

34:6-144

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(Apparel  
Industry--regulation)

LAWS OF: 1991

CHAPTER: 189

Bill No: A3565

Sponsor(s): Zangari

Date Introduced: May 21, 1990

Committee: Assembly: Labor

Senate: Labor

Amended during passage: Yes . Amendments during passage  
denoted by asterisks.

Date of Passage: Assembly: January 8, 1991

Senate: June 13, 1991

Date of Approval: July 2, 1991

Following statements are attached if available:

Sponsor statement: Yes

Committee Statement: Assembly: Yes

Senate: Yes

Fiscal Note: No

Veto Message: No

Message on signing: Yes

Following were printed:

Reports: Yes

Hearings: Yes

(over)

974.90 New Jersey. Legislature. Assembly. Labor Committee.  
L 123 Public hearing, held on A 3565,  
1990 held 10-2-90. Passaic, N.J. 1990

974.90 New Jersey. State Commission of Investigation.  
L 123 The new garment industry. April, 1991.  
1991 Trenton, 1991

See newspaper clippings--attached:

**KBG/SLJ**

[FIRST REPRINT]  
ASSEMBLY, No. 3565

STATE OF NEW JERSEY

INTRODUCED MAY 21, 1990

By Assemblymen ZANGARI and SCHUBER

1 AN ACT concerning the regulation of the apparel industry and  
2 amending <sup>1</sup>and supplementing<sup>1</sup> P.L.1987, c.458.

3  
4 BE IT ENACTED *by the Senate and General Assembly of the*  
5 *State of New Jersey:*

6 <sup>1</sup>1. (New section) a. The commissioner may, in addition to  
7 seeking civil, administrative, or criminal penalties pursuant to  
8 P.L.1987, c.458 (C. ), order the apparel industry unit to  
9 confiscate any partially or completely assembled articles of  
10 apparel and any equipment used in the assembly of apparel from  
11 any manufacturer or contractor who is violating any provision of  
12 P.L.1987, c.458 (C. ) and has previously been found liable  
13 for a civil or administrative penalty for two or more separate  
14 violations of P.L.1987, c.458 (C. ) during the immediately  
15 preceding three year period. All items confiscated shall be  
16 placed in the custody of the apparel industry unit until the  
17 confiscation order becomes final and until the final resolution of  
18 any appeal of the final confiscation order pursuant to subsection  
19 b. of this section.

20 b. Prior to the time that the confiscation order becomes final,  
21 the commissioner or his designee shall provide the manufacturer  
22 or contractor with notification of the violation and confiscation  
23 by certified mail and an opportunity to request from the  
24 commissioner or his designee, by certified mail, a hearing before  
25 the commissioner or his designee within 15 days following receipt  
26 of the notice. If a hearing is requested, the commissioner or his  
27 designee shall hold the hearing within 10 days following receipt of  
28 the request and may issue a final confiscation order upon such  
29 hearing and a finding that a violation has occurred. If a hearing  
30 is not requested, the commissioner or his designee shall issue a  
31 final confiscation order upon the expiration of the 15-day period.  
32 The manufacturer or contractor may appeal the final confiscation  
33 order to the Appellate Division of the Superior Court within 30  
34 days following the issuing of the final confiscation order. Upon  
35 issuance of a final confiscation order or, if an appeal is made to  
36 the Appellate Division, upon the final resolution of that appeal,  
37 title to the confiscated goods shall vest in the State, and the  
38 apparel industry unit shall dispose of them pursuant to regulations  
39 adopted by the commissioner.<sup>1</sup>

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 October 18, 1990.

