



General Assembly

Amendment

January Session, 2007

LCO No. 7435

SB0093107435SD0

Offered by:
SEN. PRAGUE, 19th Dist.

To: Subst. Senate Bill No. 931

File No. 222

Cal. No. 253

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

1 Strike lines 1 to 13, inclusive, in their entirety and substitute the
2 following in lieu thereof:

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4 repealed and the following is substituted in lieu thereof (*Effective*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

6 (g) Any employer who [,] (1) has failed to meet the requirements of
7 subsection (b) of section 31-284, or (2) with the intent to injure, defraud
8 or deceive any insurance company insuring the liability of such
9 employer under this chapter, [(1)] (A) knowingly misrepresents one or
10 more employees as independent contractors, or [(2)] (B) knowingly
11 provides false, incomplete or misleading information to such company
12 concerning the number of employees, for the purpose of paying a
13 lower premium on a policy obtained from such company, shall be
14 guilty of a class D felony and shall be subject to a stop work order

15 issued by the Labor Commissioner in accordance with section 31-76a,
16 as amended by this act."

17 In line 24, strike "(g) of section 31-288" and insert "(c) of section 31-
18 76a" in lieu thereof

19 After the last section, add the following and renumber sections and
20 internal references accordingly:

21 "Sec. 501. Section 31-76a of the general statutes is repealed and the
22 following is substituted in lieu thereof (*Effective October 1, 2007*):

23 (a) On receipt of a complaint for nonpayment of wages or a
24 violation of the provisions of subsection (g) of section 31-288, as
25 amended by this act, the Labor Commissioner, the director of
26 minimum wage and wage enforcement agents of the Labor
27 Department shall have power to enter, during usual business hours,
28 the place of business or employment of any employer to determine
29 compliance with the wage payment laws or subsection (g) of section
30 31-288, as amended by this act, and for such purpose may examine
31 payroll and other records and interview employees, call hearings,
32 administer oaths, take testimony under oath and take depositions in
33 the manner provided by sections 52-148a to 52-148e, inclusive.

34 (b) The commissioner or the director, for such purpose, may issue
35 subpoenas for the attendance of witnesses and the production of books
36 and records. Any employer or any officer or agent of any employer,
37 corporation, firm or partnership who wilfully fails to furnish time and
38 wage records as required by law to the commissioner, the director of
39 minimum wage or any wage enforcement agent upon request, or who
40 refuses to admit the commissioner, the director or such agent to the
41 place of employment of such employer, corporation, firm or
42 partnership, or who hinders or delays the commissioner, the director
43 or such agent in the performance of the commissioner's, the director's
44 or such agent's duties in the enforcement of this section shall be fined
45 not less than [twenty-five] one hundred dollars nor more than [one
46 hundred] two hundred fifty dollars. Each day of such failure to furnish

47 the time and wage records to the commissioner, the director or such
48 agent shall constitute a separate offense, and each day of refusal to
49 admit, of hindering or of delaying the commissioner, the director or
50 such agent shall constitute a separate offense.

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

69 (2) Any employer against which a stop work order is issued
70 pursuant to subdivision (1) of this subsection may request a hearing
71 before the commissioner. Such request shall be made in writing to the
72 commissioner not more than ten days after the issuance of such order.
73 Such hearing shall be conducted in accordance with the provisions of
74 chapter 54.

75 (3) Stop work orders and any penalties imposed under section 31-
76 288, as amended by this act, or 31-69a against a corporation,
77 partnership or sole proprietorship for a violation of subsection (g) of
78 section 31-288, as amended by this act, shall be effective against any
79 successor entity that has one or more of the same principals or officers

80 as the corporation, partnership or sole proprietorship against which
81 the stop work order was issued and are engaged in the same or
82 equivalent trade or activity.

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