## 34:11-56.33 and 34:11-56.37 LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2021 CHAPTER: 164 NJSA: 34:11-56.33 and 34:11-56.37 (Requires Commissioner of Labor and Workforce Development to create Statewide database of certified payroll information for public works projects.) **BILL NO:** A1171 (Substituted for S1260 (1R)) SPONSOR(S) Freiman, Roy and others DATE INTRODUCED: 1/14/2020 **COMMITTEE: ASSEMBLY:** Labor SENATE: AMENDED DURING PASSAGE: No DATE OF PASSAGE: ASSEMBLY: 3/25/2021 **SENATE:** 6/3/2021 **DATE OF APPROVAL:** 7/8/2021 **FOLLOWING ARE ATTACHED IF AVAILABLE:** FINAL TEXT OF BILL (Introduced bill enacted) Yes A1171 **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) FLOOR AMENDMENT STATEMENT: No **LEGISLATIVE FISCAL ESTIMATE:** No S1260 (1R) **INTRODUCED BILL (INCLUDES SPONSOR'S STATEMENT):** Yes **COMMITTEE STATEMENT:** ASSEMBLY: No 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) FLOOR AMENDMENT STATEMENT: No **LEGISLATIVE FISCAL ESTIMATE:** No

No

**VETO MESSAGE:** 

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HEARINGS:	No
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Johnson, Brent. "New laws to benefit misclassified workers, the self-employed." South Jersey Times (NJ), July 9, 2021: 004.	

Yes

RH/CL

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

# P.L. 2021, CHAPTER 164, *approved July 8, 2021*Assembly, No. 1171

**AN ACT** concerning a Statewide database of certified payroll information filed by public works contractors and amending P.L.1963, c.150.

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

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- 1. Section 9 of P.L.1963, c.150 (C.34:11-56.33) is amended to read as follows:
- 9. (a) Before final payment is made by or on behalf of any public body or before any lessee to whom the public body is leasing a property or premises or any lessor from whom the public body is leasing or will be leasing a property or premises makes such payment, of any sum or sums due on a public work, it shall be the duty of the treasurer of the public body or other officer or person charged with the custody and disbursement of the funds of the public body, the lessee to whom the public body is leasing a property or premises or the lessor from whom the public body is leasing or will be leasing a property or premises, as the case may be, to require the contractor and subcontractor to file written statements with the public body and the commissioner in a form satisfactory to the commissioner certifying to the amounts then due and owing from such contractor and subcontractor filing such statement to any and all workers for wages due on account of the public work, setting forth therein the names of the persons whose wages are unpaid and the amount due to each respectively, which statement shall be verified by the oath of the contractor or subcontractor, as the case may be, that he has read such statement subscribed by him, knows the contents thereof, and that the same is true of his own knowledge; provided, however, that nothing herein shall impair the right of a contractor to receive final payment because of the failure of any subcontractor to comply with provisions of this act.
- (b) In case any worker shall have filed a protest in writing within three months from the date of the occurrence of the incident complained of with the commissioner, objecting to the payment to any contractor to the extent of the amount or amounts due or to become due to the worker for wages for work performed on a public work, the commissioner may direct the fiscal or financial officer of the public body or other person charged with the custody and

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

disbursements of the funds of the public body, the lessee to whom the public body is leasing a property or premises or the lessor from whom the public body is leasing or will be leasing a property or premises, as the case may be, to deduct from the whole amount of any payment, the sum or sums admitted by any contractor in such statement or statements so filed to be due and owing by him on account of wages earned on such public work.

Such fiscal or financial officer, the lessee to whom the public body is leasing a property or premises or the lessor from whom the public body is leasing or will be leasing a property or premises, shall withhold the amount so deducted for the benefit of the worker whose wages are unpaid as shown by the verified statement filed by such contractor, and shall pay directly to any worker the amount shown by such statement to be due to him for such wages. Such payment shall thereby discharge the obligation of the contractor to the person receiving such payment to the extent of the amount thereof.

