



General Assembly

**Substitute Bill No. 5756**

January Session, 2013



**AN ACT CONCERNING THE STANDARD WAGE AND EMPLOYERS RECEIVING ASSISTANCE FROM STATE ECONOMIC DEVELOPMENT AGENCIES.**

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

1 Section 1. (NEW) (*Effective January 1, 2014, and applicable to any*  
2 *agreement for financial assistance entered into on or after said date*) (a) On  
3 and after January 1, 2014, if the Department of Economic and  
4 Community Development or Connecticut Innovations, Incorporated,  
5 provides financial assistance to any business organization in an  
6 amount equal to or greater than five hundred thousand dollars within  
7 one calendar year, such providing agency shall require, as a condition  
8 of receiving such financial assistance, that (1) the business organization  
9 pay, or require to be paid, to each employee providing food  
10 preparation or service, or both, or building, property or equipment  
11 services, as defined in section 31-57f of the general statutes, for ten  
12 years from the date the business organization received such assistance,  
13 or for any longer duration to which the business organization and  
14 providing agency may agree, wages equal to or greater than the  
15 standard rate of wages paid by a required employer, as defined in said  
16 section 31-57f, to an employee performing such services pursuant to  
17 said section 31-57f, and (2) any contract entered into by the business  
18 organization for the provision of food preparation or service, or both,  
19 or building, property or equipment services, as defined in said section

20 31-57f, for ten years from the date the business organization received  
21 such assistance, or for any longer duration to which the business  
22 organization and providing agency may agree, shall contain the  
23 following provision: "The wages paid on an hourly basis to any person  
24 providing food preparation or service, or both, or building, property or  
25 equipment services and the amount of payment or contribution paid  
26 or payable on behalf of each such person to any employee benefit fund,  
27 as defined in section 31-57f of the Connecticut general statutes, shall be  
28 at a rate equal to or greater than the standard rate of wages paid by a  
29 required employer, as defined in said section 31-57f, to an employee  
30 performing such services pursuant to said section 31-57f."

31 (b) If a business organization receiving financial assistance in an  
32 amount equal to or greater than five hundred thousand dollars within  
33 one calendar year from the Department of Economic and Community  
34 Development or Connecticut Innovations, Incorporated, or an  
35 independent contractor of such business organization, fails to pay any  
36 employee providing such services at a rate equal to or greater than the  
37 standard rate of wages, as required by subdivision (1) of subsection (a)  
38 of this section, or fails to contract for the payment of employees at a  
39 rate equal to or greater than the standard rate of wages, as required by  
40 subdivision (2) of subsection (a) of this section, the Labor  
41 Commissioner may require such business organization to repay the  
42 full amount of any financial assistance received to the providing  
43 agency. In addition, if the commissioner finds that such business  
44 organization knowingly failed to (1) pay, or cause to be paid, any  
45 employee providing such services at a rate equal to or greater than the  
46 standard rate of wages, or (2) contract for the payment of any  
47 employee at a rate equal to or greater than the standard rate of wages,  
48 the commissioner may require such business organization to pay a  
49 civil penalty of five per cent of the full amount of any financial  
50 assistance received to the providing agency. For purposes of this  
51 section, "financial assistance" includes, but is not limited to, all forms  
52 of loans, grants, guarantees and tax abatements.

53       Sec. 2. (NEW) (*Effective January 1, 2014, and applicable to any agreement*  
54 *for financial assistance entered into on or after said date*) (a) On receipt of a  
55 complaint for nonpayment of the standard rate of wages by a business  
56 organization receiving financial assistance pursuant to section 1 of this  
57 act, or an independent contractor of such business organization, the  
58 Labor Commissioner, the Director of Wage and Workplace Standards  
59 and wage enforcement agents of the Labor Department shall have  
60 power to enter, during usual business hours, the place of business or  
61 employment of such business organization, or independent contractor  
62 of such business organization, to determine compliance with this  
63 section, and for such purpose may examine payroll and other records  
64 and interview employees, call hearings, administer oaths, take  
65 testimony under oath and take depositions in the manner provided by  
66 sections 52-148a to 52-148e, inclusive, of the general statutes. The  
67 commissioner or the director, for such purpose, may issue subpoenas  
68 for the attendance of witnesses and the production of books and  
69 records. Any business organization, an officer or agent of such  
70 business organization, or the officer or agent of any corporation, firm  
71 or partnership who wilfully fails to furnish time and wage records as  
72 required by law to the commissioner, the director or any wage  
73 enforcement agent upon request or who refuses to admit the  
74 commissioner, the director or such agent to such business  
75 organization's place of employment or who hinders or delays the  
76 commissioner, the director or such agent in the performance of any  
77 duties in the enforcement of this section shall be fined not less than  
78 twenty-five dollars nor more than one hundred dollars, and each day  
79 of such failure to furnish time and wage records to the commissioner,  
80 the director or such agent shall constitute a separate offense, and each  
81 day of refusal of admittance, of hindering or of delaying the  
82 commissioner, the director or such agent shall constitute a separate  
83 offense.

84       (b) Any employee aggrieved by a violation of subsection (b) of  
85 section 1 of this act may file a complaint with the Labor Commissioner  
86 alleging violation of the provisions of said subsection. Upon receipt of

87 any such complaint, the commissioner shall hold a hearing. After the  
 88 hearing, the commissioner shall send each party a written copy of the  
 89 commissioner's decision. The commissioner may (1) award the  
 90 employee all appropriate relief, including payment of back wages to  
 91 which the employee otherwise would have been eligible if a violation  
 92 of subsection (b) of section 1 of this act had not occurred, and (2)  
 93 require the business organization to repay the full amount of financial  
 94 assistance received plus a civil penalty of five per cent of such sum, if  
 95 applicable, to the providing agency. Any party aggrieved by the  
 96 decision of the commissioner may appeal the decision to the Superior  
 97 Court in accordance with the provisions of chapter 54 of the general  
 98 statutes.

99 (c) The Labor Commissioner may adopt regulations, in accordance  
 100 with chapter 54 of the general statutes, to carry out the provisions of  
 101 this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2014, and applicable to any agreement for financial assistance entered into on or after said date</i>	New section
Sec. 2	<i>January 1, 2014, and applicable to any agreement for financial assistance entered into on or after said date</i>	New section

**LAB**      *Joint Favorable Subst.*