



Senate Bill No. 418

Public Act No. 22-17

AN ACT CONCERNING WAGE THEFT.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Subsection (b) of section 31-53 of the 2022 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2023*):

(b) [Any] If the commissioner, upon inspection or investigation of a complaint, believes that a contractor or subcontractor [who] has knowingly or wilfully [employs] employed any mechanic, laborer or worker in the construction, remodeling, refinishing, refurbishing, rehabilitation, alteration or repair of any public works project for or on behalf of the state or any of its agents, or any political subdivision of the state or any of its agents, at a rate of wage on an hourly basis that is less than the rate customary or prevailing for the same work in the same trade or occupation in the town in which such public works project is being constructed, remodeled, refinished, refurbished, rehabilitated, altered or repaired, or who [fails] has failed to pay the amount of payment or contributions paid or payable on behalf of each such person to any employee welfare fund, or in lieu thereof to the person, as provided by subsection (a) of this section, such contractor or subcontractor shall be issued a citation and may be fined [not less than two thousand five hundred dollars but not more than] five thousand

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dollars for each offense. [and (1) for the first violation, shall be disqualified from bidding on contracts with the state or any political subdivision until the contractor or subcontractor has made full restitution of the back wages owed to such persons and for an additional six months thereafter, and (2) for subsequent violations, shall be disqualified from bidding on contracts with the state or any political subdivision until the contractor or subcontractor has made full restitution of the back wages owed to such persons and for not less than an additional two years thereafter.] The commissioner shall maintain a list of any contractor or subcontractor that, during the three preceding calendar years, violates this section or enters into a settlement with the commissioner to resolve any claim brought by the commissioner pursuant to this section. For each contractor or subcontractor placed on such list, the commissioner shall record the following information: (1) The nature of the violation; (2) the total amount of wages and fringe benefits making up the violation or agreed upon in any settlement with the commissioner; and (3) the total amount of civil penalties and fines agreed upon by the commissioner. The commissioner shall review the list on the first day of May each year for the preceding rolling three-year period and may refer for debarment any contractor or subcontractor that committed a violation of this section during the rolling three-year period. The commissioner shall refer for debarment any contractor or subcontractor that entered into one or more settlement agreements with the commissioner where the sum total of all settlements within such period exceeds fifty thousand dollars in back wages or fringe benefits, or entered into one or more settlement agreements with the commissioner where the sum total of all settlements within such period exceeds fifty thousand dollars in civil penalties or fines agreed upon by the commissioner. Any contractor or subcontractor the commissioner refers for debarment may request a hearing before the commissioner. Such hearing shall be conducted in accordance with the provisions of chapter 54. In addition, if it is found by the contracting officer representing the state or political subdivision of the state that any

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mechanic, laborer or worker employed by the contractor or any subcontractor directly on the site for the work covered by the contract has been or is being paid a rate of wages less than the rate of wages required by the contract to be paid as required by this section, the state or contracting political subdivision of the state may (A) by written or electronic notice to the contractor, terminate such contractor's right to proceed with the work or such part of the work as to which there has been a failure to pay said required wages and to prosecute the work to completion by contract or otherwise, and the contractor and the contractor's sureties shall be liable to the state or the contracting political subdivision for any excess costs occasioned the state or the contracting political subdivision thereby, or (B) withhold payment of money to the contractor or subcontractor. The contracting department of the state or the political subdivision of the state shall, not later than two days after taking such action, notify the Labor Commissioner, in writing or electronically, of the name of the contractor or subcontractor, the project involved, the location of the work, the violations involved, the date the contract was terminated, and steps taken to collect the required wages.

Approved May 10, 2022