

# SENATE, No. 3607

## STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED MARCH 18, 2019

**Sponsored by:**

**Senator VIN GOPAL**

**District 11 (Monmouth)**

**Senator KRISTIN M. CORRADO**

**District 40 (Bergen, Essex, Morris and Passaic)**

**Co-Sponsored by:**

**Senators Oroho, A.R.Bucco and O'Scanlon**

**SYNOPSIS**

Provides for suspension of scheduled minimum wage increases for economic reasons.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 11/15/2019)**

1 AN ACT concerning increases in minimum wage and supplementing  
2 Title 52 of the Revised Statutes.

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

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7 1. a. On or before July 28, 2019, and on or before every July  
8 28 thereafter until the minimum wage is \$15.00 per hour pursuant to  
9 section 5 of P.L.1966, c.113 (C.34:11-56a4) as amended by  
10 P.L.2019, c.32, conditions can support a minimum wage increase,  
11 the State Treasurer shall annually make a determination and certify  
12 to the Governor and, pursuant to section 2 of P.L.1991, c.164  
13 (C.52:14-19.1), the Legislature whether each of the following  
14 conditions is met:

15 (1) Total nonfarm employment for the State, seasonally  
16 adjusted, decreased over the three-month period from April to June,  
17 inclusive, prior to the July 28 determination. This calculation shall  
18 compare seasonally adjusted total nonfarm employment in June to  
19 seasonally adjusted total nonfarm employment in March, as  
20 reported by the Department of Labor and Workforce Development.

21 (2) Total nonfarm employment for the State, seasonally  
22 adjusted, decreased over the six-month period from January to June,  
23 inclusive, prior to the July 28 determination. This calculation shall  
24 compare seasonally adjusted total nonfarm employment in June to  
25 seasonally adjusted total nonfarm employment in December, as  
26 reported by the Department of Labor and Workforce Development.

27 (3) Retail sales and use tax cash receipts for the State fiscal year  
28 ending one month prior to the July 28 determination is less than  
29 retail sales and use tax cash receipts from for the State fiscal year,  
30 ending 13 months prior to the July 28 determination. The  
31 calculation for the condition specified in this paragraph shall be  
32 made as follows:

33 (a) The Division of Taxation shall publish by the 10th of each  
34 month on its Internet website the total retail sales (sales before  
35 adjustments) for the prior month derived from its daily retail sales  
36 and use tax reports.

37 (b) The Division of Taxation shall publish by the 10th of each  
38 month on its Internet website the monthly factor required to convert  
39 the prior month's retail sales and use tax total from all tax rates to a  
40 retail sales and use tax total.

41 (c) The Department of the Treasury shall multiply the monthly  
42 total from subparagraph (a) of this paragraph (3) by the monthly  
43 factor from subparagraph (b) of this paragraph (3) for each month.

44 (d) The Department of the Treasury shall sum the monthly totals  
45 calculated in subparagraph (c) of this paragraph (3) to calculate the  
46 12-month July 1 to June 30, inclusive, totals needed for the  
47 comparison in this subparagraph.

1       b. On or before July 28, 2019, and on or before every July 28  
2 thereafter until the minimum wage is \$15.00 per hour pursuant to  
3 section 5 of P.L.1966, c.113 (C.34:11-56a4) as amended by  
4 P.L.2019, c.32, to ensure that the State General Fund fiscal  
5 condition can support the next scheduled minimum wage increase,  
6 the State Treasurer shall annually make a determination and certify  
7 to the Governor and, pursuant to section 2 of P.L.1991, c.164  
8 (C52:14-91.1), the Legislature whether total revenues received by  
9 the State each fiscal year have decreased by at least two percent  
10 from the preceding fiscal year.

11       For purposes of this subsection, a decrease in revenues that is the  
12 result of a change in tax policy or law shall not be considered as a  
13 decrease in revenues with respect to any impact the change in  
14 minimum wage has on revenue collection.

15       c. (1) If, for any year, the condition in either paragraph (1) or  
16 (2) of subsection a. of this section is met, and if the condition in  
17 paragraph (3) of subsection a. is met, then the minimum wage  
18 increases scheduled pursuant to section 5 of P.L.1966, c.113  
19 (C.34:11-56a4) as amended by P.L.2019, c.32, for the following  
20 year shall be suspended.

21       If the scheduled minimum wage increases are suspended  
22 pursuant to this paragraph for the following year, all dates specified  
23 in section 5 of P.L.1966, c.113 (C.34:11-56a4) as amended by  
24 P.L.2019, c.32, shall be postponed by an additional year.

25       (2) If the State Treasurer certifies under subsection b. of this  
26 section that total revenues received by the State in a fiscal year have  
27 decreased by at least two percent from the preceding fiscal year, the  
28 minimum wage increases scheduled pursuant to section 5 of  
29 P.L.1966, c.113 (C.34:11-56a4) as amended by P.L.2019, c.32, for  
30 the following year shall be suspended.

31       If the scheduled minimum wage increases are suspended  
32 pursuant to this paragraph (2) for the following year, the suspension  
33 shall remain in effect until such time as the total revenues received  
34 by the State reach the level of revenues prior to the two percent  
35 decrease in revenues. When the suspension is lifted, all dates  
36 specified in section 5 of P.L.1966, c.113 (C.34:11-56a4) as  
37 amended by P.L.2019, c.32, shall be postponed by the number of  
38 years the suspension was in effect.

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40       2. This act shall take effect immediately.

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#### STATEMENT

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45       This bill provides two mechanisms by which the minimum wage  
46 increases scheduled in recently enacted legislation, P.L.2019, c.32,  
47 would be suspended for economic reasons.

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1 Under the bill, the scheduled minimum wage increases would be  
2 suspended based on certain decreases in employment, seasonally  
3 adjusted, and decreases in retail sales and use tax cash receipts.  
4 The State Treasurer is required to certify these conditions to the  
5 Governor and the Legislature, and upon the Treasurer's  
6 certification, the scheduled minimum wage increases would be  
7 suspended for one year. If the scheduled minimum wage increases  
8 are suspended due to the specified decreases in employment and  
9 retail sales and use tax cash receipts, the dates to increase the  
10 minimum wage in the aforementioned pending legislation would be  
11 postponed by an additional year.

12 Additionally, under the bill, the scheduled minimum wage  
13 increases would be suspended if total revenues received by the State  
14 in a fiscal year have decreased by at least two percent from the  
15 preceding fiscal year. For purposes of this calculation, a decrease in  
16 revenues that is the result in a change in tax policy or law would not  
17 be considered as a decrease in revenues with respect to any impact  
18 the change in minimum wage has on revenue collection.

19 The State Treasurer is required to certify this decrease in  
20 revenues to the Governor and the Legislature, and upon the  
21 Treasurer's certification, the scheduled minimum wage increases  
22 would be suspended.

23 If the scheduled minimum wage increases are suspended due to a  
24 two percent decrease in revenues, the suspension would remain in  
25 effect until such time as the total revenues received by the State  
26 reach the level of revenues prior to the two percent decrease in  
27 revenues. When the suspension is lifted, all dates specified in the  
28 aforementioned legislation would be postponed by the number of  
29 years the suspension was in effect.