

Title 34.
Chapter 8C.
(New)
Labor Contractors
§§1-3
C.34:8C-1 to
34:8C-3

P.L. 2021, CHAPTER 271, *approved November 8, 2021*
Senate, No. 1259

1 **AN ACT** concerning labor contractors and supplementing Title 34 of
2 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. As used in this act:

8 “Client employer” means a business entity in the construction
9 industry, regardless of its form, that obtains or is provided workers,
10 directly from a labor contractor or indirectly from a subcontractor, to
11 perform labor or services in the construction industry and within its
12 usual course of business, but does not include a client employer
13 employing workers pursuant to a collective bargaining agreement.

14 “Commissioner” means the Commissioner of Labor and
15 Workforce Development.

16 “Labor contractor” means any individual, consulting firm, or other
17 entity that supplies, either directly or indirectly, a client employer with
18 workers to perform labor or services in the construction industry and
19 within the client employer’s usual course of business, except that
20 “labor contractor” does not include a contractor employing workers
21 pursuant to a collective bargaining agreement, a bona fide labor
22 organization or apprenticeship program, or a hiring hall operated
23 pursuant to a collective bargaining agreement.

24 “Usual course of business” means the regular and customary work
25 of a business, performed within or upon the premises or worksite of
26 the client employer, or any other place of business of the client
27 employer for which services or labor are performed.

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29 2. a. Any labor contractor that provides workers to a client
30 employer in the construction industry shall:

31 (1) certify that the labor contractor has not charged recruitment
32 fees to the workers;

33 (2) certify that the contractor is in compliance with all State and
34 federal labor laws and regulations applicable to the contractor,
35 including laws concerning wages, unemployment and temporary
36 disability insurance, workers' compensation insurance, workplace
37 safety and health, and the payment of payroll taxes; and

1 (3) certify that the owner or owners, and any employee of the labor
2 contractor entity engaged in providing workers to client employers,
3 have had criminal background checks in compliance with standards
4 promulgated by the commissioner.

5 b. All certifications required by this act shall, in compliance with
6 standards promulgated by the commissioner, be kept in written form
7 on file by the contractor for not less than three years after the period of
8 time to which they apply and be provided to the commissioner upon
9 request, and provided to any client employer to whom the contractor
10 provides workers at the time that the workers are provided. The client
11 employer shall also keep the written certifications on file for a period
12 of not less than three years after the period to which they apply and
13 provide them to the commissioner upon request.

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15 3. Any labor contractor or client employer who violates this act
16 shall be subject to a civil penalty in an amount not to exceed \$1,000
17 per worker supplied to a client employer by the labor contractor for
18 the first violation, \$5,000 per worker supplied to a client employer
19 by the labor contractor for the second violation and \$10,000 per
20 worker supplied to a client employer by the labor contractor for
21 each subsequent violation, collectible by the commissioner in a
22 summary proceeding pursuant to the "Penalty Enforcement Law of
23 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). Each worker that a
24 labor contractor supplies to a client employer without complying
25 with the certification requirements of this act shall constitute a
26 separate violation. Each worker that a client employer obtains from
27 a labor contractor without obtaining certification from the
28 contractor as required by this act shall constitute a separate
29 violation.

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31 4. This act shall take effect immediately.

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34 STATEMENT

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36 The bill requires any labor contractor, including a consulting
37 firm, that provides workers in the construction industry to a client
38 employer to certify that:

39 1. the contractor has not charged recruitment fees to the
40 workers;

41 2. the contractor is in compliance with all applicable State and
42 federal labor laws and regulations; and

43 3. the owners and all employees of the labor contractor
44 engaged in providing workers to client employers have had criminal
45 background checks.

46 The bill requires that all of the certifications be kept on file by
47 the contractor for not less than three years after the period of time to
48 which they apply, be provided to the Commissioner of Labor and

1 Workforce Development upon request, and be provided to any
2 client employer to whom the contractor provides workers at the
3 time that the workers are provided. The client employer is also
4 required to keep the certifications on file and provide them to the
5 commissioner upon request.

6 The bill does not apply to labor contractors or client firms
7 employing workers pursuant to a collective bargaining agreement.

8 The bill provides that a labor contractor or client firm who
9 violates the bill is subject to a civil penalty in an amount not to
10 exceed \$1,000 per worker supplied for the first violation, \$5,000
11 per worker for the second violation and \$10,000 per worker for each
12 subsequent violation, collectible by the commissioner in a summary
13 proceeding. Each worker that a labor contractor supplies to a client
14 employer without complying with the certification requirements of
15 this bill shall constitute a separate violation. Each worker that a
16 client employer obtains from a labor contractor without obtaining
17 certification from the contractor as required by this act shall
18 constitute a separate violation.

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Concerns labor contractors.