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## **OLR Bill Analysis**

### **sSB 1130**

#### ***AN ACT MAXIMIZING JOBS FOR STATE WORKERS BY REQUIRING LOCAL CONSTRUCTION HIRING REPORTS BY RECIPIENTS OF ECONOMIC DEVELOPMENT FUNDS.***

#### **SUMMARY:**

This bill creates a reporting procedure to assess the extent to which Connecticut contractors and construction workers are being hired for state-funded economic development projects. It requires businesses applying for over \$5 million in state economic development funds from the Department of Economic and Community Development (DECD) or Connecticut Innovations, Inc. (CII) to (1) commit to taking reasonable steps to use Connecticut businesses for the construction portion of their projects and (2) report annually to DECD and the Labor Department on their efforts.

These departments must summarize the information the businesses provide and submit the summary by February 1, annually to the governor, legislature, and Commerce and Labor committees. In doing so, they must suggest policies to encourage contractors working on state-funded economic development projects to hire state residents.

EFFECTIVE DATE: October 1, 2013

#### **ECONOMIC DEVELOPMENT PROJECTS**

Businesses receiving over \$5 million in financial assistance from DECD or CII must comply with the bill's reporting requirement. Under the bill, such assistance includes grants, credit extensions, loans, loan guarantees, participation interests in CII loans, or any combination of these forms of assistance.

#### **LOCAL CONSTRUCTION HIRING REPORT**

Businesses applying for over \$5 million in financial assistance must

(1) commit to taking reasonable steps to contract with Connecticut businesses for the construction portion of the project and (2) report annually to DECD and the Labor Department on their efforts until the construction work is done. The first "labor construction hiring report" is due within 12 months after that work began.

Each report must address the business' efforts to contract with Connecticut businesses and the employment practices of their construction contractors. The report must specifically:

1. describe the efforts the business took to (a) contract with Connecticut construction contractors and (b) encourage the contractors to hire Connecticut residents,
2. list the contractors that performed the construction work,
3. indicate the number and percentage of Connecticut residents the contractors employ and the number of such residents they employed on the project,
4. provide the average wage and benefit the contractors paid to the construction workers who worked on the project, and
5. provide any other information the departments require.

#### **ANNUAL REPORT**

DECD and the Labor Department must submit by February 1, annually, a report to the governor, legislature, and Commerce and Labor committees summarizing the information contained in the labor construction hiring reports. The report must also:

1. list the businesses included in the local construction hiring reports,
2. provide the number of Connecticut residents each business hired and the total number they all hired,
3. show the change in the number of Connecticut residents each business hired since the prior report and the change in the total

number of such residents for all of them,

4. provide the average wage and benefits for construction workers on each project funded partly or entirely with state funds and the average wage and benefits for workers on all such projects, and
5. suggest how contactors could be encouraged to hire more Connecticut residents.

**COMMITTEE ACTION**

Commerce Committee

Joint Favorable Substitute

Yea 13 Nay 6 (03/26/2013)