

# SENATE, No. 1259

## STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED FEBRUARY 3, 2020

**Sponsored by:**

**Senator TROY SINGLETON**

**District 7 (Burlington)**

**Assemblywoman CAROL A. MURPHY**

**District 7 (Burlington)**

**Co-Sponsored by:**

**Assemblymen Egan, Tully and Assemblywoman Swain**

**SYNOPSIS**

Concerns labor contractors.

**CURRENT VERSION OF TEXT**

As introduced.



(Sponsorship Updated As Of: 6/21/2021)

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.

28  
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

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

42      b. All certifications required by this act shall, in compliance with  
43      standards promulgated by the commissioner, be kept in written form  
44      on file by the contractor for not less than three years after the period of  
45      time to which they apply and be provided to the commissioner upon  
46      request, and provided to any client employer to whom the contractor  
47      provides workers at the time that the workers are provided. The client  
48      employer shall also keep the written certifications on file for a period

1 of not less than three years after the period to which they apply and  
2 provide them to the commissioner upon request.

3  
4 3. Any labor contractor or client employer who violates this act  
5 shall be subject to a civil penalty in an amount not to exceed \$1,000  
6 per worker supplied to a client employer by the labor contractor for  
7 the first violation, \$5,000 per worker supplied to a client employer  
8 by the labor contractor for the second violation and \$10,000 per  
9 worker supplied to a client employer by the labor contractor for  
10 each subsequent violation, collectible by the commissioner in a  
11 summary proceeding pursuant to the "Penalty Enforcement Law of  
12 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). Each worker that a  
13 labor contractor supplies to a client employer without complying  
14 with the certification requirements of this act shall constitute a  
15 separate violation. Each worker that a client employer obtains from  
16 a labor contractor without obtaining certification from the  
17 contractor as required by this act shall constitute a separate  
18 violation.

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20 4. This act shall take effect immediately.

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#### STATEMENT

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25 The bill requires any labor contractor, including a consulting  
26 firm, that provides workers in the construction industry to a client  
27 employer to certify that:

28 1. the contractor has not charged recruitment fees to the  
29 workers;

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

32 3. the owners and all employees of the labor contractor  
33 engaged in providing workers to client employers have had criminal  
34 background checks.

35 The bill requires that all of the certifications be kept on file by  
36 the contractor for not less than three years after the period of time to  
37 which they apply, be provided to the Commissioner of Labor and  
38 Workforce Development upon request, and be provided to any  
39 client employer to whom the contractor provides workers at the  
40 time that the workers are provided. The client employer is also  
41 required to keep the certifications on file and provide them to the  
42 commissioner upon request.

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

45 The bill provides that a labor contractor or client firm who  
46 violates the bill is subject to a civil penalty in an amount not to  
47 exceed \$1,000 per worker supplied for the first violation, \$5,000  
48 per worker for the second violation and \$10,000 per worker for each

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1 subsequent violation, collectible by the commissioner in a summary  
2 proceeding. Each worker that a labor contractor supplies to a client  
3 employer without complying with the certification requirements of  
4 this bill shall constitute a separate violation. Each worker that a  
5 client employer obtains from a labor contractor without obtaining  
6 certification from the contractor as required by this act shall  
7 constitute a separate violation.