ASSEMBLY, No. 5659

STATE OF NEW JERSEY

222nd LEGISLATURE

INTRODUCED OCTOBER 19, 2026

Sponsored by:
Assemblyman LARRY WAINSTEIN
District 33 (Hudson)

SYNOPSIS

Requires labor harmony agreement in public works projects.

CURRENT VERSION OF TEXT

As introduced.

AN ACT regarding labor harmony agreements in connection with construction projects subject to the "New Jersey Prevailing Wage Act" and supplementing P.L.2002, c.44 (C.34:11-56.25 et seq.).

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

1. For the purposes of this act:

"Commissioner" means the Commissioner of Labor and Workforce Development.

"Contractor" means a business entering into a contract to undertake any construction, reconstruction, demolition, alteration, or repair projects subject to the "New Jersey Prevailing Wage Act," P.L.1963, c.150 (C.34:11-56.25 et seq.).

"Covered project" means any public works project subject to the "New Jersey Prevailing Wage Act," P.L.1963, c.150 (C.34:11-56.25 et seq.).

"Labor harmony agreement" means an agreement between contractors, subcontractors, and laborers, which requires, for the duration of the agreement, that all parties shall take reasonable and necessary measures to avoid labor disputes, strikes, picketing, work stoppages, slowdowns, or other disruptions that could interfere with the project progress, timely completion, or cost efficiency.

"Proprietary interest" means an economic and non-regulatory interest of a public entity in the economic or financial success of a public works project, or the success of any facility in the project that could be adversely affected by labor-management conflict, including, but not limited to, the interest of the public entity as a financier, investor, lessee, lessor, operator, or owner of the project, facility, or property on which the project or facility is located, or as the provider or facilitator of financial assistance to or for the project, facility, or property, whether by direct loan or grant, or by a guarantee, subsidy, deposit, credit enhancement or similar method, and any interest of a public entity derived from the ongoing receipt by the public entity of revenues from the project or facilities of the project.

2. a. Except as provided in subsection c. of this section, no public entity shall enter into a contract under which the public entity has a proprietary interest in a covered project unless the contract includes a requirement that the contractor and all subcontractors of the contractor enter into a labor harmony agreement. The public entity shall, prior to entering into the contract, provide written notice to the contractor and any subcontractors of all requirements of this act relevant to the contract. The public entity shall provide the written disclosure to each prospective bidder or other contractor as part of the

specifications for bidding or otherwise seeking the contract for the covered project.

b. The requirements of this act regarding the inclusion of a labor harmony agreement in any contract for a contractor to undertake a covered project shall not be deemed to unduly restrict competition, and any bidder refusing to comply with the requirements of this act regarding labor harmony agreements shall not be regarded as a responsible bidder.

c. The requirements of this act regarding a labor harmony agreement shall not apply to a contractor or subcontractor that is party to and maintains in effect a bona fide collective bargaining agreement with a labor organization representing the employees of the contractor or subcontractor who perform work on the covered project, provided that the collective bargaining agreement contains provisions prohibiting strikes, work stoppages, slowdowns, picketing, or other labor-related disruptions, or otherwise provides procedures for the resolution of labor disputes sufficient to ensure labor harmony for the duration of the contractor's or subcontractor's work on the covered project. For the purposes of this subsection, compliance with the terms of such collective bargaining agreement shall be deemed to satisfy the labor harmony agreement requirements of this act with respect to the employees and work covered by the collective bargaining agreement.

d. Nothing in this act shall restrict the ability of a contractor or public entity to engage in lawful competitive bidding or procurement processes.

e. In the event of any labor-related disruption affecting a covered project, the contractor shall immediately notify and cooperate with the awarding public entity or appropriate State agency to identify and resolve the disruption. The public entity or agency may take any action authorized by contract or law that is reasonably necessary to restore labor harmony and ensure timely and cost-effective project completion.

3. Failure to comply with the labor harmony agreement requirement may constitute a material breach of the public works contract and may subject the contractor or subcontractor to remedies available under the contract, the "New Jersey Prevailing Wage Act," P.L.1963, c.150 (C.34:11-56.25 et seq.), or other applicable law.

4. The commissioner shall adopt rules and regulations pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to effectuate the purposes of this act. These rules and regulations shall provide a model labor harmony agreement, and shall provide remedies and procedures for public entities to enforce compliance with the provisions of this act and any labor harmony agreement entered into pursuant to this act, including provisions for

the reimbursement of any costs or damages incurred by the public entity in connection with any noncompliance with the provisions of this act or the labor harmony agreement.

5. This act shall take effect on the first day of the sixth month next following the date of enactment except that the commissioner may take any anticipatory administrative action in advance as shall be necessary for the implementation of this act.

STATEMENT

The bill requires labor harmony agreements for construction projects subject to the "New Jersey Prevailing Wage Act" in which a public entity has a proprietary interest.

A labor harmony agreement is an agreement between contractors, subcontractors, and laborers, which requires, for the duration of the agreement, that all parties take reasonable and necessary measures to avoid labor disputes, strikes, picketing, work stoppages, slowdowns, or other disruptions that could interfere with the project progress, timely completion, or cost efficiency..

In the event of any labor-related disruptions, the contractor will notify the awarding entity and work to resolve the disruption. The public entity is authorized to take any reasonable actions authorized by the contract to restore labor harmony.

Failure to comply with the labor harmony agreement may constitute a material breach of the public works contract and may subject the contractor or subcontractor to remedies available under the contract, the "New Jersey Prevailing Wage Act," or other applicable law.

The Commissioner of Labor and Workforce Development will adopt rules and regulations, including remedies and procedures for public entities to enforce the provisions of the bill and provisions for the reimbursement of any costs or damages incurred by the public entity in connection with noncompliance.