# LEGISLATIVE FISCAL ESTIMATE
# SENATE, No. 2826
# STATE OF NEW JERSEY
# 221st LEGISLATURE

DATED: MARCH 10, 2025

## SUMMARY

**Synopsis:** Provides certain resources to county prosecutors for enforcement of law regarding failure to pay wages; makes appropriation.

**Type of Impact:** Annual State and local expenditure and revenue increases.

**Agencies Affected:** Department of Labor and Workforce Development; County Prosecutor's Offices.

**Office of Legislative Services Estimate**

| Fiscal Impact | Year 1 | Thereafter |
|---|---|---|
| **State Expenditure Increase** | Up to $2.0 million | Indeterminate |
| **State Revenue Increase** | Indeterminate | Indeterminate |
| **Local Expenditure Increase** | Indeterminate | Indeterminate |
| **Local Revenue Increase** | Indeterminate | Indeterminate |

- The Office of Legislative Services (OLS) concludes that the bill will result in a State expenditure increase of up to $2.0 million in the first year the bill is in effect. If the full $2.0 million is not expended in the first year, the residual amount will be spent in subsequent fiscal years until the full $2.0 million is exhausted.

- The bill appropriates up to $2.0 million to the Department of Labor and Workforce Development for purposes of supporting enforcement actions related to State wage and hour laws. The bill requires the department to provide funds and training to each county prosecutor's office for the investigation and prosecution of violations of these labor laws. The State expenditure increase to provide funding to county prosecutor's offices would lead to a concurrent revenue increase for the counties.

- Increased enforcement actions pursuant to the bill may result in an indeterminate increase in State revenues through additional fines and penalties assessed for violations.

## BILL DESCRIPTION

This bill requires the Department of Labor and Workforce Development, for purposes of supporting the enforcement of the provisions of State wage and hour laws, to provide funds and training to each county prosecutor's office for the investigation and prosecution of the abovementioned laws. The bill requires the county prosecutor of each county to establish and assign an assistant prosecutor to the investigation and prosecution of violations of the State wage and hour laws. The bill makes an appropriation from the General Fund to the department, not to exceed $2,000,000, for purposes of effectuating the provisions of the bill.

## FISCAL ANALYSIS

### *EXECUTIVE BRANCH*

None received.

### *OFFICE OF LEGISLATIVE SERVICES*

The OLS concludes that the bill will result in a State expenditure increase of up to $2.0 million in the first year the bill is in effect. If the full $2.0 million is not expended in the first year, the residual amount will be spent in subsequent fiscal years until the full $2.0 million is exhausted.

The bill appropriates up to $2.0 million from the General Fund to the Department of Labor and Workforce Development to support the enforcement actions related to wage and hour law violations. The bill requires the department to provide funds and training to each county prosecutor's office for the investigation and prosecution of violations of these labor laws.

The bill also requires each county prosecutor's office to assign an assistant prosecutor to the investigation and prosecution of violations of the State wage and hour laws. The OLS cannot predict to what extent, if any, additional resources would be needed to support the ongoing caseload. Because it is not possible to estimate the extent of the future workload, the OLS is unable to estimate the amount of the potential increase in expenditures at the county level.

Violations of the State wage and hour laws carry monetary fines and penalties. As a result, the increased enforcement may lead to additional fines and penalties, which may result in an indeterminate increase in State revenue due to an increase in successful prosecutions. Because it is not possible to estimate which particular provisions will be investigated and successfully prosecuted, the OLS is unable to reliably estimate the increases in State revenue.

| | |
|---|---|
| *Section:* | *Commerce, Labor and Industry* |
| *Analyst:* | *John Gaudioso*<br>*Associate Fiscal Analyst* |
| *Approved:* | *Thomas Koenig*<br>*Legislative Budget and Finance Officer* |

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).