



OLR RESEARCH REPORT

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PREVAILING WAGE THRESHOLDS

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You asked for an update of OLR Report [2002-R-0257](#) in which we provided prevailing wage threshold amounts for all states having such laws. For further details regarding the prevailing rates paid to Connecticut workers, see OLR Report [2010-R-0432](#).

SUMMARY

Thirty-two states, including Connecticut, have prevailing wage laws requiring contractors on state or municipally funded public works projects to pay their workers' wages and offer them benefits at least equal to those the Connecticut Labor Department (CT DOL) announces annually as the [prevailing wage](#) for each Connecticut town. Most prevailing wage states tie coverage to the value of the contract award. Thus, contractors working on relatively small projects do not have to comply with the prevailing wage laws.

Contractors working on public projects in Connecticut are subject to both criminal and civil penalties if they fail to pay prevailing wages. Underpaying employees in violation of the wage and hour law is a class C felony and can also subject the wrongdoer to civil fines, contract cancellation, and a prohibition against bidding on future contracts.

STATES' PREVAILING WAGE THRESHOLDS

Generally, state prevailing wage laws apply when a public work project's contract value meets or exceeds a pre-determined threshold amount. Since 1991, Connecticut's threshold has been \$400,000 for new construction and \$100,000 for remodeling projects. Its new construction threshold is the second highest in the nation, behind only Maryland's, whose is \$500,000.

Three states have higher thresholds than Connecticut's for remodeling work (Indiana (\$150,000), Kentucky (\$250,000), and Vermont (no minimum threshold in 2002, but \$10,000 for current projects). And nine states (Illinois, Massachusetts, Michigan, Missouri, Nebraska, New York, Texas, Washington, and West Virginia) have no thresholds and generally apply prevailing wage laws to all their public works projects.

Threshold amounts remained relatively steady between 2002 and 2013. There was no change in 21 states. They increased in seven states (Alaska, Arkansas, Indiana, New Jersey (for municipal projects), Ohio, Oregon, and Wisconsin (for single-trade projects (see footnote 4)) and decreased in three (Nebraska, Washington, and Wisconsin) (for multi-trade projects).

Table 1 shows prevailing wage thresholds for 2013 and 2002 and, for each state, how those figures changed during this period.

**Table 1: Prevailing Wage Thresholds and Comparisons:
2013 and 2002**

State	2013 Threshold	2002 Threshold	Change (+/-)
Alaska¹	\$25,000	\$2,000	+ \$23,000
Arkansas¹	75,000	5,000	+ 70,000
California¹	1,000	1,000	No change
Connecticut	400,000 (new construction)	400,000 (new construction)	No change
	100,000 (remodeling)	100,000 (remodeling)	

Table 1 (continued)

State	2013 Threshold	2002 Threshold	Change (+/-)
			No change
Delaware¹	100,000 (new construction)	100,000 (new construction)	No change
	15,000 (altering, repairing, renovating, rehabilitating, demolishing, or reconstructing)	15,000 (altering, repairing, renovating, rehabilitating, demolishing, or reconstructing)	No change
Hawaii¹	2,000	2,000	No change
Illinois^{1,2}	None	None	No change
Indiana	350,000	150,000	+ 200,000
Kentucky¹	250,000	250,000	No change
Maine¹	50,000	50,000	No change
Maryland¹	500,000	500,000	No change
Massachusetts^{1,2}	None	None	No change
Michigan^{1,2}	None	None	No change
Minnesota	25,000 (Multi-trade projects)	25,000 (Multi-trade)	No change
	2,500 (Single-trade projects)	2,500 (single-trade projects))	No change
Missouri^{1,2}	None	None	No change

Table 1 (continued)