1        12. (New section) The commissioner or his designee shall  
2 make public a list of all manufacturers and contractors which  
3 have been found guilty of violations of P.L.1987, c.458 (C.     )  
4 or any other act for which a manufacturer or contractor may,  
5 pursuant to P.L.1987, c.458 (C.     ), be subject to a  
6 revocation of registration or confiscation of items of apparel or  
7 equipment for a subsequent violation. The commissioner or his  
8 designee shall update that list public in a timely manner. The  
9 commissioner shall make the list and any updates of the list  
10 available upon the request to any requesting manufacturer,  
11 contractor, or organization representing manufacturers or  
12 contractors.<sup>1</sup>

13        13. (New section) Each manufacturer and contractor shall  
14 keep accurate records regarding all of its production employees  
15 during the preceding three years and make those records  
16 available to the apparel industry unit upon request. The records  
17 shall include:

18        a. The name and address of each production employee and the  
19 age of each production employee who is a minor;

20        b. The number of hours of work and the time of day that work  
21 begins and ends for each production employee;

22        c. The wages, wage rates, and piece rates paid during each  
23 payroll period; and

24        d. Contract worksheets indicating the price per unit agreed  
25 between manufacturer and contractor.<sup>1</sup>

26        14. Section 2 of P.L.1987, c.458 is amended to read as follows:

27        2. As used in this act:

28        a. "Apparel industry" means the making, cutting, sewing,  
29 finishing, assembling, pressing or otherwise producing of apparel,  
30 designed or intended to be worn by any individual and sold or  
31 offered for sale for that purpose, but does not include cleaning,  
32 pressing or tailoring services performed upon apparel sold or  
33 offered for sale at retail;

34        b. "Commissioner" means the Commissioner of Labor;

35        c. "Contractor" means any person who contracts to perform in  
36 this State the cutting, sewing, finishing, assembling, pressing or  
37 otherwise producing of any apparel, or a section or component of  
38 apparel, designed or intended to be worn by any individual and  
39 sold or offered for sale, except at retail, for that purpose.  
40 "Contractor" shall include, but not be limited to, a  
41 subcontractor, jobber or wholesaler, but shall not include a  
42 production employee employed for wages who does not employ  
43 others;

44        d. "Department" means the State Department of Labor;

45        e. "Manufacturer" means any person who contracts with a  
46 contractor to perform in this State the cutting, sewing, finishing,  
47 assembling, pressing or producing of any apparel, or a section or  
48 component of apparel, designed or intended to be worn by any  
49 individual and sold or offered for sale, except at retail, for that  
50 purpose, or who cuts, sews, finishes, assembles, presses or

1 otherwise produces in this State any apparel, or a section or  
2 component of apparel, designed or intended to be worn by any  
3 individual and sold or offered for sale, except at retail, for that  
4 purpose. "Manufacturer" shall not include a production employee  
5 employed for wages who does not employ others;

6 f. "Production employee" means any person who is employed  
7 by a contractor or manufacturer directly [performs] to perform  
8 the cutting, sewing, finishing, assembling, pressing or otherwise  
9 producing of any apparel, or a section or component of apparel,  
10 designed or intended to be worn by any individual and sold or  
11 offered for sale, except at retail, for that purpose;

12 g. ["Special task force"] "Apparel industry unit" means the  
13 Special Task Force on the Apparel Industry created by section 4  
14 of this act and reestablished as the apparel industry unit by this  
15 1990 amendatory and supplementary act.<sup>1</sup>

16 (cf: P.L.1987, c.458, s.2)

17 15. Section 3 of P.L.1987, c.458 is amended to read as follows:

18 3. a. No manufacturer or contractor shall engage in the  
19 apparel industry in this State unless the manufacturer or  
20 contractor is registered as a manufacturer or contractor with the  
21 department, in writing, on a form provided by the commissioner.  
22 That form shall contain the following information: whether the  
23 manufacturer or contractor is a sole proprietorship, partnership,  
24 or corporation; the manufacturer's or contractor's name and  
25 principal business address in the State; the name and address of  
26 each person with a financial interest in the manufacturer's or  
27 contractor's business and the amount of that interest, except  
28 that if the manufacturer or contractor is a publicly-traded  
29 corporation, only the names and addresses of the corporation  
30 officers shall be required; the manufacturer's or contractor's tax  
31 identification number; and, if the registrant is a contractor,  
32 whether that contractor subcontracts the cutting or sewing of  
33 apparel or sections or components thereof. Divisions, subsidiary  
34 corporations, or related companies may, at the option of the  
35 manufacturer or contractor, be named and included under one  
36 omnibus registration.

