the facility has less incentive to invest in their training.

18 b. Requiring that workers employed by outside contractors at  
19 these facilities be paid at least at a rate equivalent to the prevailing  
20 journeyperson wage for their occupations, or be registered in  
21 approved apprenticeship programs, is necessary to provide an  
22 economic incentive for employers to use only the most skilled  
23 workers to perform work that poses a risk to public health and  
24 safety. The wage scale is also necessary to provide an economic  
25 incentive for the workers to obtain the mandatory advanced safety  
26 training required by section 3 of P.L. , c. (C. ) (pending before  
27 the Legislature as this bill).

28 c. Requiring that apprentices be registered in approved  
29 advanced safety training is necessary to ensure that these workers  
30 are receiving the proper training and on-the-job supervision and that  
31 the programs are subject to proper oversight.

32 d. The requirement that at least 60 percent of the  
33 journeypersons working for a contractor be graduates of an  
34 approved apprenticeship program is necessary to ensure that the  
35 majority of the journeypersons will have had appropriate classroom  
36 and laboratory instruction for their occupations. A phase-in for this  
37 requirement will avoid disruption of the industry.

38  
39 2. As used in this act:

40 "Apprenticeship program" means a registered apprenticeship  
41 program providing to each trainee combined classroom and on-the-  
42 job training under the direct and close supervision of a highly  
43 skilled worker in an occupation recognized as an apprenticeable  
44 trade, registered by the Office of Apprenticeship of the U.S.  
45 Department of Labor.

46 "Approved advanced safety training for workers at high hazard  
47 facilities" means a curriculum approved by the State Office of  
48 Apprenticeship pursuant to section 4 of this act.

1       “Labor organization” means an organization which represents,  
2 for purposes of collective bargaining, employees of contractors or  
3 subcontractors engaged in contracting subject to the provisions of  
4 subsection a. of section 3 of P.L. , c. (C. ) (pending before the  
5 Legislature as this bill), and has the present ability to refer, provide  
6 or represent sufficient number of qualified employees to perform  
7 the contracted work in a manner consistent with the provisions of  
8 P.L. , c. (C. ) (pending before the Legislature as this bill) and  
9 a plan mutually agreed upon by the labor organization and the  
10 owner or operator.

11       “Prevailing hourly wage rate” means the prevailing hourly wage  
12 rate set for the applicable occupation and geographic area pursuant  
13 to the "New Jersey Prevailing Wage Act," P.L.1963, c.150  
14 (C.34:11-56.25 et seq.).

15       “Registered apprentice” means an apprentice registered in an  
16 apprenticeship program who is performing work covered by the  
17 standards of that apprenticeship program and receiving the  
18 supervision required by the standards of that apprenticeship  
19 program.

20       “Skilled journeyman” means a worker who:

21       a. Has either graduated from an apprenticeship program for the  
22 applicable occupation, or has at least as many hours of on-the-job  
23 experience in the applicable occupation as would be required to  
24 graduate from an apprenticeship program for the applicable  
25 occupation; and

26       b. Has completed within the prior two calendar years at least  
27 20 hours of approved advanced safety training for workers at high  
28 hazard facilities, including approved advanced safety training that  
29 occurred in an approved apprenticeship program. This requirement  
30 shall apply only to work performed on or after January 1, 2025.

31       “Skilled and trained workforce” means a workforce that meets  
32 all of the following criteria:

33       a. All the workers shall, as of January 1, 2021, be paid the  
34 applicable prevailing hourly wage rate, and shall be either  
35 registered apprentices or skilled journeymen; and

36       b. All the workers have, as of January 1, 2025, completed  
37 within the prior two calendar years at least 20 hours of approved  
38 advanced safety training for workers at high hazard facilities.

39       c. (1) As of January 1, 2021, at least 30 percent of the skilled  
40 journeymen shall be graduates of an apprenticeship program for  
41 the applicable occupation.

42       (2) As of January 1, 2022, at least 45 percent of the skilled  
43 journeymen shall be graduates of an apprenticeship program for  
44 the applicable occupation.

