HOME BUILDERS & REMODELERS ASSOCIATION OF CONNECTICUT, INC.
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Your Home Is Our Business

February 26, 2013

To: Senator Catherine A. Osten, Co-Chairman
Representative Peter A. Tercyak, Co-Chairman
Members of the Labor & Public Employees Committee

From: Bill Ethier, CAE, Chief Executive Officer

Re: **SB 926, AAC an Increase in Penalties Due to False or Misleading Declarations, Statements or Representations**

The HBRA of Connecticut is a professional trade association with about nine hundred (900) member firms statewide employing tens of thousands of CT's citizens. Our members, all small businesses, are residential and small commercial builders, land developers, remodelers, general contractors, subcontractors, suppliers and those businesses and professionals that provide services to our diverse industry and to consumers. While our membership has declined over the course of our seven-year Great Housing Recession from its high of 1,500 members, we build between 70% to 80% of all new homes and apartments in the state each year and engage in countless home remodeling projects.

We oppose SB 926 because of the reasons stated in our testimony on SB 344 that highlight the tremendous difficulty the residential construction industry has in accurately answering many questions with the Dept. of Labor's ABC Test.

Again, while we wholeheartedly agree that the misclassification issue and the definition of independent contractors versus employees needs to be resolved, and we join with DOL and others to remove bad actors from our industry, until the issues raised in our testimony on SB 344 are addressed, we cannot support higher penalties for noncompliance.

For our industry in particular, raising penalties on misleading declarations, statements or representations regarding an unclear and confusing worker classification test, any of which could be considered to be willful after the fact by DOL, is like raising the fine for speeding when the speed limit is posted as

SPEED LIMIT
55 in most cases
but could be 35 in some cases,
or even 65 in rare cases.

The law screams out, "go ahead; try to comply; we dare you." Please fix the significant issues with the ABC Test for the residential construction industry before considering raising noncompliance penalties. Thank you for the opportunity to express our views on this important topic.