

P.L. 2019, CHAPTER 44, *approved March 18, 2019*

Senate, No. 2454

1 **AN ACT** concerning prevailing wage requirements for certain
2 fabrication and amending P.L.1963, c.150.

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

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7 1. Section 2 of P.L.1963, c.150 (C.34:11-56.26) is amended to
8 read as follows:

9 2. As used in this act:

10 (1) "Department" means the Department of Labor and
11 Workforce Development of the State of New Jersey.

12 (2) "Locality" means any political subdivision of the State,
13 combination of the same or parts thereof, or any geographical area
14 or areas classified, designated and fixed by the commissioner from
15 time to time, provided that in determining the "locality," the
16 commissioner shall be guided by the boundary lines of political
17 subdivisions or parts thereof, or by a consideration of the areas with
18 respect to which it has been the practice of employers of particular
19 crafts or trades to engage in collective bargaining with the
20 representatives of workers in such craft or trade.

21 (3) "Maintenance work" means the repair of existing facilities
22 when the size, type or extent of such facilities is not thereby
23 changed or increased. "Maintenance work" also means any work on
24 a maintenance-related project that exceeds the scope of work and
25 capabilities of in-house maintenance personnel, requires the
26 solicitation of bids, and has an aggregate value exceeding \$50,000.

27 (4) "Public body" means the State of New Jersey, any of its
28 political subdivisions, any authority created by the Legislature of
29 the State of New Jersey and any instrumentality or agency of the
30 State of New Jersey or of any of its political subdivisions.

31 (5) "Public work" means construction, reconstruction,
32 demolition, alteration, custom fabrication or repair work, or
33 maintenance work, including painting and decorating, done under
34 contract and paid for in whole or in part out of the funds of a public
35 body, except work performed under a rehabilitation program.
36 "Public work" shall also mean construction, reconstruction,
37 demolition, alteration, custom fabrication or repair work, done on
38 any property or premises, whether or not the work is paid for from
39 public funds, if, at the time of the entering into of the contract the
40 property or premises is owned by the public body or:

41 (a) Not less than 55% of the property or premises is leased by a
42 public body, or is subject to an agreement to be subsequently leased
43 by the public body; 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.

Matter underlined thus is new matter.

1 (b) The portion of the property or premises that is leased or
2 subject to an agreement to be subsequently leased by the public
3 body measures more than 20,000 square feet.

4 (6) "Commissioner" means the Commissioner of Labor and
5 Workforce Development or his duly authorized representatives.

6 (7) "Workman" or "worker" includes laborer, mechanic, skilled
7 or semi-skilled, laborer and apprentices or helpers employed by any
8 contractor or subcontractor and engaged in the performance of
9 services directly upon a public work, regardless of whether their
10 work becomes a component part thereof, but does not include
11 material suppliers or their employees who do not perform services
12 at the job site. For the purpose of P.L.1963, c.150 (C.34:11-56.25
13 et seq.), contractors or subcontractors engaged in custom fabrication
14 shall not be regarded as material suppliers.

15 (8) "Work performed under a rehabilitation program" means
16 work arranged by and at a State institution primarily for teaching
17 and upgrading the skills and employment opportunities of the
18 inmates of such institutions.

19 (9) "Prevailing wage" means the wage rate paid by virtue of
20 collective bargaining agreements by employers employing a
21 majority of workers of that craft or trade subject to said collective
22 bargaining agreements, in the locality in which the public work is
23 done.

24 (10) "Act" means the provisions of P.L.1963, c.150 (C.34:11-
25 56.25 et seq.) and the rules and regulations issued hereunder.

26 (11) "Prevailing wage contract threshold amount" means:

27 (a) In the case of any public work paid for in whole or in part
28 out of the funds of a municipality in the State of New Jersey or
29 done on property or premises owned by a public body or leased or
30 to be leased by the municipality, the dollar amount established for
31 the then current calendar year by the commissioner through rules
32 and regulations promulgated pursuant to the "Administrative
33 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), which
34 amount shall be equal to \$9,850 on July 1, 1994 and which amount
35 shall be adjusted on July 1 every five calendar years thereafter in
36 direct proportion to the rise or fall in the average of the Consumer
37 Price Indices for Urban Wage Earners and Clerical Workers for the
38 New York metropolitan and the Philadelphia metropolitan regions
39 as reported by the United States Department of Labor during the
40 last full calendar year preceding the date upon which the adjustment
41 is made; and

42 (b) In the case of any public work other than a public work
43 described in paragraph (a) of this subsection, an amount equal to
44 \$2,000.

45 (12) "Custom fabrication" means:

1 (a) the fabrication of plumbing, heating, cooling, ventilation or
2 exhaust duct systems, and mechanical insulation; or

3 (b) any other fabrication which is either of components or
4 structures pre-fabricated to specifications for a particular project of
5 public work or of other materials finished into components without
6 further modification for use in a project of public work or for use in
7 a type or classification of a project of public work.

8 (cf: P.L.2009, c.249, s.1)

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10 2. This act shall take effect immediately.

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STATEMENT

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15 This bill provides that certain fabrications used in public works
16 projects are covered under the "New Jersey Prevailing Wage Act,"
17 P.L.1963, c.150 (C.34:11-56.25 et seq.). The bill provides for
18 coverage for custom fabrication which is either of components or
19 structures pre-fabricated to specifications for a particular project or
20 of other materials finished into components without further
21 modification for use in a project or type or classification of a
22 project. "Custom fabrication" is already subject to the requirements
23 of the prevailing wage law, which defines custom fabrication as
24 "the fabrication of plumbing, heating, cooling, ventilation or
25 exhaust duct systems, and mechanical insulation." The bill does not
26 affect the current coverage of custom fabrication by the prevailing
27 wage law.

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32 Concerns prevailing wage requirements for certain fabrication.