SENATE LABOR COMMITTEE

STATEMENT TO

SENATE, No. 2015

STATE OF NEW JERSEY

DATED: MAY 6, 2024

The Senate Labor Committee reports favorably, and with committee amendments, Senate Bill No. 2015.

This bill, as amended by the committee, provides that a public institution of higher education is required to pay the State prevailing wage rate determined by the Commissioner of Labor and Workforce Development when a development is intended for use by the institution at the time of construction. The bill requires the prevailing wage rate to be paid for work under a contract with a for-profit or not-for-profit entity associated with the public body when the purpose of the entity is raising or managing public or private financial support or managing assets on behalf of the public body, where the construction, reconstruction, demolition, alteration, custom fabrication, repair work, or maintenance work undertaken under contract with the entity is to be used by or for the benefit of the public body.

The bill adds to the definition of "public work" subject to prevailing wage requirements work on properties or premises under agreement to be purchased by the public body and work paid for in whole or in part by "take-out financing."

As amended by the committee, the bill:

1. adds to the definition of "prevailing wage" that, in the case of public work on residential buildings, it is the lessor of 65% of the wage rate paid by virtue of collective bargaining agreements by employers employing a majority of workers of that craft or trade subject to collective bargaining agreements in the locality in which the public work is done, or the prevailing rate set under the federal Davis-Bacon Act (40 U.S.C. 276a to 276a-5) for work on residential buildings.

2. adds to the definition of "public work on residential buildings" the construction, reconstruction, demolition, alteration, custom fabrication, or repair of residential buildings, that is, structures of less than five stories in height that are single or multi-family residences, apartment buildings, condominiums, and townhomes, but are not institutional housing.

This bill was pre-filed for introduction in the 2024-2025 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

1. Remove the provisions of the bill which exclude from the definition of "public work" work on a project receiving financial assistance from the New Jersey Housing and Mortgage Finance Agency (HMFA) unless the work is subject to State prevailing wage requirements pursuant to sections 7 and 42 of P.L.1983, c.530 (C.55:14K-7 and 55:14K-42);

2. Add to definition of "prevailing wage" that, in the case of public work on residential buildings, the prevailing wage rate is the lessor of 65% of the wage rate paid by virtue of collective bargaining agreements by employers employing a majority of workers of that craft or trade subject to those collective bargaining agreements in the locality in which the public work is done, or the prevailing rate set under the federal Davis-Bacon Act (40 U.S.C. 276a to 276a-5) for work on residential buildings; and

3. Add to definition of "public work on residential buildings" the construction, reconstruction, demolition, alteration, custom fabrication, or repair of residential buildings, that is, structures of less than five stories in height that are single or multi-family residences, apartment buildings, condominiums, and townhomes, but are not institutional housing.