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Dear Governor Murphy,

On behalf of the business community, we are writing to urge you to veto Assembly Bill No. 4630, which will require the State and other public entities to include labor harmony agreements as part of any contract it enters with retail and distribution projects. If signed into law, this legislation will increase costs for future owners or tenants of retail and distribution centers and limit the contractors that can participate in these projects.

This legislation places an undue burden on future retail and distribution center projects by imposing an additional mandate that will drive up the cost of doing business in New Jersey. Contractors and subcontractors will be required to enter into labor harmony agreements for a period of no less than 5 years if they wish to work on qualifying projects.

The additional costs associated with this type of long-term agreement can discourage new business owners and tenants from pursuing retail projects in New Jersey. According to the bill, the expansion of labor harmony agreements for these types of projects is necessary due to the State's proprietary interest in their success. Proprietary interest is broadly defined and even includes small financial incentives awarded to projects by the State or other public entities. This broad definition will vastly expand the scope of projects that will be subject to labor harmony agreements, even to those in which public entities have minimal interest and risk exposure. This expansion of labor harmony requirements is not necessary or beneficial to protect minimal public interests at the expense of stifling business development and growth when our state needs it most.

New Jersey is already home to the least competitive business climate in the region. Costly mandates such as this will only make that climate worse and discourage potential tenants and owners from undertaking retail and distribution center projects here. This is a particularly worrisome burden on business during a time when it is imperative to limit barriers to entry and support business development to successfully emerge from the coronavirus pandemic. For these reasons, we urge you to veto A-4630.

If you have any questions or would like to further discuss our concerns, please contact NJBIA Director of Government Affairs, Alexis Bailey at abailey@njbia.org.

Sincerely,

Commerce and Industry Association of New Jersey
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New Jersey Builders Association
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New Jersey Food Council
New Jersey State Chamber of Commerce
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