



Substitute Senate Bill No. 931

Public Act No. 07-89

**AN ACT CONCERNING PENALTIES FOR CONCEALING
EMPLOYMENT OR OTHER INFORMATION RELATED TO
WORKERS' COMPENSATION PREMIUMS.**

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

Section 1. Subsection (g) of section 31-288 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2007*):

(g) Any employer who ~~[(1) has failed to meet the requirements of subsection (b) of section 31-284, or (2)]~~ with the intent to injure, defraud or deceive any insurance company insuring the liability of such employer under this chapter, ~~[(1) (A) knowingly misrepresents one or more employees as independent contractors, or [(2) (B) knowingly provides false, incomplete or misleading information to such company concerning the number of employees, for the purpose of paying a lower premium on a policy obtained from such company, shall be guilty of a class D felony and shall be subject to a stop work order issued by the Labor Commissioner in accordance with section 31-76a, as amended by this act.]~~

Sec. 2. Subsection (a) of section 31-69a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective*

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October 1, 2007):

(a) In addition to the penalties provided in this chapter and chapter 568, any employer, officer, agent or other person who violates any provision of this chapter or subsection (g) of section 31-288, as amended by this act, shall be liable to the Labor Department for a civil penalty of three hundred dollars for each violation of said chapters and for each violation of subsection (g) of section 31-288, as amended by this act, except that any person who violates a stop work order issued pursuant to subsection (c) of section 31-76a, as amended by this act, shall be liable to the Labor Department for a civil penalty of one thousand dollars and each day of such violation shall constitute a separate offense.

Sec. 3. Section 31-76a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2007*):

(a) On receipt of a complaint for nonpayment of wages or a violation of the provisions of subsection (g) of section 31-288, as amended by this act, the Labor Commissioner, the director of minimum wage and wage enforcement agents of the Labor Department shall have power to enter, during usual business hours, the place of business or employment of any employer to determine compliance with the wage payment laws or subsection (g) of section 31-288, as amended by this act, and for such purpose may examine payroll and other records and interview employees, call hearings, administer oaths, take testimony under oath and take depositions in the manner provided by sections 52-148a to 52-148e, inclusive.

(b) The commissioner or the director, for such purpose, may issue subpoenas for the attendance of witnesses and the production of books and records. Any employer or any officer or agent of any employer, corporation, firm or partnership who wilfully fails to furnish time and wage records as required by law to the commissioner, the director of

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minimum wage or any wage enforcement agent upon request, or who refuses to admit the commissioner, the director or such agent to the place of employment of such employer, corporation, firm or partnership, or who hinders or delays the commissioner, the director or such agent in the performance of the commissioner's, the director's or such agent's duties in the enforcement of this section shall be fined not less than [twenty-five] one hundred dollars nor more than [one hundred] two hundred fifty dollars. Each day of such failure to furnish the time and wage records to the commissioner, the director or such agent shall constitute a separate offense, and each day of refusal to admit, of hindering or of delaying the commissioner, the director or such agent shall constitute a separate offense.

(c) (1) If the commissioner determines, after an investigation pursuant to subsection (a) of this section, that an employer is in violation of subsection (g) of section 31-288, as amended by this act, the commissioner shall issue, not later than seventy-two hours after making such determination, a stop work order against the employer requiring the cessation of all business operations of such employer. Such stop work order shall be issued only against the employer found to be in violation of subsection (g) of section 31-288, as amended by this act, and only as to the specific place of business or employment for which the violation exists. Such order shall be effective when served upon the employer or at the place of business or employment. A stop work order may be served at a place of business or employment by posting a copy of the stop work order in a conspicuous location at the place of business or employment. Such order shall remain in effect until the commissioner issues an order releasing the stop work order upon a finding by the commissioner that the employer has come into compliance with the requirements of subsection (b) of section 31-284, or after a hearing held pursuant to subdivision (2) of this subsection.

(2) Any employer against which a stop work order is issued

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pursuant to subdivision (1) of this subsection may request a hearing before the commissioner. Such request shall be made in writing to the commissioner not more than ten days after the issuance of such order. Such hearing shall be conducted in accordance with the provisions of chapter 54.

(3) Stop work orders and any penalties imposed under section 31-288, as amended by this act, or 31-69a against a corporation, partnership or sole proprietorship for a violation of subsection (g) of section 31-288, as amended by this act, shall be effective against any successor entity that has one or more of the same principals or officers as the corporation, partnership or sole proprietorship against which the stop work order was issued and are engaged in the same or equivalent trade or activity.

(4) The commissioner shall adopt regulations, in accordance with the provisions of chapter 54, necessary to carry out this subsection.

Approved June 5, 2007