37 b. The commissioner shall issue pursuant to the provisions of  
38 this act, a certificate of registration upon receipt of a  
39 manufacturer's or contractor's completed registration form and  
40 documentation that the manufacturer or contractor has paid any  
41 surety bond required pursuant to subsection h. of section 7 of  
42 P.L.1987, c.458 (C. \_\_\_\_\_) and provides workers' compensation  
43 coverage for the manufacturer's or contractor's production  
44 employees working in this State. The initial fee for each  
45 registration shall be [\$100.00] \$300. Each subsequent annual  
46 registration fee shall be [\$50.00] \$300. The commissioner may  
47 prorate the initial annual registration fee if the certificate of  
48 registration is for a period of less than 12 months. Registrations  
49 shall be renewed on or before January 15th of each year, and all  
50 fees shall be payable to the Division of Workplace Standards.

1 With respect to manufacturers or contractors operating prior to  
2 or on the effective date of this act, the initial registration shall  
3 be filed on or before the first day of the sixth month following  
4 the effective date of this act and shall be effective until the  
5 following January 15th. With respect to new manufacturers or  
6 contractors, the initial registration shall be filed upon the  
7 commencement of manufacturing or contracting in the apparel  
8 industry and shall be effective until the following January 15th.  
9 The commissioner may, by order, compel registration pursuant to  
10 this subsection.<sup>1</sup>

11 (cf: P.L.1987, c.458, s.3).

12 <sup>1</sup>[1.] 6.<sup>1</sup> Section 4 of P.L.1987, c.458 is amended to read as  
13 follows:

14 4. The commissioner shall establish, within 120 days of the  
15 effective date of this act, a Special Task Force on the Apparel  
16 Industry to enforce State labor laws affecting the employment of  
17 production employees in the apparel industry and to exercise the  
18 special duties and powers set forth in sections 5 and 6 of this  
19 act. The special task force shall include personnel from the  
20 department who shall be charged with ensuring compliance with  
21 the State's wage and hour, unemployment compensation,  
22 temporary disability, workers' compensation, and industrial  
23 homework laws. Upon the effective date of this 1990 amendatory  
24 <sup>1</sup>and supplementary<sup>1</sup> act, the special task force shall be  
25 reestablished as the apparel industry unit.

26 (cf: P.L.1987, c.458, s.4).

27 <sup>1</sup>[2.] 7.<sup>1</sup> Section 5 of P.L.1987, c.458 is amended to read as  
28 follows:

29 5. The [special task force] apparel industry unit is charged  
30 with the following duties:

31 a. To inspect manufacturers and contractors, with respect to  
32 their production employees, for compliance with the registration  
33 requirements of section 3 of this act;

34 b. To inspect manufacturers and contractors, with respect to  
35 their production employees, for compliance with other labor and  
36 payroll tax laws of this State that affect the employment of  
37 production employees; and

38 c. To ensure, with respect to their production employees,  
39 compliance by manufacturers and contractors with the orders of,  
40 and assessments of civil penalties by, the commissioner pursuant  
41 to this act and other labor laws of this State applicable to the  
42 employment of production employees.

43 (cf: P.L.1987, c.458, s.5).