State	2013 Threshold	2002 Threshold	Change (+/-)
Montana ¹	25,000	25,000	No change
Nebraska	None	40,000 (public school projects)	(Unlimited)
Nevada ¹	100,000	100,000	No change
New Jersey	2,000 14,187 (municipal projects)	2,000 10,743 (municipal projects)	No change + 3,453 (municipal projects)
New Mexico ¹	60,000	20,000	+ 40,000
New York ^{1,2}	None	None	No change
Ohio ³	200,000 (new construction) 60,000 (remodeling)	62,549 (new construction) 18,764 (remodeling)	+ 137,451 (new construction) + 41,236 (remodeling)
Oregon	50,000	25,000	+ 25,000
Pennsylvania ¹	25,000	25,000	No change
Rhode Island ¹	1,000	1,000	No change
Tennessee ¹	50,000	50,000	No change
Texas ^{1,2}	None	None	No change
Vermont	100,000	None	+ 100,000
Washington ^{1,4}	None	17,500 (state college construction)	No limit (state college construction)
West Virginia ¹	50,000 (W. Va. Infrastructure and Jobs Development Council projects only)	50,000 (W.Va. Infrastructure and Jobs Development Council projects only)	No change

Table 1 (continued)

State	2013 Threshold	2002 Threshold	Change (+/-)
Wisconsin ⁵	100,000 (multi-trade projects)	175,000 (multi-trade projects)	-75,000 (multi-trade projects)
	48,000 (single trade)	36,000 (single-trade)	+12,000 (single-trade)
Wyoming ¹	25,000	25,000	No change

Source: U.S. Department of Labor, Wage and Hour Division: Dollar Threshold Amount for Contract Coverage (Jan. 1, 2013).

¹ New construction and remodeling thresholds are the same in these states.

² These states do not tie their prevailing thresholds to the project's cost. They generally require all contractors to pay workers the same prevailing wages for all new construction and remodeling work.

³ Ohio has district thresholds for work that involves roads, streets, alleys, sewers, ditches, and work connected to road or bridge construction. The threshold for new construction for these projects is \$78,258. The threshold for remodeling is \$23,447.

⁴ A separate Washington law applies only to state college and university construction projects; their threshold is \$25,000.

⁵ In Wisconsin, a single-trade project is one in which one trade, such as electricians, completes most of the work. A multiple-trade project is one in which no single trade accounts for 85% or more of the total labor costs. Where a multiple-trade project is involved, a threshold of \$234,000 applies if the project involves erection, construction, repair, remodeling, or demolition for a (1) city or village with fewer than 2,500 residents or (2) town.

CONNECTICUT'S PENALTIES FOR NON-COMPLIANCE

Larceny

Under Connecticut law, non-compliant contractors are subject to criminal and civil penalties. Underpaying a person working on a public works project is a form of larceny, a class C felony. The offense is punishable by imprisonment for up to 10 years, a fine of up to \$10,000 or both ([CGS §53a-123](#)). Larceny is also classified as a crime of moral turpitude, thus disqualifying people with such convictions from certain jobs and professional licenses.

Administrative Sanctions

Mandatory. Violators of the prevailing wage law are also subject to administrative sanctions and orders of restitution. They must be:

1. fined between \$2,500 and \$5,000 per violation;
2. reported to the CT DOL by the Department of Administrative Services (DAS) or municipal contracting authority by (a) name; (b) project and location; (c) type of violation; (d) date on which DAS or a local contracting agency terminated their contract, if applicable; and (e) steps either agency took to collect the unpaid wages;
3. for first offenses, disqualified from bidding on state and local government contracts for an additional six months after making full restitution; and
4. for subsequent offenses, disqualified for an additional two years after making full restitution ([CGS §31-53\(b\)](#)).

Discretionary. If a DOL investigator determines that a contractor is, or has been, paying any worker less than the wage specified in its public works contract, the department may (a) terminate some or all of the contract and arrange for someone else to complete the work, at the original contractor's expense, or (b) withhold payment ([CGS §31-53\(b\)](#)).

Also, the law gives DOL discretion to debar such contractors (Id.) Contractors who bid for public works or highway contracts or perform such work during the debarment period are subject to a \$1,000 civil penalty for each full or partial day of work ([CGS §31-53\(b\)\(4\)](#)).

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