Efforts to Prevent Localities from Enacting Sick Leave and Minimum Wage Ordinances Introduced in the New Jersey Legislature

Insights
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Recently, bills addressing localities' ability to enact paid sick leave and minimum wage laws (and possibly any local laws governing private employment) were introduced in each chamber of the New Jersey Legislature. The bills, A.B. 4363 and S.B. 2865, would prohibit cities, counties, and other local entities from increasing the minimum wage or adopting mandatory paid sick leave requirements for private employers.

The legislation, if enacted, would nullify mandatory sick leave policies already enacted in nine New Jersey cities: Newark, Jersey City, Paterson, Passaic, Irvington, East Orange, Bloomfield, Montclair and Trenton. Additionally, A.B. 4363 and S.B. 2865 are in opposition, and likely response, to A.B. 3912, which was introduced in the Assembly this past March. A.B. 3912 would amend the New Jersey State Wage and Hour Law so localities can require a greater minimum wage for all employees than required by state and federal law, unless specifically preempted. New Jersey law currently allows localities to require higher wages for workers only on public contracts.

It is possible that the bills as written could extend to local laws beyond just minimum wage and sick time and prevent any local laws addressing the terms and conditions of employment offered by a private employer. The bills provide that "[a] local unit shall not adopt an ordinance, resolution, or rule or regulation, or take any other action, setting forth the terms and conditions of employment offered by any private employer, including, but not limited to, imposing sick leave or minimum wage requirements. Any ordinance, resolution, rule, or regulation, or other action taken setting forth the terms and conditions of employment offered by private employers shall be against public policy and shall be null and void."

This is the second set of bills regarding paid sick leave laws introduced in the Legislature within the past year. Late last year, bills creating a statewide paid sick leave law were introduced. So far the statewide paid sick leave bills have been reported out of committee and had a second reading in the Assembly. No action has been taken by the Senate.

New Jersey employers should keep an eye on the status of these bills. While it is unknown whether any of the above bills will be passed and what action the Governor would take should one of the bills

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reach his desk, any of the laws if enacted could have a significant impact on employers operations in New Jersey.

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