44 <sup>1</sup>[3.] 8.<sup>1</sup> Section 6 of P.L.1987, c.458 is amended to read as  
45 follows:

46 6. The [special task force] apparel industry unit shall have the  
47 following powers:

48 a. To investigate and conduct inspections at locations where  
49 an apparel industry manufacturer or contractor is operating to  
50 ensure compliance with this act;

1       b. To inspect books, records and premises of manufacturers  
2 and contractors, with respect to their production employees, to  
3 determine compliance with the State's labor laws, including but  
4 not limited to, laws concerning wages, overtime compensation,  
5 unemployment compensation and temporary disability insurance,  
6 workers' compensation coverage, child labor, and industrial  
7 homework laws, and, if the apparel industry unit determines that  
8 a manufacturer or contractor has violated a provision of any of  
9 those laws with respect to its production employees, to assess and  
10 collect, on behalf of the commissioner, any administrative  
11 penalty authorized by law. If the violation is of a provision of a  
12 labor law for which the assessment and collection of an  
13 administrative penalty is not otherwise authorized, the apparel  
14 industry unit is hereby authorized to assess and collect an  
15 administrative penalty, up to a maximum of \$250 for a first  
16 violation and up to a maximum of \$500 for each subsequent  
17 violation, specified in a schedule of penalties promulgated by rule  
18 or regulation of the commissioner in accordance with the  
19 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1  
20 et seq.). No administrative penalty shall be levied pursuant to  
21 this subsection unless the commissioner or his designee provides  
22 the violator with notification of the violation and of the amount  
23 of the penalty by certified mail and an opportunity to request a  
24 hearing within 15 days following the receipt of the notice. If a  
25 hearing is requested, the commissioner, or his designee, may issue  
26 a final order upon such hearing and a finding that a violation has  
27 occurred. If no hearing is requested, the notice shall become a  
28 final order upon the expiration of the 15-day period. Payment of  
29 the penalty is due when a final order is issued or when the notice  
30 becomes a final order. Any penalty imposed under this subsection  
31 may be recovered with costs in a summary proceeding pursuant to  
32 "the penalty enforcement law" (N.J.S.2A:58-1 et seq.). Any  
33 penalty imposed under this subsection shall be paid to the  
34 Division of Workplace Standards and applied to enforcement and  
35 administrative costs of the division; and

36       c. To [take] serve as the designee of the commissioner for the  
37 purpose of taking any action authorized by this act necessary to  
38 implement its provisions.

39 (cf: P.L.1987, c.458, s.6).

40       <sup>1</sup>[4.] 9.<sup>1</sup> Section 7 of P.L.1987, c.458 is amended to read as  
41 follows:

42       7. a. Any manufacturer or contractor who has failed to  
43 comply with the registration requirements of section 3 of this act  
44 shall be deemed to have violated this act.

45       b. Any manufacturer or contractor who has failed to comply,  
46 for the second time within any three year period, with an order  
47 issued by the commissioner to comply with the registration  
48 requirements of section 3 of this act shall be deemed to have  
49 violated this act.

50       c. Any manufacturer or contractor who contracts for the

1 performance of any apparel industry service, as identified in  
2 subsection a. of section 2 of this act, with any other  
3 manufacturer or contractor whom the manufacturer or  
4 contractor knows <sup>1</sup>[has failed to register, has failed to renew its  
5 registration, or has had its registration revoked by the  
6 commissioner] does not hold a valid registration<sup>1</sup> shall be deemed  
7 to have violated this act. <sup>1</sup>A contractor or manufacturer who  
8 knowingly violates this subsection c. within three years after  
9 having been found liable for a civil or administrative penalty for  
10 violating this subsection c. is guilty of a crime of the fourth  
11 degree.<sup>1</sup>

12 d. No manufacturer or contractor shall perform services or  
13 hold himself out as being able to perform services as a registered  
14 manufacturer or contractor unless he holds a valid registration  
15 pursuant to this act. <sup>1</sup>A contractor or manufacturer who  
16 knowingly violates this subsection d. within three years after  
17 having been found liable for a civil or administrative penalty for  
18 violating this subsection d. is guilty of a crime of the fourth  
19 degree.<sup>1</sup>