(cf: P.L.2007, c.68, s.4)

- 2. Section 13 of P.L.1963, c.150 (C.34:11-56.37) is amended to read as follows:
- 13. a. In the event that the commissioner shall determine, after investigation, that any contractor or subcontractor has failed to pay the prevailing wage he shall thereupon list and keep on record the name of such contractor or subcontractor and forthwith give notice by mail of such list to any public body who shall request the commissioner so to do. Where the person responsible denies that a failure to pay the prevailing wage has occurred, he shall have the right to apply to the commissioner for a hearing which must be afforded and a decision rendered within 48 hours of the request for a hearing. If the commissioner rules against the petitioning party he shall have the right to apply for injunctive relief in the Superior Court against the listing by the commissioner.
- b. The commissioner shall create, maintain, and distribute an informational list for contractors and subcontractors who bid on and perform public work, which includes but need not be limited to wage payment, recordkeeping, and registration requirements, and applicable penalties, pursuant to the "New Jersey Prevailing Wage Act," P.L.1963, c.150 (C.34:11-56.25 et seq.) and "The Public Works Contractor Registration Act," P.L.1999, c.238 (C.34:11-56.48 et seq.). The commissioner shall prominently display the informational list on a website maintained by the Department of Labor and Workforce Development and shall distribute to any contractor, subcontractor, or public body, upon request, the informational list, as well as the list of the names of contractors and subcontractors who have failed to pay prevailing wages as determined pursuant to subsection a. of this section, or who have failed to pay any State employer payroll tax.

## A1171

d. The commissioner shall create and maintain, in a manner accessible to the public on the website of the Department of Labor and Workforce Development, a Statewide database of the certified statements of contractors and subcontractors who bid on and perform public work that are required to be filed with the public body and the commissioner in accordance with subsection (a) of section 9 of P.L.1963, c.150 (C.34:11-56.33). The commissioner shall redact any personal identifying information of employees, and any other information as may be required by law, prior to a statement's publication on the database.

(cf: P.L.2019, c.61, s.1)

3. This act shall on the first day of the sixth month next following enactment, except the commissioner may take such action as is necessary for the implementation of this act.

Requires Commissioner of Labor and Workforce Development to create Statewide database of certified payroll information for public works projects.

#### **CHAPTER 164**

**AN ACT** concerning a Statewide database of certified payroll information filed by public works contractors and amending P.L.1963, c.150.

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

1. Section 9 of P.L.1963, c.150 (C.34:11-56.33) is amended to read as follows:

C.34:11-56.33 Filing of written statements of amounts due workers; database of certified payroll information.

- 9. (a) Before final payment is made by or on behalf of any public body or before any lessee to whom the public body is leasing a property or premises or any lessor from whom the public body is leasing or will be leasing a property or premises makes such payment, of any sum or sums due on a public work, it shall be the duty of the treasurer of the public body or other officer or person charged with the custody and disbursement of the funds of the public body, the lessee to whom the public body is leasing a property or premises or the lessor from whom the public body is leasing or will be leasing a property or premises, as the case may be, to require the contractor and subcontractor to file written statements with the public body and the commissioner in a form satisfactory to the commissioner certifying to the amounts then due and owing from such contractor and subcontractor filing such statement to any and all workers for wages due on account of the public work, setting forth therein the names of the persons whose wages are unpaid and the amount due to each respectively, which statement shall be verified by the oath of the contractor or subcontractor, as the case may be, that he has read such statement subscribed by him, knows the contents thereof, and that the same is true of his own knowledge; provided, however, that nothing herein shall impair the right of a contractor to receive final payment because of the failure of any subcontractor to comply with provisions of this act.
- (b) In case any worker shall have filed a protest in writing within three months from the date of the occurrence of the incident complained of with the commissioner, objecting to the payment to any contractor to the extent of the amount or amounts due or to become due to the worker for wages for work performed on a public work, the commissioner may direct the fiscal or financial officer of the public body or other person charged with the custody and disbursements of the funds of the public body, the lessee to whom the public body is leasing a property or premises or the lessor from whom the public body is leasing or will be leasing a property or premises, as the case may be, to deduct from the whole amount of any payment, the sum or sums admitted by any contractor in such statement or statements so filed to be due and owing by him on account of wages earned on such public work.

