



General Assembly

January Session, 2015

**Raised Bill No. 1044**

LCO No. 4390



Referred to Committee on HUMAN SERVICES

Introduced by:  
(HS)

**AN ACT CONCERNING THE RECOUPMENT OF STATE COSTS  
ATTRIBUTABLE TO LOW WAGE EMPLOYERS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective from passage*) (a) As used in this section  
2 and sections 2 to 4, inclusive, of this act:

3 (1) "Person" has the same meaning as provided in section 42-133e of  
4 the general statutes, except "person" shall not include the state or any  
5 department, agency or political subdivision thereof;

6 (2) "Franchise" has the same meaning as provided in section 42-133e  
7 of the general statutes;

8 (3) "Franchisor" has the same meaning as provided in section 42-  
9 133e of the general statutes;

10 (4) "Franchisee" has the same meaning as provided in section 42-  
11 133e of the general statutes;

12 (5) "Employee" means any individual employed or permitted to

13 work by an employer, but does not include any individual employed  
14 in any park, camp or resort that is open not more than six months of  
15 the year;

16 (6) "Covered employer" means:

17 (A) Any person, firm, business, educational institution, corporation,  
18 limited liability company or other entity that directly employs five  
19 hundred or more employees in the state in any one quarter in the  
20 previous year, which shall be determined annually on January first,  
21 based upon the wage information submitted to the Labor  
22 Commissioner pursuant to subsection (j) of section 31-225a of the  
23 general statutes; or

24 (B) Any franchisor whose franchisees, collectively, employ five  
25 hundred or more employees in the state in any one quarter in the  
26 previous year, which shall be determined annually on January  
27 fifteenth, based upon the information submitted to the Labor  
28 Commissioner pursuant to section 4 of this act;

29 (C) "Covered employer" does not include any private nonprofit  
30 entity, the state or any instrumentality or political subdivision thereof;

31 (7) "Low wage employer fee" means any fee assessed pursuant to  
32 subsection (b) of this section and paid to the state in accordance with  
33 this act; and

34 (8) "Wage" means compensation due to an employee by reason of  
35 his or her employment.

36 (b) Any covered employer that employs, or whose franchisee  
37 employs, any employee (1) who was listed on such covered employer's  
38 or such franchisee's payroll for at least ninety calendar days prior to  
39 the completion of the most recent calendar quarter, and (2) whose  
40 wages paid by such covered employer, or such covered employer's  
41 franchisee, during such quarter were less than or equal to fifteen

42 dollars per hour, shall pay a fee to the Labor Commissioner for each  
43 such employee. Such fee shall be assessed quarterly and shall be equal  
44 to one dollar for each hour such employee worked for such covered  
45 employer during the previous quarter. Such fee shall not accrue until  
46 January 1, 2016.

47 (c) The Labor Commissioner shall collect such fees from each  
48 covered employer not later than sixty days after the completion of the  
49 quarter in which such fees were assessed. The commissioner shall  
50 deposit such revenue derived therefrom with the State Treasurer who  
51 shall deposit such revenue in the General Fund. Such revenue shall be  
52 appropriated to (1) the Departments of Social Services and  
53 Developmental Services to support and improve the quality of state-  
54 supported consumer-directed services for elderly and disabled  
55 persons, and (2) the Office of Early Childhood to increase access to,  
56 support and improve the quality of school readiness programs, the  
57 child-care subsidy program authorized pursuant to section 17b-749 of  
58 the general statutes, child development centers, Head Start, Early  
59 Head Start or other programs overseen by said office to provide child  
60 care and early learning opportunities for the children of low wage  
61 workers. For the purposes of improving quality of services pursuant to  
62 subdivisions (1) and (2) of this subsection, revenue may be used to  
63 recruit, retain and offer professional development to a qualified  
64 workforce.

65 (d) Notwithstanding the provisions of subsection (c) of this section,  
66 and in accordance with the budgetary process applicable to  
67 appropriations, fees received by the Labor Commissioner pursuant to  
68 subsection (b) of this section may be used for the purpose of  
69 administering and enforcing said subsection.

70 (e) On and after October 1, 2015, the Labor Commissioner shall  
71 adopt regulations for the determination of and collection of fees  
72 pursuant to subsection (b) of this section, including the establishment  
73 of reasonable penalties or other remedies for failure to file timely

74 reports and for delinquent or unpaid fees assessed pursuant to this  
75 section.

76 Sec. 2. (NEW) (*Effective from passage*) (a) There is established the  
77 Connecticut Low Wage Employer Advisory Board that shall advise the  
78 Labor Commissioner, the Departments of Social Services and  
79 Developmental Services and the Office of Early Childhood generally  
80 on matters related to the implementation of the low wage employer  
81 fee, public assistance usage among working residents of the state,  
82 improvement of the quality of public assistance programs affecting  
83 such residents, wages and working conditions for the workforce  
84 delivering services to low-wage working families and reliance of large  
85 businesses on state-funded public assistance programs. The board  
86 shall:

87 (1) Advise the Labor Department and other agencies as needed on  
88 matters related to the implementation of sections 1 to 4, inclusive, of  
89 this act;

90 (2) Engage in further study and monitoring of the causes and effects  
91 of large businesses paying low wages to residents of the state,  
92 including the impact of such labor practices on workers' need for  
93 public assistance, the benefits received by employers from the  
94 provision of public assistance to the state workforce and solutions to  
95 associated problems;

96 (3) Consider, suggest and review legislative and agency proposals  
97 and actions;

98 (4) Foster communication between working residents of the state  
99 who provide or receive public assistance and employers and state  
100 agencies for the purpose of improving the quality of state public  
101 assistance programs serving lower-income residents; and

102 (5) Advise the Labor Commissioner, and other interested state  
103 agencies or officials, on policies and procedures related to public

104 assistance usage among lower-income working residents and the  
105 impact of public assistance programs on workforce quality and  
106 stability.