20 e. If the commissioner or his designee determines that any  
21 manufacturer or contractor commits a violation as provided in  
22 subsection a., b., or c. of this section, or violates subsection d. of  
23 this section, the commissioner or his designee may impose a civil  
24 penalty, and such penalty shall be made with due consideration of  
25 the size and past experience of the manufacturer or contractor  
26 and the seriousness of the violation, upon the manufacturer or  
27 contractor up to \$1,000.00 for an initial violation and up to  
28 \$2,000.00 for each subsequent violation, and, as an alternative or  
29 in addition to the civil penalty, the commissioner or his designee  
30 is authorized to assess and collect an administrative penalty, up  
31 to a maximum of \$250 for a first violation and up to a maximum  
32 of \$500 for each subsequent violation, specified in a schedule of  
33 penalties to be promulgated by rule or regulation of the  
34 commissioner in accordance with the "Administrative Procedure  
35 Act," P.L.1968, c.410 (C.52:14B-1 et seq.). No administrative  
36 penalty shall be levied pursuant to this subsection unless the  
37 commissioner or his designee provides the violator with  
38 notification of the violation and of the amount of the penalty by  
39 certified mail and an opportunity to request a hearing within 15  
40 days following the receipt of the notice. If a hearing is  
41 requested, the commissioner, or his designee, may issue a final  
42 order upon such hearing and a finding that a violation has  
43 occurred. If no hearing is requested, the notice shall become a  
44 final order upon the expiration of the 15-day period. Payment of  
45 the penalty is due when a final order is issued or when the notice  
46 becomes a final order. Any penalty imposed under this subsection  
47 may be recovered with costs in a summary proceeding pursuant to  
48 "the penalty enforcement law" (N.J.S.2A:58-1 et seq.). [Such  
49 penalty] The civil or administrative penalties shall be paid to the  
50 Division of Workplace Standards [to cover expenses associated



1 with the implementation of this act] and applied to enforcement  
2 and administrative costs of the division, except as provided in  
3 subsection b. of section 11 of this act. Any civil penalty imposed  
4 pursuant to this section shall be enforceable in a summary  
5 manner pursuant to Rule 4:70 of the Rules Governing the Courts  
6 of the State of New Jersey.

7 f. If any manufacturer or contractor fails to comply with an  
8 order by the commissioner to register or renew registration, the  
9 commissioner may seek and obtain in a summary action in  
10 Superior Court an injunction prohibiting such unlawful activity.

11 g. An intentional failure to comply with the registration  
12 requirements of section 3 of this act shall be a crime of the  
13 fourth degree.

14 h. The commissioner or his designee may, after a hearing  
15 thereon, <sup>1</sup>and after due consideration of the size and past  
16 experience of the manufacturer or contractor and the seriousness  
17 of the violation, require as a condition of continued registration,  
18 the payment of a surety bond or may<sup>1</sup> revoke, by order, <sup>1</sup>[after  
19 due consideration of the size and past experience of the  
20 manufacturer or contractor and the seriousness of the violation,]<sup>1</sup>

21 the registration of any manufacturer or contractor for any period  
22 ranging from 30 days to one year upon being found guilty of [a]:

23 (1) A second violation of the same provision of this act within  
24 any three-year period; or

25 (2) A second violation within any three-year period of the  
26 same provision of any other labor law applicable to the  
27 employment of production employees.

28 <sup>1</sup>The surety bond shall be payable to the State and shall be for  
29 the benefit of production employees damaged by any failure of  
30 the manufacturer or contractor to pay wages or benefits or  
31 otherwise comply with the provisions of law. The surety bond  
32 shall be in the sum and form that the commissioner deems  
33 necessary for the protection of the production employees, but  
34 shall not exceed \$2,500 per production employee.<sup>1</sup>

35 i. Any manufacturer or contractor who contracts, for the  
36 second time within any three year period, for the performance of  
37 any apparel industry service with any other manufacturer or  
38 contractor whom the manufacturer or contractor knows has  
39 failed to comply with the registration requirements of section 3  
40 of this act, shall, if the other manufacturer or contractor has  
41 failed to pay any civil penalty assessed under subsection e. of this  
42 section, be liable to pay a civil penalty equal to the civil penalty  
43 that the other manufacturer or contractor has been assessed.