Such fiscal or financial officer, the lessee to whom the public body is leasing a property or premises or the lessor from whom the public body is leasing or will be leasing a property or premises, shall withhold the amount so deducted for the benefit of the worker whose wages are unpaid as shown by the verified statement filed by such contractor, and shall pay directly to any worker the amount shown by such statement to be due to him for such wages. Such payment shall thereby discharge the obligation of the contractor to the person receiving such payment to the extent of the amount thereof.

2. Section 13 of P.L.1963, c.150 (C.34:11-56.37) is amended to read as follows:

C.34:11-56.37 List relative to contractors performing prevailing wage public work; database of certified statements.

- 13. a. In the event that the commissioner shall determine, after investigation, that any contractor or subcontractor has failed to pay the prevailing wage he shall thereupon list and keep on record the name of such contractor or subcontractor and forthwith give notice by mail of such list to any public body who shall request the commissioner so to do. Where the person responsible denies that a failure to pay the prevailing wage has occurred, he shall have the right to apply to the commissioner for a hearing which must be afforded and a decision rendered within 48 hours of the request for a hearing. If the commissioner rules against the petitioning party he shall have the right to apply for injunctive relief in the Superior Court against the listing by the commissioner.
- b. The commissioner shall create, maintain, and distribute an informational list for contractors and subcontractors who bid on and perform public work, which includes but need not be limited to wage payment, recordkeeping, and registration requirements, and applicable penalties, pursuant to the "New Jersey Prevailing Wage Act," P.L.1963, c.150 (C.34:11-56.25 et seq.) and "The Public Works Contractor Registration Act," P.L.1999, c.238 (C.34:11-56.48 et seq.). The commissioner shall prominently display the informational list on a website maintained by the Department of Labor and Workforce Development and shall distribute to any contractor, subcontractor, or public body, upon request, the informational list, as well as the list of the names of contractors and subcontractors who have failed to pay prevailing wages as determined pursuant to subsection a. of this section, or who have failed to pay any State employer payroll tax.
- c. The commissioner shall create, maintain, and distribute an informational list of labor organizations that represent workers who engage in public work, which shall contain information about required hourly rates, required fringe benefit rates, and regions in which the labor organizations represent workers. The commissioner shall prominently display the informational list on a website maintained by the Department of Labor and Workforce Development and shall distribute to any contractor, subcontractor, labor organization, or public body, upon request, the informational list for use on public work, including projects for which the cost is below the prevailing wage contract threshold amount.
- d. The commissioner shall create and maintain, in a manner accessible to the public on the website of the Department of Labor and Workforce Development, a Statewide database of the certified statements of contractors and subcontractors who bid on and perform public work that are required to be filed with the public body and the commissioner in accordance with subsection (a) of section 9 of P.L.1963, c.150 (C.34:11-56.33). The commissioner shall redact any personal identifying information of employees, and any other information as may be required by law, prior to a statement's publication on the database.
- 3. This act shall take effect on the first day of the sixth month next following enactment, except the commissioner may take such action as is necessary for the implementation of this act.

Approved July 8, 2021.

## ASSEMBLY, No. 1171

# STATE OF NEW JERSEY

## 219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman ROY FREIMAN
District 16 (Hunterdon, Mercer, Middlesex and Somerset)
Assemblyman ROBERT J. KARABINCHAK
District 18 (Middlesex)
Assemblyman ANTHONY S. VERRELLI
District 15 (Hunterdon and Mercer)

## **SYNOPSIS**

Requires Commissioner of Labor and Workforce Development to create Statewide database of certified payroll information for public works projects.

## **CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



**AN ACT** concerning a Statewide database of certified payroll information filed by public works contractors and amending P.L.1963, c.150.

