

P.L. 2025, CHAPTER 327, *approved January 20, 2026*
Senate, No. 4864

1 AN ACT concerning certain local units use of project labor
2 agreements and amending P.L.2002, c.44.

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

6
7 1. Section 2 of P.L.2002, c.44 (C.52:38-2) is amended to read
8 as follows:

9 2. For the purposes of **[this act]** P.L.2002, c.44 (C.52:38-1 et
10 seq.):

11 "Apprenticeship program" means a registered apprenticeship
12 program providing to each trainee combined classroom and on-the-
13 job training under the direct and close supervision of a highly
14 skilled worker in an occupation recognized as an apprenticeable
15 trade, and registered by the Office of Apprenticeship of the U.S.
16 Department of Labor and meeting the standards established by the
17 office, or registered by a State apprenticeship agency recognized by
18 the office.

19 "Disadvantaged community" means a census block group, as
20 determined in accordance with the most recent United States
21 Census, in which:

22 (1) at least 35 percent of the households are low-income
23 households;

24 (2) at least 40 percent of the residents are minority group
25 members or members of a State-recognized tribal community; or

26 (3) at least 40 percent of the households have limited English
27 proficiency.

28 "Labor organization" means, with respect to a contracted work
29 on a public works project, an organization which represents, for
30 purposes of collective bargaining, employees involved in the
31 performance of public works contracts and eligible to be paid
32 prevailing wages under the "New Jersey Prevailing Wage Act",
33 P.L.1963, c.150 (C.34:11-56.25 et seq.) and has the present ability
34 to refer, provide or represent sufficient numbers of qualified
35 employees to perform the contracted work, in a manner consistent
36 with the provisions of **[this act]** P.L.2002, c.44 (C.52:38-1 et seq.)
37 and any plan mutually agreed upon by the labor organization and
38 the public entity pursuant to subsection g. of section 5 of **[this act]**
39 P.L.2002, c.44 (C.52:38-5).

40 "Low-income household" means a household that is at or below
41 twice the poverty threshold as that threshold is determined annually
42 by the United States Census Bureau.

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 "Political subdivision" means any county, municipality, school
2 district or other political subdivision of the State of New Jersey or
3 any instrumentality or agency of the political subdivision.

4 "Project labor agreement" means a form of pre-hire collective
5 bargaining agreement covering terms and conditions of a specific
6 project.

7 "Public entity" means the State, any of its political subdivisions,
8 any authority created by the Legislature and any instrumentality or
9 agency of the State or of any of its political subdivisions.

10 "Public works project" means any public works project for
11 construction, reconstruction, demolition or renovation for which:

12 (1) It is required by law that workers be paid the prevailing
13 wage determined by the Commissioner of Labor and Workforce
14 Development pursuant to the provisions of the "New Jersey
15 Prevailing Wage Act", P.L.1963, c.150 (C.34:11-56.25 et seq.); and

16 (2) The public entity estimates that the total cost of the project,
17 exclusive of any land acquisition costs, will equal or exceed \$5
18 million. A municipality, county, school district, or fire district may
19 enter into a project labor agreement for a public works project that
20 does not meet the total project cost established in this definition
21 pursuant to subsection b. of section 2 of P.L. , c. (C.) (pending
22 before the Legislature as this bill).

23 (cf: P.L.2021, c.69, s.1)
24

25 2. Section 3 of P.L.2002, c.44 (C.52:38-3) is amended to read
26 as follows:

27 3. a. A public entity may include a project labor agreement in
28 a public works project on a project-by-project basis, if the public
29 entity determines, taking into consideration the size, complexity and
30 cost of the public works project, that, with respect to that project the
31 project labor agreement will meet the requirements of section 5 of
32 **【this act】** P.L.2002, c.44 (C.52:38-5), including promoting labor
33 stability and advancing the interests of the public entity in cost,
34 efficiency, skilled labor force, quality, safety and timeliness, and, in
35 the case of a public entity which is a political subdivision, promotes
36 employment of residents of the political subdivision. If the public
37 entity determines that a project labor agreement will meet those
38 requirements with respect to a particular public works project, the
39 public entity shall either: directly negotiate in good faith a project
40 labor agreement with one or more labor organizations; or condition
41 the award of a contract to a construction manager upon a
42 requirement that the construction manager negotiate in good faith a
43 project labor agreement with one or more labor organizations.
44 Upon the request of the public entity, the Commissioner of Labor
45 shall assist in facilitating the negotiation of the project labor
46 agreement. The decision by the public entity to require the
47 inclusion of a project labor agreement requirement shall not be
48 deemed to unduly restrict competition if the public entity finds that

1 the project labor agreement is reasonably related to the satisfactory
2 performance and completion of the public works project, and any
3 bidder for the public works project refusing to agree to abide by the
4 conditions of the project labor agreement or the requirement to
5 negotiate a project labor agreement shall not be regarded as a
6 responsible bidder. Upon the request of the public entity, the
7 Commissioner of Labor shall review the finalized project labor
8 agreement and provide to the public entity, not more than 30
9 calendar days after the agreement is submitted to the commissioner
10 by the public entity, a written advisory statement regarding whether
11 the project labor agreement conforms with the provisions of [this
12 act] P.L.2002, c.44 (C.52:38-1 et seq.).

13 b. Notwithstanding subsection a. of this section, a municipality,
14 county, school district, or fire district may elect whether to include
15 the use of a project labor agreement for a public works project that
16 does not meet the total project cost established in section 2 of
17 P.L.2002, c.44 (C.52:38-2). Nothing in P.L. , c. (C.) (pending
18 before the Legislature as this bill) shall be construed to prohibit a
19 municipality, county, school district, or fire district from voluntarily
20 entering into a project labor agreement.

21 (cf: P.L.2021, c.69, s.2)

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23 3. This act shall take effect immediately.

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26 STATEMENT

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28 This bill amends P.L.2002, c.44 to permit a municipality, county,
29 school district, or fire district to include the use of a project labor
30 agreement for a public works project that does not meet the total
31 project cost established for public works projects.

32 Under current law, the minimum cost of a public works project,
33 which may include a project labor agreement, is \$5 million. The
34 bill does not alter the existing threshold for public works projects.

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40 Permits certain local units to enter into project labor agreements
for public works projects below the \$5 million threshold.