44 j. Nothing herein shall affect either the authority of the  
45 department to enforce the industrial homework laws of this State  
46 or the right of any manufacturer to possess or repossess any  
47 apparel, or sections or components of apparel, that are located at  
48 any contractor with whom it has contracted.

49 (cf: P.L.1987, c.458, s.7).

50 <sup>1</sup>[5.] 10.<sup>1</sup> Section 8 of P.L.1987, c.458 is amended to read as  
51 follows:

1 8. Information obtained or collected by the department  
2 pursuant to this act shall be exempt from P.L.1963, c.73  
3 (C.47:1A-1 et seq.), and shall be used exclusively by the [special  
4 task force] apparel industry unit in effectuating the purposes of  
5 this act.

6 (cf: P.L.1987, c.458, s.8).

7 <sup>1</sup>[6.] 11.<sup>1</sup> Section 10 of P.L.1987, c.458 is amended to read as  
8 follows:

9 10. The [special task force] apparel industry unit shall receive  
10 training to be provided by the State in each of the areas of the  
11 State's labor laws and other applicable State laws necessary to  
12 carry out the duties and powers of section 5 and section 6 of this  
13 act.

14 (cf: P.L.1987, c.458, s.10).

15 <sup>1</sup>[7.] 12.<sup>1</sup> Section 12 of P.L.1987, c.458 is amended to read as  
16 follows:

17 12. This act shall take effect immediately [but shall not  
18 become operative until the first day of the sixth month following  
19 the date of enactment, except section 4 which shall become  
20 operative immediately. This act shall expire three years after  
21 section 3 of this act becomes operative].

22 (cf: P.L.1987, c.458, s.12).

23 <sup>1</sup>13. This act shall take effect immediately.<sup>1</sup>

24  
25  
26 LABOR

27  
28 Concerns regulation of apparel industry.

1       12. This act shall take effect immediately [but shall not  
2 become operative until the first day of the sixth month following  
3 the date of enactment, except section 4 which shall become  
4 operative immediately. This act shall expire three years after  
5 section 3 of this act becomes operative].

6 (cf: P.L.1987, c.458, s.12).

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#### STATEMENT

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11       This bill deletes the provision of P.L.1987, c.458 under which  
12 that act will expire July 1, 1991, thereby making permanent the  
13 Special Task Force on the Apparel Industry created by the act.  
14 The bill also changes the name of the Special Task Force to the  
15 apparel industry unit and authorizes the unit to revoke the  
16 registration of an apparel firm for a second violation of the same  
17 provision of any applicable labor law within a three-year period  
18 and to impose administrative penalties authorized by applicable  
19 labor laws. In the case of a violation of the registration  
20 requirements under P.L.1987, c.458 or a violation of any provision  
21 of another labor law for which no administrative penalties are  
22 currently authorized, the bill sets the administrative penalties at  
23 not more than \$250 for a first violation and not more than \$500  
24 for a subsequent violation.

25       The provisions of the bill are based on recommendations from  
26 the report which the task force issued regarding its activities  
27 pursuant to section 9 of P.L.1987, c.458.

28

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#### LABOR

31

32       Concerns regulation of apparel industry.

ASSEMBLY LABOR COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 3565**

with committee amendments

**STATE OF NEW JERSEY**

DATED: OCTOBER 16, 1990

The Assembly Labor Committee reports favorably, with committee amendments, Assembly Bill No. 3565.

This bill deletes the provision of P.L.1987, c.458 under which that act will expire July 1, 1991, thereby making permanent the Special Task Force on the Apparel Industry created by the act.

