

SENATE, No. 3159

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED NOVEMBER 5, 2020

Sponsored by:
Senator NICHOLAS P. SCUTARI
District 22 (Middlesex, Somerset and Union)

SYNOPSIS

Extends prevailing wage requirements to certain for-sale housing projects.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning prevailing wage requirements and amending
2 P.L.1983, c.530.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. Section 42 of P.L.1983, c.530 (C.55:14K-42) is amended to
8 read as follows:

9 42. a. Each qualified housing sponsor granted a loan from the
10 agency, or any builder, contractor or subcontractor engaged by the
11 qualified housing sponsor for the construction or rehabilitation of
12 any housing project, shall pay the **workmen** workers employed in
13 the performance of any contract for such construction or
14 rehabilitation not less than the prevailing wage rate. The prevailing
15 wage rate shall be determined by the Commissioner of the New
16 Jersey Department of Labor and Workforce Development in all
17 cases, except that the prevailing rate shall be determined by the
18 Secretary of the United States Department of Labor in accordance
19 with **the Davis-Bacon Act as amended (40 U.S.C. 276a to 276a-**
20 **5)]** 40 U.S.C. 3141 et seq., when the loan from the agency for the
21 construction or rehabilitation of a housing project or the tenants of
22 the housing project **is** are the subject of direct or indirect federal
23 assistance other than the federal tax exemption of the interest paid
24 on the agency obligations.

25 b. Any person, partnership, corporation or association, that is
26 not a nonprofit or charitable entity qualified pursuant to section
27 501(c) (3) of the Internal Revenue Code of 1986 (26 U.S.C.
28 s.501(c)(3)), that is not required to pay prevailing wage pursuant to
29 subsection a. of this section, and that receives a loan from the New
30 Jersey Housing and Mortgage Finance Agency directly from the
31 agency or indirectly from an institutional lender for any work,
32 whether new construction, improvement or rehabilitation of
33 buildings which are designed for the primary purpose of providing
34 for-sale multi-family housing, shall pay each worker employed in
35 the work not less than the prevailing wage rate for the worker's
36 craft or trade, as determined by the Commissioner of Labor and
37 Workforce Development pursuant to P.L.1963, c.150 (C.34:11-
38 56.25 et seq.), unless the building is less than five stories tall, in
39 which case each worker shall be paid not less than the prevailing
40 wage rate for the worker's craft or trade, as determined by the
41 Secretary of the United States Department of Labor in accordance
42 with 40 U.S.C. 3141 et seq..

43 c. The Commissioner of Labor and Workforce Development
44 **is** authorized to, and shall, determine the prevailing wage rate and
45 **shall** establish designate the prevailing wage in the locality in

EXPLANATION – Matter enclosed in bold-faced brackets **thus** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 which the construction or rehabilitation of any housing project
2 subject to the provisions of this section or any for-sale multi-family
3 housing subject to the provisions of this section is to be performed
4 for each craft or trade or classification of all **【workmen】** workers
5 employed in the performance of such construction or rehabilitation,
6 as if such construction or rehabilitation were “public work” within
7 the meaning of P.L.1963, c.150 (C.34:11-56.25 et seq.). For the
8 purpose of carrying out the provisions of this section, the
9 Commissioner of Labor and Workforce Development and any
10 **【workmen】** workers employed in the performance of any contract
11 for the construction or rehabilitation of any housing project subject
12 to the provisions of this section or any for-sale multi-family housing
13 subject to the provisions of this section, shall have and may exercise
14 or perform any right, power or duty granted or imposed upon them
15 by P.L.1963, c.150 (C.34:11-56.25 et seq.).

16 d. For the purposes of this section, “multi-family housing”
17 shall not include buildings constructed as townhouses, which are
18 single dwelling units with two or more stories of living space,
19 exclusive of basement or attic, with most or all of the sleeping areas
20 on one story and with most of the remaining habitable space, such
21 as kitchen, living, and dining areas, on another story, and with an
22 independent entrance at or near grade level.

23 (cf: P.L.1983, c.530, s.42)

24
25 2. This act shall take effect immediately.

26 27 28 STATEMENT

29
30 The bill extends the current prevailing wage requirement to
31 construction and rehabilitation work performed under New Jersey
32 Housing and Mortgage Finance Agency (HMFA) loans for work for
33 the purpose of providing five or more units of for-sale housing,
34 made pursuant to the “New Jersey Housing and Mortgage Finance
35 Agency Law of 1983.

36 The change reflects the fact that HMFA makes loans to both
37 rental and non-rental housing projects. Currently, a loan from
38 HMFA subjects a project to payment of prevailing wage rates only
39 if the project is to be comprised of rental units. By making this
40 change, the bill promotes consistency for applicability of prevailing
41 wage rates, regardless of the type of housing that HMFA subsidizes.