45       (3) As of January 1, 2023, at least 60 percent of the skilled  
46 journeymen shall be graduates of an apprenticeship program for  
47 the applicable occupation,

1 (4) As of January 1, 2025, all of the workers shall have  
2 completed within the prior two calendar years at least 20 hours of  
3 approved advanced safety training for workers at high hazard  
4 facilities,

5 except that the requirements of this subsection c. shall not apply  
6 to the extent that the contractor requests qualified workers from a  
7 labor organization that refers or provides qualified workers, but the  
8 organization is unable to refer or provide sufficient qualified  
9 workers within 48 hours of the request, Saturdays, Sundays, and  
10 Holidays excepted, and shall not apply to the extent that compliance  
11 is impracticable because an emergency requires immediate action to  
12 prevent harm to public health or safety or to the environment, but  
13 the criteria shall again apply as soon as the emergency is over or it  
14 becomes practicable for contractors to obtain a qualified workforce.

15 “State Office of Apprenticeship” means the Office of  
16 Apprenticeship in the State Department of Labor and Workforce  
17 Development. “The State Office of Apprenticeship” does not mean  
18 the Office of Apprenticeship in the United States Department of  
19 Labor.

20

21 3. a. An owner or operator of a stationary source that is  
22 engaged in activities described in Code 324110, 325110, 325180, or  
23 325199 of the North American Industry Classification System, as  
24 that code read on January 1, 2017, and has one or more covered  
25 processes for which the owner or operator is required to prepare and  
26 submit a Risk Management Plan, shall, when contracting with  
27 outside contractors for the performance of construction, alteration,  
28 demolition, installation, repair, or maintenance work at the  
29 stationary source, require that the contractors performing the work,  
30 and any subcontractors of the contractors, use a skilled and trained  
31 workforce to perform all onsite work which is in an apprenticeable  
32 occupation in the building and construction trades. The  
33 requirement to use a skilled and trained workforce shall apply to the  
34 onsite workforce of each contractor and subcontractor.

35 b. This section shall not apply to:

36 (1) Oil and gas extraction operations, and shall not apply to any  
37 contract awarded before January 1, 2021, unless the contract is  
38 extended or renewed after that date, and shall not apply to the  
39 employees of the owner or operator of the stationary source, or  
40 prevent the owner or operator of the stationary source from using its  
41 own employees to perform any work that has not been assigned to  
42 contractors while the employees of the contractor are present and  
43 working; or

44 (2) Any owner or operator, or contractor or subcontractor of the  
45 owner or operator, who has entered into a project labor agreement  
46 with labor organizations with registered apprenticeship programs, if  
47 all contracted work at the facility or site subject to the provisions of

1 this section is also subject to the provisions of the project labor  
2 agreement.

3  
4 4. The State Office of Apprenticeship, in consultation with the  
5 Department of Environmental Protection and the Commission on  
6 Higher Education, shall approve a curriculum of in-person  
7 classroom and laboratory instruction for approved advanced safety  
8 training for workers at high hazard facilities. That safety training  
9 shall be included in any apprenticeship program for apprentices  
10 who will work for contractors or subcontractor at a stationary  
11 source subject to the provisions of this act, and shall be made  
12 available for employees of the contractors or subcontractors who  
13 had become skilled journeypersons before the training was included  
14 in their apprenticeship program.

15  
16 5. For the purpose of implementing the provisions of sections 1  
17 through 4 of P.L. , c. (C. ) (pending before the Legislature as  
18 this bill), the Commissioner of Labor and Workforce Development  
19 shall, and a worker employed in the performance of work subject to  
20 this act, the employer of the worker, or any designated  
21 representative of the worker or employer may, exercise all rights,  
22 powers or duties granted or imposed upon them by P.L.1963, c.150  
23 (C.34:11-56.25 et seq.).

24  
25 6. This act shall take effect on the 120th day following  
26 enactment.

27  
28

29 STATEMENT

30

31 This bill requires that an owner or operator of a stationary source  
32 in certain high-risk chemical manufacturing and processing  
33 industries, when contracting with outside contractors for the  
34 performance of construction, alteration, demolition, installation,  
35 repair, or maintenance work at the stationary source, must require  
36 that the contractors and subcontractors performing the work use a  
37 skilled and trained workforce to perform all onsite work which is in  
38 an apprenticeable occupation in the building and construction  
39 trades.