The bill also changes the name of the task force to the apparel industry unit. As amended, the bill authorizes the unit to revoke the registration of an apparel firm or require the firm to post a surety bond of not more than \$2,500 per production employee if the firm commits a second violation of the same provision of any applicable labor law within a three-year period. The bond would be paid to the State and used to benefit workers who are damaged by violations of labor standards. As amended, the bill also permits the confiscation of apparel and equipment from any apparel firm that violates the registration requirements of the act and has previously violated those requirements two or more times during the preceding three-year period.

As amended, the bill requires the unit to provide to any apparel firm, upon request, a list of all apparel firms which have violated any law for which a firm may be subject to a revocation of registration or confiscation of items of apparel or equipment for a subsequent violation.

The bill authorizes the unit to impose administrative penalties authorized by applicable labor laws. In the case of a violation of the registration requirements under P.L.1987, c.458 or a violation of any provision of another labor law for which no administrative penalties are currently authorized, the bill sets the administrative penalties at not more than \$250 for a first violation and not more than \$500 for a subsequent violation. The administrative penalties collected would be applied to enforcement and administrative costs of the Division of Workplace Standards in the State Department of Labor.

As amended, the bill designates as crimes of the fourth degree a knowing repeated violation of any of the provisions of P.L.1987, c.458 within three years following a first violation.

As amended, the bill increases the initial registration fee for an apparel firm from \$100 to \$300 and each subsequent annual registration fee from \$50 to \$300. As amended, the bill also requires each firm to include information in its registration application regarding any person who has a financial interest in the firm, and to keep and make available, upon request, to the apparel industry unit accurate records regarding the pay and hours of its production

employees and related information for the preceding three-year period.

The committee amendments added the provisions regarding the posting of surety bonds and the confiscation of apparel and equipment, the notification of interested firms of other firms which may be subject to confiscation of goods or revocation of registration, the designating as crimes of the fourth degree of certain knowing repeated violations, the increased registration fees, the record-keeping requirements, and the disclosures regarding persons with financial interests in registrants.

SENATE LABOR, INDUSTRY AND PROFESSIONS COMMITTEE

STATEMENT TO

[FIRST REPRINT]

ASSEMBLY, No. 3565

STATE OF NEW JERSEY

DATED: FEBRUARY 4, 1991

The Senate Labor, Industry and Professions Committee reports favorably Assembly Bill No. 3565 [1R].

The Special Task Force on the Apparel Industry was created pursuant to P.L.1987, c.458 which is due to expire on July 1, 1991. This bill amends and supplements that act to make the act permanent, rename the task force as the apparel industry unit, and increase the enforcement powers under that act.

The bill authorizes the Commissioner of Labor or his designee to either revoke the registration of an apparel manufacturer or contractor or require the apparel manufacturer or contractor to post a surety bond of not more than \$2,500 per production employee if the manufacturer or contractor commits a second violation of the same provision of any applicable labor law within a three-year period. The bond would be payable to the State and used to benefit production employees who are damaged by violations of labor standards.

The commissioner may also order the apparel industry unit to confiscate apparel and equipment from any apparel manufacturer or contractor that violates any provision of P.L.1987, c.458 and which has previously violated that act two or more times resulting in civil or administrative penalties during the immediately preceding three-year period.

In addition, the bill authorizes the apparel industry unit to impose administrative penalties authorized by applicable labor laws. In the case of a violation of the registration requirements under P.L.1987, c.458 or a violation of any provision of a labor law for which no administrative penalties are currently authorized, the bill establishes administrative penalties of not more than \$250 for a first violation and not more than \$500 for a subsequent violation, which penalties are to be specified in a schedule of penalties promulgated by the commissioner. The civil and administrative penalties collected pursuant to P.L.1987, c.458 would be applied to enforcement and administrative costs of the Division of Workplace Standards in the State Department of Labor.

