



General Assembly

**Substitute Bill No. 1044**

January Session, 2015



**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" means hourly pay of not more than fifteen dollars;

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

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

37 (b) Any covered employer that employs, or whose franchisee  
38 employs, any employee (1) who was listed on such covered employer's  
39 or such franchisee's payroll for at least ninety calendar days prior to  
40 the completion of the most recent calendar quarter, and (2) whose  
41 hourly wage paid by such covered employer, or such covered  
42 employer's franchisee, during such quarter were less than or equal to  
43 fifteen dollars, shall pay a fee to the Labor Commissioner for each such  
44 employee. Such fee shall be assessed quarterly and shall be equal to  
45 one dollar for each hour such employee worked for such covered  
46 employer during the previous quarter. The Labor Commissioner shall  
47 collect such fees from each covered employer not later than sixty days

48 after the completion of the quarter in which such fees were assessed.  
49 Such fee shall not accrue until January 1, 2016.

50 (c) There is established an account to be known as the "human  
51 services support account", which shall be a separate, nonlapsing  
52 account within the General Fund. The account shall contain any  
53 moneys collected pursuant to subsection (b) of this section.

54 (d) The Labor Commissioner shall deposit moneys collected  
55 pursuant to subsection (b) of this section with the State Treasurer, who  
56 shall deposit such moneys into the human services support account  
57 established pursuant to subsection (c) of this section. Such moneys  
58 shall be allocated to (1) the Departments of Social Services and  
59 Developmental Services to support and improve the quality of state-  
60 supported consumer-directed services for elderly and disabled  
61 persons, and (2) the Office of Early Childhood to increase access to,  
62 support and improve the quality of (A) school readiness programs, (B)  
63 the child-care subsidy program authorized pursuant to section 17b-749  
64 of the general statutes, (C) child development centers, (D) Head Start,  
65 (E) Early Head Start, or (F) other programs overseen by said office to  
66 provide child care and early learning opportunities for the children of  
67 low wage workers. For the purposes of improving quality of services  
68 pursuant to subdivisions (1) and (2) of this subsection, revenue may be  
69 used to recruit, retain and offer professional development to a  
70 qualified workforce.

71 (e) Notwithstanding the provisions of subsection (d) of this section,  
72 moneys received by the Labor Commissioner, pursuant to subsection  
73 (b) of this section, may be used for the purpose of administering and  
74 enforcing the provisions of subsection (b) of this section.

75 (f) On and after October 1, 2015, the Labor Commissioner shall  
76 adopt regulations for the determination of and collection of fees  
77 pursuant to subsection (b) of this section, including the establishment  
78 of reasonable penalties or other remedies for failure to file timely  
79 reports and for delinquent or unpaid fees assessed pursuant to this

80 section.

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

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

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

101 (3) Consider, suggest and review legislative and agency proposals  
102 and actions;

103 (4) Foster communication between working residents of the state  
104 who provide or receive public assistance and employers and state  
105 agencies for the purpose of improving the quality of state public  
106 assistance programs serving lower-income residents; and

107 (5) Advise the Labor Commissioner, and other interested state  
108 agencies or officials, on policies and procedures related to public  
109 assistance usage among lower-income working residents and the  
110 impact of public assistance programs on workforce quality and

111 stability.

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

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

122 (d) Notwithstanding the provisions of section 4-9a of the general  
123 statutes, the board shall consist of the following members, each of  
124 whom shall serve an initial term of four years following the date of  
125 appointment:

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

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

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

139 (4) One appointed by the majority leader of the Senate, who shall be  
140 an organized labor representative who represents workers who

141 provide services funded by consumer-directed Medicaid programs;

142 (5) One appointed by the majority leader of the House of  
143 Representatives, who shall be an organized labor representative who  
144 represents workers who provide child care services funded by state  
145 child care programs;

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

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

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

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

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

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

166 (g) Each member shall serve without compensation but shall, within  
167 available appropriations, be reimbursed in accordance with standard  
168 travel reimbursement for state employees for all necessary expenses  
169 they may incur through service on the board.

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

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

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

183 Sec. 3. (NEW) (*Effective from passage*) (a) Any covered employer  
184 aggrieved by the Labor Commissioner's determination of fees,  
185 pursuant to subsection (b) of section 1 of this act, may file a complaint  
186 with the commissioner. Upon receipt of the complaint, the  
187 commissioner shall investigate such complaint and may conduct a  
188 hearing in accordance with the provisions of chapter 54 of the general  
189 statutes.

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

199 (c) Nothing in this section shall be construed to require a fee based  
200 on the hourly pay of any employee whose pay was established by a

201 collective bargaining agreement executed prior to the effective date of  
202 this section for the term of such agreement.

203       Sec. 4. (NEW) (*Effective from passage*) Not later than January 1, 2016,  
204 and annually thereafter, each employer that submits wage information  
205 to the Labor Commissioner, pursuant to subsection (j) of section 31-  
206 225a of the general statutes, shall inform the commissioner if such  
207 employer is a franchisee. If such employer is a franchisee, such  
208 employer shall provide to the commissioner the name and address of  
209 the franchisor that granted the franchise to such employer and any  
210 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

**HS**       *Joint Favorable Subst.*

**LAB**       *Joint Favorable*