40 The industries subject to the requirements of the bill are certain  
41 chemical manufacturing and processing industries which are  
42 described in Code 324110, 325110, 325180, or 325199 of the North  
43 American Industry Classification System, which include facilities  
44 with one or more covered processes for which the owner or operator  
45 is required to prepare and submit a Risk Management Plan.

46 A “skilled and trained workforce” is required to meet the  
47 following criteria:

- 1       1. All the workers are, as of January 1, 2021, paid the  
2 applicable prevailing hourly wage rate, and are either registered  
3 apprentices or skilled journeypersons; and
  - 4       2. As of January 1, 2021, at least 30 percent of the skilled  
5 journeypersons are graduates of a registered apprenticeship program  
6 for the applicable.
  - 7       3. As of January 1, 2022, at least 45 percent of the skilled  
8 journeypersons are graduates of an approved apprenticeship  
9 program.
  - 10      4. As of January 1, 2023, at least 60 percent of the skilled  
11 journeypersons are graduates of an approved apprenticeship  
12 program.
  - 13      5. All the workers have, as of January 1, 2025, completed  
14 within the prior two calendar years at least 20 hours of approved  
15 advanced safety training for workers at high hazard facilities.
- 16       The requirements regarding the percentage of journeypersons  
17 who must be graduates of apprenticeship programs do not apply to  
18 the extent that the contractor requests, but cannot obtain qualified  
19 workers from a labor organization, or the extent that compliance is  
20 impracticable in certain emergency situations.
- 21       A “skilled journeyperson” is defined as a worker who meets all  
22 of the following criteria:
- 23      1. The worker either graduated from an approved  
24 apprenticeship program for the applicable occupation or has at least  
25 as many hours of on-the-job experience in the applicable occupation  
26 that would be required to graduate from an apprenticeship program  
27 for the applicable occupation; and
  - 28      2. As of January 1, 2025, the worker has completed within the  
29 prior two calendar years at least 20 hours of approved advanced  
30 safety training for workers at high hazard facilities.

# ASSEMBLY LABOR COMMITTEE

## STATEMENT TO

### **SENATE, No. 972**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: JUNE 15, 2020

The Assembly Labor Committee reports favorably and with committee amendments Senate Bill No. 972.

As amended, this bill requires that an owner or operator of a stationary source in certain high-risk chemical manufacturing and processing industries, when contracting with outside contractors for the performance of construction, alteration, demolition, installation, repair, or maintenance work at the stationary source, must require that the contractors and subcontractors performing the work use a skilled and trained workforce to perform all onsite work which is in an apprenticeable occupation in the building and construction trades.

The industries subject to the requirements of the bill are certain chemical manufacturing and processing industries which are described in Code 324110, 325110, 325180, or 325199 of the North American Industry Classification System, which include facilities with one or more covered processes for which the owner or operator is required to prepare and submit a Risk Management Plan.

As amended, the bill excludes from the requirements of the bill contractors or subcontractors hired to perform original equipment manufacturer work for purposes of compliance with equipment warranty requirements.

As amended, the bill clarifies that collectively bargained maintenance agreements are excluded along with project labor agreements.

As amended, the bill empowers the State Office of Apprenticeship to consider existing industry and trade safety programs for compatibility and fulfillment of requirements under the bill.

As amended, a “skilled and trained workforce” is required to meet the following criteria:

As of January 1, 2021, all workers shall be paid at least 80 percent of the applicable prevailing wage and shall be either registered apprentices or skilled journeypersons, as of January 1, 2022, all workers shall be paid at least 85 percent of the applicable prevailing wage and shall be either registered apprentices or skilled journeypersons, as of January 1, 2023, all workers shall be paid at least 90 percent of the applicable prevailing wage and shall be either registered apprentices or skilled journeypersons, and as of January 1,

2024, all workers shall be paid the applicable prevailing wage and shall be either registered apprentices or skilled journeypersons.

The requirements regarding the percentage of journeypersons who must be graduates of apprenticeship programs do not apply to the extent that the contractor requests, but cannot obtain, qualified workers from a labor organization, or the extent that compliance is impracticable in certain emergency situations.