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

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- 1. Section 9 of P.L.1963, c.150 (C.34:11-56.33) is amended to read as follows:
- 9. (a) Before final payment is made by or on behalf of any public body or before any lessee to whom the public body is leasing a property or premises or any lessor from whom the public body is leasing or will be leasing a property or premises makes such payment, of any sum or sums due on a public work, it shall be the duty of the treasurer of the public body or other officer or person charged with the custody and disbursement of the funds of the public body, the lessee to whom the public body is leasing a property or premises or the lessor from whom the public body is leasing or will be leasing a property or premises, as the case may be, to require the contractor and subcontractor to file written statements with the public body and the commissioner in a form satisfactory to the commissioner certifying to the amounts then due and owing from such contractor and subcontractor filing such statement to any and all workers for wages due on account of the public work, setting forth therein the names of the persons whose wages are unpaid and the amount due to each respectively, which statement shall be verified by the oath of the contractor or subcontractor, as the case may be, that he has read such statement subscribed by him, knows the contents thereof, and that the same is true of his own knowledge; provided, however, that nothing herein shall impair the right of a contractor to receive final payment because of the failure of any subcontractor to comply with provisions of this act.
- (b) In case any worker shall have filed a protest in writing within three months from the date of the occurrence of the incident complained of with the commissioner, objecting to the payment to any contractor to the extent of the amount or amounts due or to become due to the worker for wages for work performed on a public work, the commissioner may direct the fiscal or financial officer of the public body or other person charged with the custody and disbursements of the funds of the public body, the lessee to whom the public body is leasing a property or premises or the lessor from whom the public body is leasing or will be leasing a property or premises, as the case may be, to deduct from the whole amount of any payment, the sum or sums admitted by any contractor in such

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

statement or statements so filed to be due and owing by him on account of wages earned on such public work.

Such fiscal or financial officer, the lessee to whom the public body is leasing a property or premises or the lessor from whom the public body is leasing or will be leasing a property or premises, shall withhold the amount so deducted for the benefit of the worker whose wages are unpaid as shown by the verified statement filed by such contractor, and shall pay directly to any worker the amount shown by such statement to be due to him for such wages. Such payment shall thereby discharge the obligation of the contractor to the person receiving such payment to the extent of the amount thereof.

(cf: P.L.2007, c.68, s.4)

- 2. Section 13 of P.L.1963, c.150 (C.34:11-56.37) is amended to read as follows:
- 13. a. In the event that the commissioner shall determine, after investigation, that any contractor or subcontractor has failed to pay the prevailing wage he shall thereupon list and keep on record the name of such contractor or subcontractor and forthwith give notice by mail of such list to any public body who shall request the commissioner so to do. Where the person responsible denies that a failure to pay the prevailing wage has occurred, he shall have the right to apply to the commissioner for a hearing which must be afforded and a decision rendered within 48 hours of the request for a hearing. If the commissioner rules against the petitioning party he shall have the right to apply for injunctive relief in the Superior Court against the listing by the commissioner.
- The commissioner shall create, maintain, and distribute an informational list for contractors and subcontractors who bid on and perform public work, which includes but need not be limited to wage payment, recordkeeping, and registration requirements, and applicable penalties, pursuant to the "New Jersey Prevailing Wage Act," P.L.1963, c.150 (C.34:11-56.25 et seq.) and "The Public Works Contractor Registration Act," P.L.1999, c.238 (C.34:11-56.48 et seq.). The commissioner shall prominently display the informational list on a website maintained by the Department of Labor and Workforce Development and shall distribute to any contractor, subcontractor, or public body, upon request, the informational list, as well as the list of the names of contractors and subcontractors who have failed to pay prevailing wages as determined pursuant to subsection a. of this section, or who have failed to pay any State employer payroll tax.
  - c. The commissioner shall create, maintain, and distribute an informational list of labor organizations that represent workers who engage in public work, which shall contain information about required hourly rates, required fringe benefit rates, and regions in which the labor organizations represent workers. The

#### A1171 FREIMAN, KARABINCHAK

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- commissioner shall prominently display the informational list on a website maintained by the Department of Labor and Workforce Development and shall distribute to any contractor, subcontractor, labor organization, or public body, upon request, the informational list for use on public work, including projects for which the cost is
- list for use on public work, including projects for which the costbelow the prevailing wage contract threshold amount.
- 7 d. The commissioner shall create and maintain, in a manner 8 accessible to the public on the website of the Department of Labor and Workforce Development, a Statewide database of the certified 9 10 statements of contractors and subcontractors who bid on and perform public work that are required to be filed with the public 11 12 body and the commissioner in accordance with subsection (a) of section 9 of P.L.1963, c.150 (C.34:11-56.33). The commissioner 13 14 shall redact any personal identifying information of employees, and 15 any other information as may be required by law, prior to a statement's publication on the database. 16

17 (cf: P.L.2019, c.61, s.1)

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3. This act shall on the first day of the sixth month next following enactment, except the commissioner may take such action as is necessary for the implementation of this act.

