
OLR Bill Analysis

SB 418 (File 253, as amended by Senate "A")*

AN ACT CONCERNING WAGE THEFT.

SUMMARY

This bill changes the penalties for prevailing wage job contractors and subcontractors that knowingly or willfully fail to pay their workers the required prevailing wage (see BACKGROUND). It requires the labor commissioner to issue a citation to these violators and allows her to impose a \$5,000 fine for each violation. Current law requires her to issue fines ranging from \$2,500 to \$5,000.

The bill also changes the penalties that prohibit (debar) a contractor or subcontractor that violated the prevailing wage law from contracting with the state or its municipalities. Generally, it (1) allows the labor commissioner to refer knowing and willful violators for debarment, rather than requiring debarment for a certain period (as current law does), and (2) broadens the debarment penalty to also cover contractors and subcontractors who enter into certain settlements with the commissioner to resolve claims for prevailing wage violations.

*Senate Amendment "A" replaces the underlying bill (File 253), which would have, among other things, created additional penalties for contractors and subcontractors that knowingly or willfully fail to pay their workers the required prevailing wage.

EFFECTIVE DATE: July 1, 2023

CITATIONS, FINES, & DEBARMENT

Under current law, a contractor or subcontractor that knowingly or willfully pays a worker on a prevailing wage project less than what the prevailing wage law requires must be fined \$2,500 to \$5,000 and debarred for a certain period. First time violators must be debarred until six months after they have repaid the owed wages and subsequent

violators must be debarred until two years after they have repaid the owed wages.

Citations & Fines

The bill instead (1) requires the labor commissioner to issue a citation to such a contractor or subcontractor if, upon inspection or investigation of a complaint, she believes that it committed the violation and (2) allows her to impose a \$5,000 fine.

Listing and Debarment

The bill also removes the current debarment requirements for knowing and willful violators and instead requires the labor commissioner to maintain a list of any contractor or subcontractor that, during the previous three calendar years, (1) violated the prevailing wage law or (2) entered into a settlement with the commissioner to resolve any claims the commissioner brought under the prevailing wage law.

For each contractor or subcontractor on the list, the commissioner must record (1) the nature of the violation, (2) the total amount of wages and fringe benefits “making up” the violation or agreed upon in the settlement, and (3) the total amount of civil penalties and fines agreed upon by the commissioner. (The bill does not further specify how to determine the wages and benefits “making up” a violation.)

The bill requires the commissioner to annually review the list on May 1, for the preceding rolling three-year period. It allows her to “refer for debarment” any contractor or subcontractor that violated the prevailing wage law during the rolling three-year period. And it requires her to do so for any contractor or subcontractor with whom she entered into one or more settlements totaling over the period more than \$50,000 in (1) back wages or fringe benefits or (2) civil penalties or fines agreed upon by the commissioner. The bill allows any contractor or subcontractor referred for debarment to request a hearing with the commissioner under the Uniform Administrative Procedures Act.

Existing law, unchanged by the bill, (1) requires the commissioner to

maintain a list of persons or firms that have disregarded their obligations under the prevailing wage law and (2) prohibits the state and its political subdivisions from contracting with any persons or firms on the list for up to three years, as determined by the commissioner (CGS § 31-53a). The bill does not specify, but presumably, its provisions on referring a contractor or subcontractor for debarment involve placing the contractor or subcontractor on this list.

BACKGROUND

Prevailing Wage

The state's prevailing wage law requires employers on certain public works projects to pay their construction workers wages and benefits equal to those that are customary or prevailing for the same work, in the same trade or occupation, in the same town. The requirement applies to new construction projects of \$1 million or more and renovation projects of \$100,000 or more.

COMMITTEE ACTION

Labor and Public Employees Committee

Joint Favorable

Yea 9 Nay 4 (03/22/2022)