Under the amended bill, a “skilled journeyperson” is defined as a worker who meets all of the following criteria:

As of January 1, 2021, at least 30 percent of the skilled journeypersons shall be graduates of an apprenticeship program for the applicable occupation.

As of January 1, 2022, at least 40 percent of the skilled journeypersons shall be graduates of an apprenticeship program for the applicable occupation.

As of January 1, 2023, at least 50 percent of the skilled journeypersons shall be graduates of an apprenticeship program for the applicable occupation.

As of January 1, 2024, at least 60 percent of the skilled journeypersons shall be graduates of an apprenticeship program for the applicable occupation.

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.

As amended and reported, the bill is identical to Assembly Bill No. 805 (1R) of the 2020-2021 session.

#### COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) Change prevailing wage requirements to reflect the following schedule:

As of January 1, 2021, all workers shall be paid at least 80 percent of the applicable prevailing wage and shall be either registered apprentices or skilled journeypersons, as of January 1, 2022, all workers shall be paid at least 85 percent of the applicable prevailing wage and shall be either registered apprentices or skilled journeypersons, as of January 1, 2023, all workers shall be paid at least 90 percent of the applicable prevailing wage and shall be either registered apprentices or skilled journeypersons, and as of January 1, 2024, all workers shall be paid the applicable prevailing wage and shall be either registered apprentices or skilled journeypersons.

(2) Change the skilled journeyperson thresholds to reflect the following schedule:

As of January 1, 2021, at least 30 percent of the skilled journeypersons shall be graduates of an apprenticeship program for the applicable occupation.

As of January 1, 2022, at least 40 percent of the skilled journeypersons shall be graduates of an apprenticeship program for the applicable occupation.

As of January 1, 2023, at least 50 percent of the skilled journeypersons shall be graduates of an apprenticeship program for the applicable occupation.

As of January 1, 2024, at least 60 percent of the skilled journeypersons shall be graduates of an apprenticeship program for the applicable occupation.

(3) Exclude from the requirements of the bill contractors or subcontractors hired to perform original equipment manufacturer work for purposes of compliance with equipment warranty requirements.

(4) Clarify that collectively bargained maintenance agreements are excluded along with project labor agreements.

(5) Empower the State Office of Apprenticeship to consider existing industry and trade safety programs for compatibility and fulfillment of requirements under the bill.



# SENATE LABOR COMMITTEE

## STATEMENT TO

### SENATE, No. 972

# STATE OF NEW JERSEY

DATED: JANUARY 27, 2020

The Senate Labor Committee reports favorably Senate Bill No.972.

This bill requires that an owner or operator of a stationary source in certain high-risk chemical manufacturing and processing industries, when contracting with outside contractors for the performance of construction, alteration, demolition, installation, repair, or maintenance work at the stationary source, must require that the contractors and subcontractors performing the work use a skilled and trained workforce to perform all onsite work which is in an apprenticeable occupation in the building and construction trades.

The industries subject to the requirements of the bill are certain chemical manufacturing and processing industries which are described in Code 324110, 325110, 325180, or 325199 of the North American Industry Classification System, which include facilities with one or more covered processes for which the owner or operator is required to prepare and submit a Risk Management Plan.

A “skilled and trained workforce” is required to meet the following criteria:

1. All the workers are, as of January 1, 2021, paid the applicable prevailing hourly wage rate, and are either registered apprentices or skilled journeypersons; and
2. As of January 1, 2021, at least 30 percent of the skilled journeypersons are graduates of an approved, registered apprenticeship program for the applicable occupation.
3. As of January 1, 2022, at least 45 percent of the skilled journeypersons are graduates of an approved apprenticeship program.
4. As of January 1, 2023, at least 60 percent of the skilled journeypersons are graduates of an approved apprenticeship program.
5. All the workers have, as of January 1, 2025, completed within the prior two calendar years at least 20 hours of approved advanced safety training for workers at high hazard facilities.

The requirements regarding the percentage of journeypersons who must be graduates of apprenticeship programs do not apply to the extent that the contractor requests, but cannot obtain, qualified workers from a labor organization, or the extent that compliance is impracticable in certain emergency situations.