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## **STATEMENT**

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This bill requires the Commissioner of Labor and Workforce Development to create a Statewide database of the written statements regarding payroll information that contractors and subcontractors who bid on and perform public work are required under current law to file when engaging in public works. The payroll certification, established in accordance with N.J.A.C.12:60-2.1 and N.J.A.C.12:60-5.1, requires contractors and subcontractors to provide payment and withholding information for employees. The commissioner is required to redact any personal identifying information of the employees as is required by law prior to publishing the payroll statements on the database. The bill requires the database to be accessible to the public on the department's website.

Additionally, the bill requires contractors to file payroll statements with both the relevant public body and the commissioner. Under current law, contractors are only required to file these statements with the relevant public body.

## ASSEMBLY LABOR COMMITTEE

## STATEMENT TO

## ASSEMBLY, No. 1171

## STATE OF NEW JERSEY

DATED: DECEMBER 14, 2020

The Assembly Labor Committee reports favorably Assembly Bill No. 1171.

This bill requires the Commissioner of Labor and Workforce Development to create a Statewide database of the written statements regarding payroll information that contractors and subcontractors who bid on and perform public work are required under current law to file when engaging in public works. The payroll certification, established in accordance with N.J.A.C.12:60-2.1 and N.J.A.C.12:60-5.1, requires contractors and subcontractors to provide payment and withholding information for employees. The commissioner is required to redact any personal identifying information of the employees as is required by law prior to publishing the payroll statements on the database. The bill requires the database to be accessible to the public on the department's website.

Additionally, the bill requires contractors to file payroll statements with both the relevant public body and the commissioner. Under current law, contractors are only required to file these statements with the relevant public body.

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.

# **SENATE, No. 1260**

# STATE OF NEW JERSEY

## 219th LEGISLATURE

INTRODUCED FEBRUARY 3, 2020

**Sponsored by:** 

**Senator TROY SINGLETON** 

**District 7 (Burlington)** 

Senator STEVEN V. OROHO

District 24 (Morris, Sussex and Warren)

## **SYNOPSIS**

Requires Commissioner of Labor and Workforce Development to create Statewide database of certified payroll information for public works projects.

## **CURRENT VERSION OF TEXT**

As introduced.



(Sponsorship Updated As Of: 2/10/2020)

AN ACT concerning a Statewide database of certified payroll information filed by public works contractors and amending P.L.1963, c.150.

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

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- 1. Section 9 of P.L.1963, c.150 (C.34:11-56.33) is amended to read as follows:
- 9. (a) Before final payment is made by or on behalf of any public body or before any lessee to whom the public body is leasing a property or premises or any lessor from whom the public body is leasing or will be leasing a property or premises makes such payment, of any sum or sums due on a public work, it shall be the duty of the treasurer of the public body or other officer or person charged with the custody and disbursement of the funds of the public body, the lessee to whom the public body is leasing a property or premises or the lessor from whom the public body is leasing or will be leasing a property or premises, as the case may be, to require the contractor and subcontractor to file written statements with the public body and the commissioner in a form satisfactory to the commissioner certifying to the amounts then due and owing from such contractor and subcontractor filing such statement to any and all workers for wages due on account of the public work, setting forth therein the names of the persons whose wages are unpaid and the amount due to each respectively, which statement shall be verified by the oath of the contractor or subcontractor, as the case may be, that he has read such statement subscribed by him, knows the contents thereof, and that the same is true of his own knowledge; provided, however, that nothing herein shall impair the right of a contractor to receive final payment because of the failure of any subcontractor to comply with provisions of this act.
  - (b) In case any worker shall have filed a protest in writing within three months from the date of the occurrence of the incident complained of with the commissioner, objecting to the payment to any contractor to the extent of the amount or amounts due or to become due to the worker for wages for work performed on a public work, the commissioner may direct the fiscal or financial officer of the public body or other person charged with the custody and disbursements of the funds of the public body, the lessee to whom the public body is leasing a property or premises or the lessor from whom the public body is leasing or will be leasing a property or premises, as the case may be, to deduct from the whole amount of any payment, the sum or sums admitted by any contractor in such

