



**State of Connecticut**  
**HOUSE REPUBLICAN OFFICE**  
STATE CAPITOL  
HARTFORD, CONN. 06106

**Testimony before the Labor Committee**  
**March 13, 2012**  
**House Bill 5401**

**“An Act Concerning Leasebacks and the Prevailing Wage Threshold”**

Chairs Prague and Ryan, Ranking Members Rigby and Guglielmo and members of the Labor Committee, this testimony is being submitted in support of Raised Bill 5401, “An Act Concerning Leasebacks and the Prevailing Wage Threshold.”

The prevailing wage thresholds under current law are \$400,000 for new construction and \$100,000 for remodeling/alteration/etc. While our caucus submitted a proposal to raise those thresholds to \$1 million and \$500,000, respectively, we appreciate the committee’s willingness to consider addressing the high costs that our prevailing wage law imposes on public works projects. The bill before you temporarily increases the prevailing wage threshold for new construction, including new construction that is leased by the state or a town, from \$400,000 to \$750,000 and is in effect for two years (1/1/13 - 12/31/14). This bill does not change the prevailing wage threshold for remodeling/alteration/etc., which remains at \$100,000.

During these tough economic times, we as a state should be doing all we can to cut costs wherever possible. Modifying our prevailing wage law would go a long way towards providing our towns, as well as our state, with some economic relief. Doing so temporarily, as this bill does, at least allows us all to see how such a modification would work and what impact it would have.

Our prevailing wage law is an unfunded mandate that costs our towns millions of dollars and our thresholds are 14 years out of date. The time has come to increase the threshold amounts to reflect current construction costs.

Doing so could save our towns up to 30% on projects that they would start this year. They in turn would put more people to work by giving our local, smaller companies an opportunity to work on these projects – something they cannot do under the current law.

This committee has considered many different proposals to reform this law in the past, and I sincerely hope that you will consider this temporary modification and report HB 5401 favorably.

Thank you for your time and consideration.