A “skilled journeyperson” is defined as a worker who meets all of the following criteria:

1. The worker either graduated from an approved apprenticeship program for the applicable occupation or has at least as many hours of on-the-job experience in the applicable occupation as would be required to graduate from an apprenticeship program for the applicable occupation; and

2. As of January 1, 2025, the worker has completed within the prior two calendar years at least 20 hours of approved advanced safety training for workers at high hazard facilities.

# ASSEMBLY, No. 805

## STATE OF NEW JERSEY 219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

**Sponsored by:**

**Assemblyman ANTHONY S. VERRELLI**

**District 15 (Hunterdon and Mercer)**

**Assemblyman ERIC HOUGHTALING**

**District 11 (Monmouth)**

**Co-Sponsored by:**

**Assemblyman Caputo**

**SYNOPSIS**

Concerns skilled and trained workforce in work by contractors in certain industries.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



**(Sponsorship Updated As Of: 6/15/2020)**

1 AN ACT concerning a skilled and trained workforce in construction  
2 work by contractors in certain high-risk chemical manufacturing  
3 and processing facilities and supplementing article 2B of chapter  
4 11 of Title 34 of the Revised Statutes.

5

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

8

9 1. The Legislature finds and declares that:

10 a. The use of unskilled and untrained workers at chemical  
11 manufacturing and processing facilities that generate, store, treat,  
12 handle, refine, process, and transport hazardous materials is a risk  
13 to public health and safety, and the risk to public health and safety  
14 is particularly high when workers are employed by outside  
15 contractors because they generally are less familiar with the  
16 operations of the facility and its emergency plans and the owner or  
17 operator of the facility has less incentive to invest in their training.

18 b. Requiring that workers employed by outside contractors at  
19 these facilities be paid at least at a rate equivalent to the prevailing  
20 journeyman wage for their occupations, or be registered in  
21 approved apprenticeship programs, is necessary to provide an  
22 economic incentive for employers to use only the most skilled  
23 workers to perform work that poses a risk to public health and  
24 safety. The wage scale is also necessary to provide an economic  
25 incentive for the workers to obtain the mandatory advanced safety  
26 training required by section 3 of P.L. , c. (C. ) (pending  
27 before the Legislature as this bill).

28 c. Requiring that apprentices be registered in approved  
29 advanced safety training is necessary to ensure that these workers  
30 are receiving the proper training and on-the-job supervision and that  
31 the programs are subject to proper oversight.

32 d. The requirement that at least 60 percent of the  
33 journeymen working for a contractor be graduates of an  
34 approved apprenticeship program is necessary to ensure that the  
35 majority of the journeymen will have had appropriate classroom  
36 and laboratory instruction for their occupations. A phase-in for this  
37 requirement will avoid disruption of the industry.

38

39 2. As used in this act:

40 "Apprenticeship program" means a registered apprenticeship  
41 program providing to each trainee combined classroom and on-the-  
42 job training under the direct and close supervision of a highly  
43 skilled worker in an occupation recognized as an apprenticeable  
44 trade, registered by the Office of Apprenticeship of the U.S.  
45 Department of Labor.

46 "Approved advanced safety training for workers at high hazard  
47 facilities" means a curriculum approved by the State Office of  
48 Apprenticeship pursuant to section 4 of this act.

1       “Labor organization” means an organization which represents,  
2 for purposes of collective bargaining, employees of contractors or  
3 subcontractors engaged in contracting subject to the provisions of  
4 subsection a. of section 3 of P.L.     , c.     (C.     ) (pending before  
5 the Legislature as this bill), and has the present ability to refer,  
6 provide or represent sufficient number of qualified employees to  
7 perform the contracted work in a manner consistent with the  
8 provisions of P.L.     , c.     (C.     ) (pending before the Legislature  
9 as this bill) and a plan mutually agreed upon by the labor  
10 organization and the owner or operator.

11       “Prevailing hourly wage rate” means the prevailing hourly wage  
12 rate set for the applicable occupation and geographic area pursuant  
13 to the "New Jersey Prevailing Wage Act," P.L.1963, c.150  
14 (C.34:11-56.25 et seq.).

15       “Registered apprentice” means an apprentice registered in an  
16 apprenticeship program who is performing work covered by the  
17 standards of that apprenticeship program and receiving the  
18 supervision required by the standards of that apprenticeship  
19 program.

