



House of Representatives

General Assembly

File No. 561

January Session, 2009

Substitute House Bill No. 5515

House of Representatives, April 8, 2009

The Committee on Planning and Development reported through REP. SHARKEY of the 88th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING MUNICIPAL ORDINANCES ESTABLISHING WAGE AND OTHER STANDARDS FOR CONTRACTORS.

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

- 1 Section 1. (NEW) (*Effective January 1, 2010*) Any municipality may,
- 2 by ordinance, establish wage requirements and working condition
- 3 standards for contractors or businesses as a condition to receiving tax
- 4 abatements or economic development assistance from the
- 5 municipality.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>January 1, 2010</i>	New section
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Statement of Legislative Commissioners:

The new language was made a separate section for accuracy and consistency with the organization of the general statutes.

LAB *Joint Favorable C/R*

PD

PD *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 10 \$	FY 11 \$
Various Municipalities	Uncertain	See Below	See Below

Explanation

The bill allows municipalities to establish wage requirements and working condition standards for contractors or businesses as a condition to receiving tax abatements or economic development assistance. The fiscal impact of the bill is uncertain as it is unknown to what extent municipalities will choose to apply such ordinances.

OLR Bill Analysis**sHB 5515*****AN ACT CONCERNING MUNICIPAL ORDINANCES ESTABLISHING WAGE AND OTHER STANDARDS FOR CONTRACTORS.*****SUMMARY:**

This bill permits any municipality, by ordinance, to establish wage requirements and working condition standards for contractors or businesses as a condition for receiving tax abatements or economic development assistance from the municipality. While a few towns have enacted ordinances establishing wage and working condition standards, current law does not authorize making these standards a condition of receiving aid.

State law also establishes certain tax abatements and economic development assistance, such as the Urban Act (see BACKGROUND), that are available through municipalities. It is unclear whether the bill's authority extends to these as municipalities must follow the requirements and procedures established under the particular law. The bill does not indicate that it supersedes other statutes that control municipal tax abatements and other economic development assistance.

EFFECTIVE DATE: January 1, 2010

BACKGROUND***Urban Act Funds***

The Urban Act provides state grants to municipalities for a variety of economic development purposes which include revolving business loan funds, brownfields cleanup, and capital improvements.

COMMITTEE ACTION

Labor and Public Employees Committee

Joint Favorable Change of Reference

Yea 8 Nay 2 (03/05/2009)

Planning and Development Committee

Joint Favorable Substitute

Yea 14 Nay 4 (03/20/2009)