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- 2. Section 13 of P.L.1963, c.150 (C.34:11-56.37) is amended to read as follows:
- 13. a. In the event that the commissioner shall determine, after investigation, that any contractor or subcontractor has failed to pay the prevailing wage he shall thereupon list and keep on record the name of such contractor or subcontractor and forthwith give notice by mail of such list to any public body who shall request the commissioner so to do. Where the person responsible denies that a failure to pay the prevailing wage has occurred, he shall have the right to apply to the commissioner for a hearing which must be afforded and a decision rendered within 48 hours of the request for a hearing. If the commissioner rules against the petitioning party he shall have the right to apply for injunctive relief in the Superior Court against the listing by the commissioner.
- b. The commissioner shall create, maintain, and distribute an informational list for contractors and subcontractors who bid on and perform public work, which includes but need not be limited to wage payment, recordkeeping, and registration requirements, and applicable penalties, pursuant to the "New Jersey Prevailing Wage Act," P.L.1963, c.150 (C.34:11-56.25 et seq.) and "The Public Works Contractor Registration Act," P.L.1999, c.238 (C.34:11-56.48 et seq.). The commissioner shall prominently display the informational list on a website maintained by the Department of Labor and Workforce Development and shall distribute to any contractor, subcontractor, or public body, upon request, the informational list, as well as the list of the names of contractors and subcontractors who have failed to pay prevailing wages as determined pursuant to subsection a. of this section, or who have failed to pay any State employer payroll tax.
  - c. The commissioner shall create, maintain, and distribute an informational list of labor organizations that represent workers who engage in public work, which shall contain information about required hourly rates, required fringe benefit rates, and regions in which the labor organizations represent workers. The commissioner

## **S1260** SINGLETON, OROHO

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- shall prominently display the informational list on a website maintained by the Department of Labor and Workforce Development and shall distribute to any contractor, subcontractor, labor organization, or public body, upon request, the informational
- list for use on public work, including projects for which the cost is below the prevailing wage contract threshold amount.
- 7 d. The commissioner shall create and maintain, in a manner 8 accessible to the public on the website of the Department of Labor 9 and Workforce Development, a Statewide database of the certified 10 statements of contractors and subcontractors who bid on and 11 perform public work that are required to be filed with the public 12 body and the commissioner in accordance with subsection (a) of section 9 of P.L.1963, c.150 (C.34:11-56.33). The commissioner 13 14 shall redact any personal identifying information of employees, and 15 any other information as may be required by law, prior to a 16 statement's publication on the database.

(cf: P.L.2019, c.61, s.1)

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3. This act shall on the first day of the sixth month next following enactment, except the commissioner may take such action as is necessary for the implementation of this act.

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#### **STATEMENT**

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This bill requires the Commissioner of Labor and Workforce Development to create a Statewide database of the written statements regarding payroll information that contractors and subcontractors who bid on and perform public work are required under current law to file when engaging in public works. The payroll certification, established in accordance with N.J.A.C.12:60-2.1 and N.J.A.C.12:60-5.1, requires contractors and subcontractors to provide payment and withholding information for employees. The commissioner is required to redact any personal identifying information of the employees as is required by law prior to publishing the payroll statements on the database. The bill requires the database to be accessible to the public on the department's website.

Additionally, the bill requires contractors to file payroll statements with both the relevant public body and the commissioner. Under current law, contractors are only required to file these statements with the relevant public body.

## SENATE LABOR COMMITTEE

## STATEMENT TO

**SENATE, No. 1260** 

with committee amendments

## STATE OF NEW JERSEY

DATED: DECEMBER 8, 2020

The Senate Labor Committee favorably reports, with committee amendments, Senate Bill, No. 1260.

This bill requires the Commissioner of Labor and Workforce Development to create a Statewide database of the written statements regarding payroll information that contractors and subcontractors who bid on and perform public work are required under current law to file when engaging in public works. The payroll certification, established in accordance with N.J.A.C.12:60-2.1 and N.J.A.C.12:60-5.1, requires contractors and subcontractors to provide payment and withholding information for employees. The commissioner is required to redact any personal identifying information of the employees as is required by law prior to publishing the payroll statements on the database. The bill requires the database to be accessible to the public on the department's website.

