SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 2796

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 27, 2022

The Senate Budget and Appropriations Committee reports favorably, and with committee amendments, Senate Bill No. 2796.

As amended, this bill expands the hours working for minors. The bill makes permanent P.L.2021, c.149, which expanded summer working hours for minors between 16 and 18 years of age to up to 50 hours per week for the summer of 2021. The bill expands working hours for minors who are 14 years of age and 15 years of age to mirror federal laws for working minors.

The bill removes authority from school districts to issue working papers for minors and establishes a centralized database within the Department of Labor and Workforce Development for minors and employers to register with in order for minors to work. The registration is a one-time registration for minors and will be effective until the minor is no longer a minor. If the minor changes employment or take on additional employment, the minor will be required to update the minor's registration.

An employer that hires, employs, or permits any minor under the age of 18 to work is required to register under the bill.

The bill requires the department to provide caregivers with notice of the minor's registration, and it requires caregivers to authorize or reject a minor's registration to work.

The bill increases the amount of time a minor may work before a break is required from five hours to six hours.

The bill provides an appropriation from the General Fund to the Department of Labor and Workforce Development of $1,000,000 to effectuate the purposes of the bill.

As amended and reported by the committee, Senate Bill No. 2796 (1R) is identical to Assembly Bill No. 4222 (1R), as also amended and reported by the committee on this date.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) require a minor to update the minor's registration for any change in employer;

(2) require the employer to update the employer's registration for any change in a minor's position with the employer;

(3) delay the effective date until June 1, 2023 for all provisions of the bill except as to subsection b. of section 3 and as to section 4 of the bill, which remain as taking effect immediately;

(4) requiring the Department of Labor and Workforce Development to consult with the Department of Education in the implementation of rules and regulations for the provisions of the bill;

(5) change "parent or legal guardian" to "caregiver" and provide a definition for caregiver;

(6) require the minor's caregiver to authorize the minor's registration to work through the registration system; and

(7) add an appropriation to the Department of Labor and Workforce Development to effectuate the purposes of the bill.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that the enactment of this bill may result in an indeterminate annual increase in Gross Income Tax collections to the Property Tax Relief Fund, to the extent that the net taxable wages are not fully offset by the potential displacement of other workers.

The OLS also estimates that the enactment of the bill may lead to an increase in payroll tax collections to the Unemployment Insurance Compensation Fund, Supplemental Workforce Fund for Basic Skills, Workforce Development Partnership Fund, and to State Disability Benefits Fund, including the Family Leave insurance account, given the increase in wages earned by minors under the bill.

The OLS notes that the bill may result in an annual indeterminate increase in State expenditures to the Department of Labor and Workforce Development tied to the requirement that the department establish and maintain a database for the employment of minors that is accessible by the public and that displays each employer that is required to register under the provisions of the bill. The bill appropriates $1 million from the General Fund to the Department of Labor and Workforce and Development for the purposes of the bill.