Finally, in regard to sanctions, an apparel manufacturer or contractor who knowingly contracts for apparel industry services with another apparel manufacturer or contractor whom the manufacturer or contractor knows does not hold a valid registration or knowingly performs services or holds himself out as being able to perform services as a registered manufacturer or contractor without

a valid registration shall be guilty of a crime of the fourth degree if that manufacturer or contractor has violated the same provision of law within the last three years.

The bill increases the initial registration fee for an apparel manufacturer or contractor from \$100 to \$300 and each subsequent annual registration fee from \$50 to \$300. The bill also requires each apparel manufacturer or contractor to include information in its registration application regarding any person who has a financial interest in the firm, and to keep and make available, upon request, to the apparel industry unit accurate records regarding the pay and hours of its production employees and related information for the preceding three-year period.

The commissioner or his designee shall make public and provide to any apparel manufacturer or contractor or association thereof, upon request, a list of all apparel manufacturers and contractors which have been found guilty of violations of P.L.1987, c.458 or any other act for which a manufacturer or contractor may, pursuant to that act, be subject to a revocation of registration or confiscation of items of apparel or equipment for a subsequent violation.

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# OFFICE OF THE GOVERNOR NEWS RELEASE

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## **GOVERNOR FLORIO TAKES AIM AT SWEATSHOP OWNERS Targets Firms Making 1991 Profits with 19th Century Tactics**

ORANGE -- Governor Jim Florio today signed legislation which would allow the state to seize machinery and apparel from sweatshop owners who repeatedly violate fair labor practice laws.

Referring to the infamous 1911 Triangle Shirt Company fire which killed 145 women and children, Governor Florio said, "That was 80 years ago. The equipment may be a little more modern, but the conditions haven't changed and neither have the attitudes of sweatshop owners. They're making 1991 profits with 19th century tactics."

"We have a message for these exploiters. Not in New Jersey," said the Governor. "Sweatshops belong in the history books, not in our communities."

The bill authorizes the Commissioner of Labor to revoke the registration of an apparel manufacturer and confiscate apparel and equipment for two or more violations in a three year period.

"Instead of issuing warnings or fines for second and third violations of our laws," said Governor Florio, "the state will now be allowed to seize goods and equipment."

The Governor said that stronger, tougher penalties were needed because abuses were still occurring. On June 21, federal and state officials raided sweatshops in Union City and West New York and turned up serious violations in some 23 other garment shops they investigated.

"This bill serves notice that we're not going to tolerate anyone who thinks that the way to make a dollar in New Jersey is by exploiting the work of other people. New Jersey works," said the Governor, "because our people work. We're going to make sure they work in safe, healthy conditions and for a fair wage."

The bill contains the following provisions:

- . The Special Task Force on the Apparel Industry which was due to expire on July 1, 1991 will be made permanent by renaming it the Apparel Industry Unit and placing it within the Department of Labor.

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- . It authorizes the Commissioner of Labor to either revoke the registration of an apparel manufacturer or contractor or require those individuals to post a surety bond of not more than \$2,500 per production employee if they commit a second violation of the same provision of any applicable labor law within a 3-year period. The bond would be payable to the State and used to benefit production employees who are damaged by violations of labor standards.
- . The bill authorizes the Apparel Industry Unit to confiscate apparel and equipment from any apparel manufacturer following two or more violations in a 3-year period.
- . The bill authorizes the Unit to impose administrative penalties of up to \$250 for a first violation and not more than \$500 for a subsequent violation.
- . Any manufacturer or contractor who knowingly contracts for apparel industry services with another manufacturer or contractor who does not hold a valid registration shall be guilty of a crime of the fourth degree if that contractor has violated the same provision of the law within the last 3 years.
- . The bill increases the initial registration fee for an apparel manufacturer or contractor from \$100 to \$300 and each subsequent annual registration fee from \$50 to \$300. It also requires any registration applicant to include information in its registration application regarding any person who has a financial interest in the firm, and keep and make available accurate records regarding the pay and hours of its production employees for the preceding 3-year period.

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