



**HOME BUILDERS & REMODELERS ASSOCIATION
OF CONNECTICUT, INC.**

3 Regency Drive, Suite 204, Bloomfield, CT 06002
Tel: 860-216-5858 Fax: 860-206-8954 Web: www.hbact.org

*Your Home
Is Our
Business*

March 5, 2015

To: Senator Edwin Gomes, Co-Chairman
Representative Peter A. Tercyak, Co-Chairman
Members of the Labor and Public Employees Committee

From: Bill Ethier, CAE, Chief Executive Officer

Re: **SB 1037, AAC Employee Liens Against Employers for Unpaid Wages**
HB 6784, An Act Expanding Paid Sick Leave
HB 6932, AAC Paid Family Medical Leave
HB 6993, AAC Predictable Scheduling for Employees

The HBRA of Connecticut is a professional trade association with about eight hundred (800) member firms statewide employing tens of thousands of CT's citizens. Our members, all small businesses, are residential and commercial builders, land developers, remodelers, general contractors, subcontractors, suppliers and those businesses and professionals that provide services to our diverse industry and to consumers. We build between 70% to 80% of all new homes and apartments in the state each year and engage in countless home remodeling projects.

The HBRA of CT files this testimony in opposition to SB 1037, HB 6784, HB 6932, and HB 6993.

For **SB 1037**, the additional potential lien on an employer's real and personal property due to a wage dispute with an employee is a heavy and unjustified burden on employers. Such a lien is potentially destructive to businesses, particularly to the businesses we represent since a lien on real property can destroy financing that may exist for the construction or purchase of a home or other real estate. Most employers in residential construction are also very small businesses and don't have the capacity to deal with these new liens. Such liens can prohibit or delay the sale of a property to a home buyer, which is a home builder's only source of revenue. This new lien can also be used against a general contractor to force capitulation, rather than hiring an attorney to fight, to an unjustified misclassification claim, where a disgruntled subcontractor says after a dispute erupts that they are really an employee. In residential construction, perhaps unlike commercial construction, often the subcontractor is the bigger player. We refer the committee again to our testimony on SB 912 and HB 6793 where we point out the difficulty and uncertainty CT's ABC Test poses for the residential construction industry. Before considering new ways to penalize or pressure employers to comply with vague and confusing regulations, the first step should be to fix this test for our industry.

HB 6784 greatly expands the paid sick leave mandate on employers from nonmanufacturing employers with 50 or more employees to employers with 10 or more employees. It also requires all hourly employees be provided with seven paid sick days each year, and expands the permitted uses for sick leave to include care for extended family members. This subjects

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that Solves Our Member's Problems."**

very small employers to potential abuse and to costs they cannot withstand. Small employers have far less options to adjust schedules and keep work products and services going for their customers and clients. Most employers try to provide for their employees and give them the time they need, but this mandate imposes on all employers work disruption and additional costs in an attempt to address those few employers that may not treat their employees as desired. This paid sick leave mandate expansion is another reason to not want to employ anyone in CT. It will make small businesses smaller. We strongly urge you to not pass this bill.

HB 6932 creates a behemoth of a new government program by adopting a new mandate to allow employees up to 12 weeks of paid family medical leave for those who opt into the system. At \$1,000/week or 100% of pay, whichever is greater, and with relatively few employees who will opt into the system, this new government fund is unsustainable. It will have untold adverse consequences for CT's taxpayers and the forced lost work productivity would be another reason for employers to flee the state. We refer you to the joint business industry statement filed by CBIA, onto which we have signed. We urge you to not proceed with this well intentioned but ill-conceived new government program.

HB 6933 requires employers to provide work schedules to employees 21 days in advance and pay "predictability pay" when those schedules are changed. As such, it ignores the reality of today's business world. We live in a fast paced and small world, with decisions from clients and customers constantly changing and demanding immediate responses from companies in order to stay competitive. That necessitates constant and immediate schedule changes. Especially in construction, changes in scheduling often occur the same day due to many factors outside the control of a general contractor. Forcing such employers to pay additional "predictability pay" when things change means every construction job will become more expensive. Change and uncertainty are constant facts of daily life. Employers and employees not only know this but also should embrace it. For employees, change offers opportunities to rise up and shine, showing one's worth to the employer's bottom line, which is after all the reason people are hired in the first place. This legislation is one more reason, piled onto employer's backs, to want to give up and get out of business in CT. We strongly urge you to not pursue this legislation.

Each of these bills, individually and collectively, moves CT further down the rankings of business friendly states. Rather than these anti-business proposals, we urge the Labor Committee and the entire legislature to propose and debate legislation that will send a strong welcome invitation to employers and encourage all employers to hire more employees and grow their businesses. Despite all the regulatory impositions on real estate development and home construction, all the taxes and fees that exact pounds of flesh out of a home builder's business, and all the continuing development and construction financing hurdles home builders face, the biggest complaint we have heard from builders over the past eight plus years of our housing depression is, "we don't have any buyers." That's a direct result of not having enough good jobs on which someone can afford to buy a home in CT. None of the legislation above promotes job growth and, indeed, it tells employers don't hire people here. Please don't let this happen.

Thank you for considering our views on this legislation.