20       “Skilled journeyman” means a worker who:

21       a. Has either graduated from an apprenticeship program for the  
22 applicable occupation, or has at least as many hours of on-the-job  
23 experience in the applicable occupation as would be required to  
24 graduate from an apprenticeship program for the applicable  
25 occupation; and

26       b. Has completed within the prior two calendar years at least  
27 20 hours of approved advanced safety training for workers at high  
28 hazard facilities, including approved advanced safety training that  
29 occurred in an approved apprenticeship program. This requirement  
30 shall apply only to work performed on or after January 1, 2025.

31       “Skilled and trained workforce” means a workforce that meets  
32 all of the following criteria:

33       a. All the workers shall, as of January 1, 2021, be paid the  
34 applicable prevailing hourly wage rate, and shall be either  
35 registered apprentices or skilled journeymen; and

36       b. All the workers have, as of January 1, 2025, completed  
37 within the prior two calendar years at least 20 hours of approved  
38 advanced safety training for workers at high hazard facilities.

39       c. (1) As of January 1, 2021, at least 30 percent of the skilled  
40 journeymen shall be graduates of an apprenticeship program for  
41 the applicable occupation.

42       (2) As of January 1, 2022, at least 45 percent of the skilled  
43 journeymen shall be graduates of an apprenticeship program for  
44 the applicable occupation.

45       (3) As of January 1, 2023, at least 60 percent of the skilled  
46 journeymen shall be graduates of an apprenticeship program for  
47 the applicable occupation,

1 (4) As of January 1, 2025, all of the workers shall have  
2 completed within the prior two calendar years at least 20 hours of  
3 approved advanced safety training for workers at high hazard  
4 facilities,

5 except that the requirements of this subsection c. shall not apply  
6 to the extent that the contractor requests qualified workers from a  
7 labor organization that refers or provides qualified workers, but the  
8 organization is unable to refer or provide sufficient qualified  
9 workers within 48 hours of the request, Saturdays, Sundays, and  
10 Holidays excepted, and shall not apply to the extent that compliance  
11 is impracticable because an emergency requires immediate action to  
12 prevent harm to public health or safety or to the environment, but  
13 the criteria shall again apply as soon as the emergency is over or it  
14 becomes practicable for contractors to obtain a qualified workforce.

15 “State Office of Apprenticeship” means the Office of  
16 Apprenticeship in the State Department of Labor and Workforce  
17 Development. “The State Office of Apprenticeship” does not mean  
18 the Office of Apprenticeship in the United States Department of  
19 Labor.

20

21 3. a. An owner or operator of a stationary source that is  
22 engaged in activities described in Code 324110, 325110, 325180, or  
23 325199 of the North American Industry Classification System, as  
24 that code read on January 1, 2017, and has one or more covered  
25 processes for which the owner or operator is required to prepare and  
26 submit a Risk Management Plan, shall, when contracting with  
27 outside contractors for the performance of construction, alteration,  
28 demolition, installation, repair, or maintenance work at the  
29 stationary source, require that the contractors performing the work,  
30 and any subcontractors of the contractors, use a skilled and trained  
31 workforce to perform all onsite work which is in an apprenticeable  
32 occupation in the building and construction trades. The  
33 requirement to use a skilled and trained workforce shall apply to the  
34 onsite workforce of each contractor and subcontractor.

35 b. This section shall not apply to:

36 (1) Oil and gas extraction operations, and shall not apply to any  
37 contract awarded before January 1, 2021, unless the contract is  
38 extended or renewed after that date, and shall not apply to the  
39 employees of the owner or operator of the stationary source, or  
40 prevent the owner or operator of the stationary source from using its  
41 own employees to perform any work that has not been assigned to  
42 contractors while the employees of the contractor are present and  
43 working; or

44 (2) Any owner or operator, or contractor or subcontractor of the  
45 owner or operator, who has entered into a project labor agreement  
46 with labor organizations with registered apprenticeship programs, if  
47 all contracted work at the facility or site subject to the provisions of

1 this section is also subject to the provisions of the project labor  
2 agreement.