Additionally, the bill requires contractors to file payroll statements with both the relevant public body and the commissioner. Under current law, contractors are only required to file these statements with the relevant public body.

## **COMMITTEE AMENDMENTS:**

The committee amended the bill to make technical changes.

# Governor Murphy Signs Legislation to Protect New Jersey Workers, Employers From Unlawful Misclassification

07/8/2021

**TRENTON** – Building on his commitment to making sure that workers and employers in New Jersey are treated fairly, Governor Phil Murphy today signed a four-bill legislative package furthering state efforts to stop employee misclassification.

Misclassification is the practice of illegally and improperly classifying employees as independent contractors. This practice deprives workers of the right to earn minimum wage and overtime, workers' compensation, unemployment, earned sick leave, job-protected family leave, temporary disability, and equal pay, and leaves them unprotected against discrimination. It also hurts the vast majority of employers who play by the rules, by putting them at a competitive disadvantage against those who flout the law.

Through today's action, a new Office of Strategic Enforcement and Compliance within the Department of Labor (DOL) will be created and DOL will create a database to track payroll projects, critical steps to tracking and eliminating misclassification. The others bills in the package will simplify the process for identifying misclassified workers and implement stop-work orders at worksites where misclassification is identified.

Tackling worker misclassification has been a priority of the Murphy Administration since day one, and these efforts build on the significant progress that already has been made. In 2018, a Department of Labor audit found more than 12,300 cases of workers being misclassified, resulting in more than \$460 million in underreported gross wages and \$14 million in lost state unemployment and temporary disability contributions. The audit covered just 1 percent of businesses, suggesting that the real cost of misclassification is much, much higher.

During his first year in office, Governor Murphy signed an executive order creating a Misclassification Task Force to determine the scope of the problem and propose measures to alleviate it. The Task Force was the result of a partnership between the Administration, the Legislature, and key labor and workforce stakeholders, that subsequently led to laws stiffening penalties and providing new enforcement tools to tackle misclassification. Today's bill signings continue this progress.

"Workers who are misclassified as independent contractors miss out on fair wages and benefits," **said Governor Phil Murphy.** "These business practices are unfair, abusive, and illegal and they cannot be tolerated. Today's action will give the state more tools to root-out and prevent misclassification. I am honored to sign these bills today on behalf of New Jersey's workers."

"We should all be proud that New Jersey is the best state in which to be a worker in the entire country. Because of the wages, rights and benefits New Jersey guarantees, we're also the state whose workforce delivers the biggest value to employers," **said Labor Commissioner Robert Asaro-Angelo.** "The action taken by the Governor here today will only bolster New Jersey's workforce -- the employees who deserve the protections put in place for them – and the employers who play by the rules and properly classify their workers."

"Employee misclassification has been a growing issue in New Jersey and I'm pleased to see further legislation signed into law that combats this abhorrent practice," **said Senator Fred Madden**, chair of the

Senator Labor Committee and sponsor of A-5891. "It may sound like a simple bureaucratic problem, but it is far more onerous: misclassification results in hard-working New Jerseyans being denied basic benefits such as overtime, medical leave, unemployment insurance, and safe workplaces, and their unscrupulous employers benefit. I'm confident this package of bills will go far in eradicating this practice and ensuring that our workers are treated fairly."

"For too long, some contractors working for the state have been less than forthcoming about how they're paying their employees," **said Senator Troy Singleton**, sponsor of A-1171. "The creation of a centrally located, publicly available, database of payroll certifications will go far to ensuring that workers are being paid proper wages when working on public contracts. That is good for the workers and taxpayers alike, and I'm pleased to see the measure now signed into law."

"It is necessary to increase the Department of Labor's enforcement powers. We have seen far too many violations of State wage, benefit and tax laws," **said Assemblyman Anthony Verrelli**, sponsor of A-5890. "This law will further the department's responsibility to mitigate bad actors from misclassifying employees and lessen violations against laws previously enacted."

