

SENATE LABOR COMMITTEE

STATEMENT TO

SENATE, No. 2798

STATE OF NEW JERSEY

DATED: FEBRUARY 9, 2023

The Senate Labor Committee reports favorably, with committee amendments, Senate Bill, No. 2798.

This bill 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.”

The bill provides that “public work” is also defined to mean work on a project receiving financial assistance provided, authorized, facilitated, or administered by public bodies or their agencies or authorities, except that work on a project receiving financial assistance from the New Jersey Housing and Mortgage Finance Agency (HMFA) is not “public work” unless it 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).

Committee Amendments:

The amendments adopted by the committee:

1. Provide that “public work” subject to the State prevailing wage law is defined to include work on properties or premises which are under agreement to be purchased by the public body; and.

2. Provide that “public work” is also defined to mean work on a project receiving financial assistance from public bodies or their agencies or authorities, except that work on a project receiving HMFA financial assistance is not “public work” subject to prevailing wage requirements unless paying prevailing wage is specifically required by provisions of the HMFA law.