3  
4 4. The State Office of Apprenticeship, in consultation with the  
5 Department of Environmental Protection and the Commission on  
6 Higher Education, shall approve a curriculum of in-person  
7 classroom and laboratory instruction for approved advanced safety  
8 training for workers at high hazard facilities. That safety training  
9 shall be included in any apprenticeship program for apprentices  
10 who will work for contractors or subcontractor at a stationary  
11 source subject to the provisions of this act, and shall be made  
12 available for employees of the contractors or subcontractors who  
13 had become skilled journeypersons before the training was included  
14 in their apprenticeship program.

15  
16 5. For the purpose of implementing the provisions of sections 1  
17 through 4 of P.L. , c. (C. ) (pending before the Legislature  
18 as this bill), the Commissioner of Labor and Workforce  
19 Development shall, and a worker employed in the performance of  
20 work subject to this act, the employer of the worker, or any  
21 designated representative of the worker or employer may, exercise  
22 all rights, powers or duties granted or imposed upon them by  
23 P.L.1963, c.150 (C.34:11-56.25 et seq.).

24  
25 6. This act shall take effect on the 120th day following  
26 enactment.

27  
28

29 STATEMENT

30

31 This bill requires that an owner or operator of a stationary source  
32 in certain high-risk chemical manufacturing and processing  
33 industries, when contracting with outside contractors for the  
34 performance of construction, alteration, demolition, installation,  
35 repair, or maintenance work at the stationary source, must require  
36 that the contractors and subcontractors performing the work use a  
37 skilled and trained workforce to perform all onsite work which is in  
38 an apprenticeable occupation in the building and construction  
39 trades.

40 The industries subject to the requirements of the bill are certain  
41 chemical manufacturing and processing industries which are  
42 described in Code 324110, 325110, 325180, or 325199 of the North  
43 American Industry Classification System, which include facilities  
44 with one or more covered processes for which the owner or operator  
45 is required to prepare and submit a Risk Management Plan.

46 A “skilled and trained workforce” is required to meet the  
47 following criteria:

- 1       1. All the workers are, as of January 1, 2021, paid the  
2 applicable prevailing hourly wage rate, and are either registered  
3 apprentices or skilled journeypersons; and
  - 4       2. As of January 1, 2021, at least 30 percent of the skilled  
5 journeypersons are graduates of a registered apprenticeship program  
6 for the applicable.
  - 7       3. As of January 1, 2022, at least 45 percent of the skilled  
8 journeypersons are graduates of an approved apprenticeship  
9 program.
  - 10      4. As of January 1, 2023, at least 60 percent of the skilled  
11 journeypersons are graduates of an approved apprenticeship  
12 program.
  - 13      5. All the workers have, as of January 1, 2025, completed  
14 within the prior two calendar years at least 20 hours of approved  
15 advanced safety training for workers at high hazard facilities.
- 16       The requirements regarding the percentage of journeypersons  
17 who must be graduates of apprenticeship programs do not apply to  
18 the extent that the contractor requests, but cannot obtain qualified  
19 workers from a labor organization, or the extent that compliance is  
20 impracticable in certain emergency situations.
- 21       A “skilled journeyperson” is defined as a worker who meets all  
22 of the following criteria:
- 23      1. The worker either graduated from an approved  
24 apprenticeship program for the applicable occupation or has at least  
25 as many hours of on-the-job experience in the applicable occupation  
26 that would be required to graduate from an apprenticeship program  
27 for the applicable occupation; and
  - 28      2. As of January 1, 2025, the worker has completed within the  
29 prior two calendar years at least 20 hours of approved advanced  
30 safety training for workers at high hazard facilities.



# ASSEMBLY LABOR COMMITTEE

## STATEMENT TO

### ASSEMBLY, No. 805

with committee amendments

# STATE OF NEW JERSEY

DATED: JUNE 15, 2020

The Assembly Labor Committee reports favorably and with committee amendments Assembly Bill No. 805.

As amended, this bill requires that an owner or operator of a stationary source in certain high-risk chemical manufacturing and processing industries, when contracting with outside contractors for the performance of construction, alteration, demolition, installation, repair, or maintenance work at the stationary source, must require that the contractors and subcontractors performing the work use a skilled and trained workforce to perform all onsite work which is in an apprenticeable occupation in the building and construction trades.