"Creating a centralized office for the coordination of workforce and labor-related efforts will help ensure greater enforcement and compliance with New Jersey wage, benefit and tax laws," **Assembly sponsors of A-5891 Joseph Egan and Robert Karabinchak said in a joint statement.** "This office will oversee the preliminary review of any business seeking State assistance to make sure they are complying with necessary regulations regarding employee compensation and contributions to unemployment and disability benefits funds. Ultimately, the coordination of these efforts will prove beneficial to our state, to employees, and to law-abiding businesses that deserve our assistance."

"Misclassifying workers as independent contractors just to get out of paying insurance premiums harms hard-working people who deserve the same benefits and protections as other company employees," **said Assemblywoman Shavonda Sumter**, sponsor of A-5892. "Not only will misclassification for the purpose of evading insurance premiums be a violation of our state's Insurance Fraud Prevention Act, but this law will also provide additional resources to help streamline the identification of employee misclassification."

Today, Governor Murphy took action on the following legislation:

A-5890/S-3920 (Verrelli/Madden, Greenstein) - Concerns enforcement of employee misclassification and stop-work order laws.

A-5891/S-3921 (Egan, Karabinchak, Space/Madden, Oroho) - Creates "Office of Strategic Enforcement and Compliance" in DOLWD; appropriates \$1 million from General Fund.

A-5892/S-3922 (Sumter/Madden, Lagana) - Streamlines identification of employee misclassification.

**A-1171/S-1260 (Freiman, Karabincak, Verrelli/Singleton, Oroho)**- Requires Commissioner of Labor and Workforce Development to create Statewide database of certified payroll information for public works projects.

## This Week in NJ: July 9th, 2021

07/9/2021



## Governor Murphy Signs Bills to Advance New Jersey's Clean Energy Future

Governor Phil Murphy signed a package of bills aimed at advancing New Jersey's transition to a clean energy future to further the Administration's goal of reaching 100 percent clean energy by 2050. The legislation will increase solar development and facilitate installation of electric vehicle charging infrastructure throughout the state.

"Three and a half years ago we put forth one of the most aggressive plans in the nation to move New Jersey away from fossil fuels and towards a future based on clean and renewable energy technologies," **said Governor Murphy**. "From wind-turbine component manufacturing, to solar energy installation, to electric vehicles, the modernization of our energy sector will not only aid us in addressing climate change, but also drive significant economic growth and create good-paying, union jobs across the state. By signing these bills today, we are marking another milestone on our path to 100 percent clean energy by 2050 and fueling our clean innovation economy."

**READ MORE** 

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NJBPU Launches Year 2 of Popular Charge Up New Jersey Electric Vehicle Rebate Program

The New Jersey Board of Public Utilities opened Year 2 of its Charge Up New Jersey electric vehicle (EV) incentive program taking one more step toward the Murphy Administration's goal of getting 330,000 EVs on the road by 2025. Charge Up New Jersey provides a rebate of up to \$5,000 toward a new EV purchased or leased in New Jersey.

The incentive is available exclusively as a "point-of-sale" rebate applied during the purchase or leasing process at dealerships and requires a valid New Jersey driver's license to get started. Only EVs registered and purchased in New Jersey are eligible.

"Transportation is responsible for over 40 percent of the state's greenhouse gas emissions, as well as harmful air pollution, which often disproportionately impacts overburdened communities," **said Joseph L. Fiordaliso**, **NJBPU President.** "Electrifying the transportation sector is a core strategy of Governor Murphy's Energy Master Plan because it will help tackle climate change while improving public health and air quality. Making EVs more affordable will encourage EV adoption and get us closer to 100 percent clean energy by 2050."

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# Murphy Administration Enforces Strong Building Codes and Multi-Unit Housing Inspections Across the State

Governor Murphy and Lieutenant Governor Oliver reminded the public that the Division of Codes and Standards in the New Jersey Department of Community Affairs (DCA) is at the forefront of enforcing building codes, in partnership with municipalities in the



state, to protect the health and safety of people who live, work, and visit New Jersey.

"The Florida condominium collapse is a sobering reminder that inspections and enforcement of building codes are critical tools that keep people safe," **said Governor Murphy.** "New Jersey's building codes are among the strongest in the nation, and our residents can rest assured that the Department of Community Affairs goes above and beyond the nationwide standard. Through continued vigilance, we can prevent tragedies and save lives."

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