

ASSEMBLY BILL NO. 4630

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I herewith return Assembly Bill No. 4630 with my recommendations for reconsideration.

Assembly Bill No. 4630 would require that any contract entered into by a public body in connection with a "covered retail or distribution project," in which the public body has a proprietary interest, include a precondition that the contractor and all subcontractors enter a labor harmony agreement with a labor organization that represents retail or distribution center employees in the State. Under the bill, covered retail or distribution projects include retail establishments which will have more than 10 employees and distribution centers which will have more than 20 employees. The labor harmony agreement would apply for at least five years after the covered project becomes fully operational.

The legislative findings and declarations accompanying this legislation indicate that the bill is intended to apply to "major development projects with large retail establishments and distribution centers." Yet, the bill would require labor harmony agreements at retail establishments with as few as 11 employees. I am concerned that the minimal employee threshold included in the bill could have a deleterious effect on small mom-and-pop shops throughout our State. These small, typically family-owned business are a critically important component of the State's economy and part of the rich cultural tapestry of New Jersey.

I commend the bill's sponsors for promoting goals that I share - protecting reasonable access for labor unions to organize and encouraging amicable labor-management relationships. During my Administration, and in partnership with my colleagues in the

Legislature, we have realized clear and tangible benefits from strengthening the presence of labor across all sectors, including in the industries implicated by this legislation. Appropriate compensation and labor protections attract high quality workers, and labor harmony agreements ensure that labor disruptions, such as strikes, pickets, or protests, do not disturb a public body's proprietary interest in a project. We must, however, balance these goals against the impacts this bill could have on the small businesses that drive the State's economy.

With that in mind, I am recommending revisions to increase the minimum employee threshold for retail establishments from 10 employees to 20. This would mirror the bill's minimum employee requirement for distribution centers and more readily align with the bill's stated goal of ensuring labor harmony agreements are in place whenever a public entity enters into an agreement with a contractor for a major development project that contains large retail establishments or large distribution centers.

Therefore, I herewith return Assembly Bill No. 4630 and recommend that it be amended as follows:

Page 3, Section 2, Line 8: Delete "10" and insert "20"

Respectfully,

[seal]

/s/ Philip D. Murphy

Governor

Attest:

/s/ Parimal Garg

Chief Counsel to the Governor