

CHAPTER 327

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

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

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

C.52:38-2 Definitions relative to project labor agreements.

2. For the purposes of P.L.2002, c.44 (C.52:38-1 et seq.):

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

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

- (1) at least 35 percent of the households are low-income households;
- (2) at least 40 percent of the residents are minority group members or members of a State-recognized tribal community; or
- (3) at least 40 percent of the households have limited English proficiency.

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

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

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

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

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

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

- (1) It is required by law that workers be paid the prevailing wage determined by the Commissioner of Labor and Workforce Development pursuant to the provisions of the "New Jersey Prevailing Wage Act," P.L.1963, c.150 (C.34:11-56.25 et seq.); and
- (2) The public entity estimates that the total cost of the project, exclusive of any land acquisition costs, will equal or exceed \$5 million. A municipality, county, school district, or fire district may enter into a project labor agreement for a public works project that does not meet the total project cost established in this definition pursuant to subsection b. of section 3 of P.L.2002, c.44 (C.52:38-3).

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

C.52:38-3 Public entity to include project labor agreements in certain public works projects.

3. a. A public entity may include a project labor agreement in a public works project on a project-by-project basis, if the public entity determines, taking into consideration the size, complexity and cost of the public works project, that, with respect to that project, the project labor agreement will meet the requirements of section 5 of P.L.2002, c.44 (C.52:38-5), including promoting labor stability and advancing the interests of the public entity in cost, efficiency, skilled labor force, quality, safety, and timeliness, and, in the case of a public entity which is a political subdivision, promotes employment of residents of the political subdivision. If the public entity determines that a project labor agreement will meet those requirements with respect to a particular public works project, the public entity shall either: directly negotiate in good faith a project labor agreement with one or more labor organizations; or condition the award of a contract to a construction manager upon a requirement that the construction manager negotiate in good faith a project labor agreement with one or more labor organizations. Upon the request of the public entity, the Commissioner of Labor shall assist in facilitating the negotiation of the project labor agreement. The decision by the public entity to require the inclusion of a project labor agreement requirement shall not be deemed to unduly restrict competition if the public entity finds that the project labor agreement is reasonably related to the satisfactory performance and completion of the public works project, and any bidder for the public works project refusing to agree to abide by the conditions of the project labor agreement or the requirement to negotiate a project labor agreement shall not be regarded as a responsible bidder. Upon the request of the public entity, the Commissioner of Labor shall review the finalized project labor agreement and provide to the public entity, not more than 30 calendar days after the agreement is submitted to the commissioner by the public entity, a written advisory statement regarding whether the project labor agreement conforms with the provisions of P.L.2002, c.44 (C.52:38-1 et seq.).

b. Notwithstanding subsection a. of this section, a municipality, county, school district, or fire district may elect whether to include the use of a project labor agreement for a public works project that does not meet the total project cost established in section 2 of P.L.2002, c.44 (C.52:38-2). Nothing in P.L.2025, c.327 shall be construed to prohibit a municipality, county, school district, or fire district from voluntarily entering into a project labor agreement.

3. This act shall take effect immediately.

Approved January 20, 2026.