



# State of Connecticut

## SENATE

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Sen. Kevin Witkos

Testimony

Labor and Public Employees Committee

February 23, 2015

In Support of:

SB 113 An Act Exempting Certain Municipal Projects from Prevailing Wage Requirements and  
SB 114 An Act Increasing the Prevailing Wage Threshold for Municipal Projects

Representative Tercyak, Senator Winfield, Representative Rutigliano, Senator Hwang and members of the Labor and Public Employees Committee. Thank you for this opportunity to speak in support of SB 113 An Act Exempting Certain Municipal Projects from Prevailing Wage Requirements and SB 114 An Act Increasing the Prevailing Wage Threshold for Municipal Projects.

Current prevailing wage laws often burden towns by increasing the costs associated with municipal projects. Inflated costs can push towns to search for new revenue, and often result in high local taxes.

Connecticut has been burdened by high taxes for far too long. We are currently ranked as one of the worst states for property taxes, with our high fees putting us in the #2 spot, according to the Tax Foundation and Kiplinger. One way to help reduce these taxes is to decrease the costs that burden municipalities. Adjusting the prevailing wage laws that municipalities must abide by will make it easier for towns to fund their own projects – and could therefore translate into local tax savings.

SB 114, An Act Increasing the Prevailing Wage Threshold for Municipal Projects, aims to provide property tax relief by raising the threshold amount for municipal prevailing wage projects. Specifically, it proposes raising the threshold amount to \$1 million for new construction and \$500,000 for remodeling, refinishing, refurbishing, rehabilitation, alteration or repair work. Under current law, Connecticut's threshold has been \$400,000 for new construction and \$100,000 for remodeling projects since 1991. The goal of raising the threshold is to help stop town projects from being hindered by unaffordable wage costs and to help prevent resulting higher taxes from falling on local taxpayers.

SB 113, An Act Exempting Certain Municipal Projects from Prevailing Wage Requirements, would further reduce the burdens on towns by exempting STEAP grant projects from the

prevailing wage requirements. This would free towns from burdensome requirements and could potentially result in savings for the state by reducing the costs of bonded projects, thereby resulting in decreased debt service costs. Additionally, it would allow local contractors to bid on jobs. This means projects can be more affordable to start with, and our state can face less debt in the long run.

Adjusting the prevailing wage laws in our municipalities will help make important community projects more affordable and therefore more feasible. Reduced municipal costs can also translate to reduced local taxes.

Thank you for the opportunity to testify in support of these two bills. Helping our towns lower expenses is a vital step in improving daily life and sparking economic development in communities across the state.