107 (b) The board may form working groups, as necessary, to solicit  
108 feedback from stakeholders to enable the board to fulfill the duties and  
109 responsibilities set forth in subsection (a) of this section.

110 (c) On December first of each calendar year, the board shall report  
111 its findings and recommendations in accordance with the provisions of  
112 section 11-4a of the general statutes to the Labor Commissioner,  
113 Commissioner of Social Services and Director of the Office of Early  
114 Childhood. The report shall be made available to the public and to the  
115 joint standing committees of the General Assembly having cognizance  
116 of matters relating to labor, human services and education.

117 (d) Notwithstanding the provisions of section 4-9a of the general  
118 statutes, the board shall consist of the following members each of  
119 whom shall serve an initial term of four years following the date of  
120 appointment:

121 (1) Five appointed by the Governor: (A) One of whom shall be an  
122 expert on the issues facing low wage workers, (B) one of whom shall  
123 be an expert on the labor force needs of the large business community,  
124 (C) one of whom shall be an expert on the labor force needs of the  
125 small business community, (D) one of whom shall be a recipient of  
126 consumer-directed Medicaid services, and (E) one of whom shall be a  
127 person enrolled in a state child care program;

128 (2) One appointed by the president pro tempore of the Senate, who  
129 shall represent an organization whose principal purpose is advocacy  
130 for services funded by consumer-directed Medicaid programs;

131 (3) One appointed by the speaker of the House of Representatives,  
132 who shall represent an organization whose principal purpose is  
133 advocacy for services funded by state child care programs;

134 (4) One appointed by the majority leader of the Senate, who shall be  
135 an organized labor representative who represents workers who  
136 provide services funded by consumer-directed Medicaid programs;

137 (5) One appointed by the majority leader of the House of  
138 Representatives, who shall be an organized labor representative who  
139 represents workers who provide child care services funded by state  
140 child care programs;

141 (6) One appointed by the minority leader of the Senate, who shall be  
142 a person with experience in the labor force needs of the large business  
143 community;

144 (7) One appointed by the minority leader of the House of  
145 Representatives, who shall be a person with experience in the labor  
146 force needs of the small business community;

147 (8) The Labor Commissioner, or the commissioner's designee; and

148 (9) The Secretary of the Office of Policy and Management, or the  
149 secretary's designee.

150 (e) All appointments to the board shall be made not later than July  
151 31, 2015. Following the expiration of their initial terms, subsequent  
152 members appointed by the Governor and members of the General  
153 Assembly shall serve three-year terms. Any vacancy shall be filled by  
154 the appointing authority not later than thirty calendar days after the  
155 office becomes vacant. Any member previously appointed to the board  
156 may be reappointed.

157 (f) The members of the board shall elect two chairpersons of the  
158 board at the first meeting of the board, which shall be held not later  
159 than forty calendar days after the effective date of this section. The  
160 board shall meet at least quarterly.

161 (g) Each member shall serve without compensation but shall, within  
162 available appropriations, be reimbursed in accordance with standard

163 travel reimbursement for state employees for all necessary expenses  
164 that they may incur through service on the board.

165 (h) Each member shall, not later than ten calendar days after  
166 appointment, take an oath of office to diligently and honestly  
167 administer the affairs of the board, and will not knowingly violate or  
168 willingly permit to be violated any of the provisions of law applicable  
169 to their service on the board. The oath shall be administered by a  
170 chairperson of the board.

171 (i) Each member shall be entitled to one vote on the board. A  
172 majority of the members who have been appointed to the board shall  
173 constitute a quorum for the transaction of any business, the exercise of  
174 any power or the performance of any duty authorized or imposed by  
175 law.

176 (j) The board shall be within the Labor Department for  
177 administrative purposes only.

178 Sec. 3. (NEW) (*Effective from passage*) (a) Any covered employer  
179 aggrieved by the Labor Commissioner's determination of fees  
180 pursuant to subsection (b) of section 1 of this act may file a complaint  
181 with the commissioner. Upon receipt of the complaint, the  
182 commissioner shall investigate such complaint and may conduct a  
183 hearing in accordance with the provisions of sections 4-176 to 4-181a,  
184 inclusive, of the general statutes.

185 (b) The Labor Commissioner may request the Attorney General to  
186 investigate any violation of subsection (b) of section 1 of this act. Any  
187 information obtained pursuant to such investigation shall be exempt  
188 from disclosure under section 1-210 of the general statutes. If the  
189 Attorney General finds that a covered employer has violated or is  
190 violating any provision of section 1, 2 or 4 of this act, the Attorney  
191 General may bring a civil action in the superior court for the judicial  
192 district of Hartford in the name of the state against such covered  
193 employer.

194 (c) Nothing in this section shall be construed to require a fee based  
195 on the hourly pay of any employee whose pay was established by a  
196 collective bargaining agreement executed prior to the effective date of  
197 this section for the term of such agreement.

198 Sec. 4. (NEW) (*Effective from passage*) Not later than January 1, 2016,  
199 and annually thereafter, each employer that submits wage information  
200 to the Labor Commissioner pursuant to subsection (j) of section 31-  
201 225a of the general statutes shall inform the commissioner if such  
202 employer is a franchisee. If such employer is a franchisee, such  
203 employer shall provide to the commissioner the name and address of  
204 the franchisor that granted the franchise to such employer and any  
205 other information the commissioner may require.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>from passage</i>	New section

**Statement of Purpose:**

To require employers whose wages cause employees to rely on public assistance to contribute to state costs.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*