The industries subject to the requirements of the bill are certain chemical manufacturing and processing industries which are described in Code 324110, 325110, 325180, or 325199 of the North American Industry Classification System, which include facilities with one or more covered processes for which the owner or operator is required to prepare and submit a Risk Management Plan.

As amended, the bill excludes from the requirements of the bill contractors or subcontractors hired to perform original equipment manufacturer work for purposes of compliance with equipment warranty requirements.

As amended, the bill clarifies that collectively bargained maintenance agreements are excluded along with project labor agreements.

As amended, the bill empowers the State Office of Apprenticeship to consider existing industry and trade safety programs for compatibility and fulfillment of requirements under the bill.

As amended, a “skilled and trained workforce” is required to meet the following criteria:

As of January 1, 2021, all workers shall be paid at least 80 percent of the applicable prevailing wage and shall be either registered apprentices or skilled journeypersons, as of January 1, 2022, all workers shall be paid at least 85 percent of the applicable prevailing wage and shall be either registered apprentices or skilled journeypersons, as of January 1, 2023, all workers shall be paid at least 90 percent of the applicable prevailing wage and shall be either registered apprentices or skilled journeypersons, and as of January 1,

2024, all workers shall be paid the applicable prevailing wage and shall be either registered apprentices or skilled journeypersons.

The requirements regarding the percentage of journeypersons who must be graduates of apprenticeship programs do not apply to the extent that the contractor requests, but cannot obtain, qualified workers from a labor organization, or the extent that compliance is impracticable in certain emergency situations.

Under the amended bill, a “skilled journeyperson” is defined as a worker who meets all of the following criteria:

As of January 1, 2021, at least 30 percent of the skilled journeypersons shall be graduates of an apprenticeship program for the applicable occupation.

As of January 1, 2022, at least 40 percent of the skilled journeypersons shall be graduates of an apprenticeship program for the applicable occupation.

As of January 1, 2023, at least 50 percent of the skilled journeypersons shall be graduates of an apprenticeship program for the applicable occupation.

As of January 1, 2024, at least 60 percent of the skilled journeypersons shall be graduates of an apprenticeship program for the applicable occupation.

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.

As amended and reported, the bill is identical to Senate Bill No. 972 (1R) of the 2020-2021 session.

#### COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) Change prevailing wage requirements to reflect the following schedule:

As of January 1, 2021, all workers shall be paid at least 80 percent of the applicable prevailing wage and shall be either registered apprentices or skilled journeypersons, as of January 1, 2022, all workers shall be paid at least 85 percent of the applicable prevailing wage and shall be either registered apprentices or skilled journeypersons, as of January 1, 2023, all workers shall be paid at least 90 percent of the applicable prevailing wage and shall be either registered apprentices or skilled journeypersons, and as of January 1, 2024, all workers shall be paid the applicable prevailing wage and shall be either registered apprentices or skilled journeypersons.

(2) Change the skilled journeyperson thresholds to reflect the following schedule:

As of January 1, 2021, at least 30 percent of the skilled journeypersons shall be graduates of an apprenticeship program for the applicable occupation.

As of January 1, 2022, at least 40 percent of the skilled journeypersons shall be graduates of an apprenticeship program for the applicable occupation.

As of January 1, 2023, at least 50 percent of the skilled journeypersons shall be graduates of an apprenticeship program for the applicable occupation.

As of January 1, 2024, at least 60 percent of the skilled journeypersons shall be graduates of an apprenticeship program for the applicable occupation.

(3) Exclude from the requirements of the bill contractors or subcontractors hired to perform original equipment manufacturer work for purposes of compliance with equipment warranty requirements.

(4) Clarify that collectively bargained maintenance agreements are excluded along with project labor agreements.

(5) Empower the State Office of Apprenticeship to consider existing industry and trade safety programs for compatibility and fulfillment of requirements under the bill.

# Governor Murphy Takes Action on Legislation

08/13/2020

**TRENTON** – Today, Governor Murphy signed the following bills into law:

**S-972/A-805 (Madden, Sweeney/Verrelli, Houghtaling, DeAngelo)** – Concerns skilled and trained workforce in work by contractors in certain industries

**S-993/A-631 (Greenstein, Singleton/Caputo, Jasey, Dancer)** – Concerns arbitration for certain non-teaching school staff