



222 West State Street, Trenton, NJ 08608 (609 )337-1532

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To: Chairman Johnson and Members of the Senate Labor Committee

From: Eileen Kean, Komjathy & Kean Government Affairs – representing the National Federation of Independent Businesses (NFIB)

**Opposition to S-3187 – Criminal Penalties for Prevailing Wage Violation**

NFIB, New Jersey's leading small business advocacy organization representing over 6,000 small, independent businesses, opposes this legislation. Our membership is diversified as it includes Main Street businesses and it also includes over a thousand contractors and manufacturers. NFIB believes the current penalties for a prevailing wage violation are adequate.

Under the current law a person who commits a violation of the "New Jersey Prevailing Wage Act," is guilty of a disorderly persons offense and is subject to penalties between \$2,500 and \$25,000. Also, that person is disqualified from engaging in public work for a period of up to three years. Said penalties are reasonable and suffice.

This bill states that the Commissioner of Labor and Workforce Development is required to notify the county prosecutor for an alleged violation so a criminal investigation can occur. Often, especially with small businesses, the prevailing wage issue is not always clear. In fact, last year this Committee recognized that situation. Senator Lagana's bill was signed into law by Governor Murphy to clarify that certain off-site fabrication for a project subject to the prevailing wage law are not intended to be covered by the prevailing wage. A small business should not be subject to criminal charges. Instead, the prevailing wage law should continue to be labeled a disorderly persons offense.

For these reasons, NFIB strongly opposes this legislation.