

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### SENATE, No. 2425

# STATE OF NEW JERSEY

DATED: JANUARY 3, 2013

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2425.

This bill allows project labor agreements (PLAs) in certain kinds of public work contracts currently excluded by statute.

Specifically, P.L.2002, c.44 (C.52:38-1 et seq.) allows a PLA for a public works project only if:

1. The project is worth at least \$5 million (excluding land acquisition costs);
2. The workers in the project are required by law to be paid the prevailing wage set by P.L.1963, c.150 (C.34:11-56.25 et seq.); and
3. The project is for the construction, reconstruction, demolition or renovation of buildings at the public expense, other than pumping stations or water or sewage treatment plants.

The current law therefore excludes many projects, such as highways, bridges, pumping stations, and water and sewage treatment plants, from having PLAs.

This bill removes from the definition of “public works project” all references to the kind of structure or improvement, instead identifying a project only as “construction, reconstruction, demolition or renovation.” That change extends the option of using a PLA to projects excluded under the current law, such as highways, bridges, pumping stations, and water and sewage treatment plants. The bill leaves unchanged the provisions of the law’s definition of a public works project that require a project to be worth at least \$5 million and have workers subject to the prevailing wage law.

#### FISCAL IMPACT:

This bill is not certified as needing a fiscal note.