



State of Connecticut

HOUSE OF REPRESENTATIVES STATE CAPITOL

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MEMBER

APPROPRIATIONS COMMITTEE
PLANNING AND DEVELOPMENT COMMITTEE
GOVERNMENT ADMINISTRATION AND ELECTIONS
COMMITTEE

February 24, 2015 * 6:00pm * Middletown City Hall

Testimony in support of HB 5075, *An Act Increasing the Prevailing Wage Threshold.*

Dear Senator Winfield, Representative Tercyak, Senator Hwang and Representative Rutigliano, and other distinguished members of the Labor and Public Employees Committee. Thank you for the opportunity to testify in support of **HB 5075, *An Act Increasing the Prevailing Wage Threshold.***

Connecticut's prevailing wage law, first established in 1933, is codified in CGS Section 31-53 and Section 31-53a. The law applies to each contract for the construction, remodeling, refinishing, refurbishing, rehabilitation, alteration or repair of any public works project by the State or its agents, or by any political subdivision of the State. The first Prevailing Wage Threshold was established in 1961 at \$5,000 changing to a two-tier system in 1979 with a threshold of \$10,000 for renovation projects and \$50,000 for new construction. These thresholds were increased in 1985 to \$50,000 and \$200,000 and again in 1991 to \$100,000 and \$400,000.

Over the past 24 years since the last increase in the Prevailing Wage Threshold amounts, the cost of relatively minor municipal public works projects has increased both due directly to inflation of material costs as well as the general cost of services. As good stewards of taxpayer dollars and in light of these challenging economic times, municipalities should have the opportunity to make the most efficient use of tax revenue by being able to accept the lowest qualified bid for service for these small municipal public works projects vice one that may be artificially higher due to the prevailing wage requirement.

Increasing the Prevailing Wage Threshold to \$500,000 for remodeling work and \$1,000,000 for new construction would enable First Selectmen and Mayors to have the opportunity for precious tax revenue to be spent more cost-effectively thereby having the potential to reduce the property

tax burden for these projects on the residents. I would also recommend that the Prevailing Wage Threshold be indexed for inflation on a periodic basis.

I urge the Labor and Public Employees Committee to support HB 5075 and thank all the members for their attention.

Regards,

Mike France State Representative, 42nd Assembly District
Ledyard, Preston, Montville