



Senate

General Assembly

File No. 295

January Session, 2015

Substitute Senate Bill No. 912

Senate, March 30, 2015

The Committee on Labor and Public Employees reported through SEN. GOMES of the 23rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT INCREASING THE CIVIL PENALTY FOR VIOLATING A STOP WORK ORDER.

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

1 Section 1. Section 31-69a of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2015*):

3 (a) In addition to the penalties provided in this chapter and chapter
4 568, any employer, officer, agent or other person who violates any
5 provision of this chapter, chapter 557 or subsection (g) of section 31-
6 288 shall be liable to the Labor Department for a civil penalty of three
7 hundred dollars for each violation of said chapters and for each
8 violation of subsection (g) of section 31-288, except that (1) any person
9 who violates (A) a stop work order issued pursuant to subsection (c) of
10 section 31-76a shall be liable to the Labor Department for a civil
11 penalty of [one thousand] two thousand five hundred dollars and each
12 day of such violation shall constitute a separate offense, and (B) any
13 provision of section 31-12, 31-13 or 31-14, subsection (a) of section 31-

14 15 or section 31-18, 31-23 or 31-24 shall be liable to the Labor
15 Department for a civil penalty of six hundred dollars for each violation
16 of said sections, and (2) a violation of subsection (g) of section 31-288
17 shall constitute a separate offense for each day of such violation.

18 (b) Any employer, officer, agent or other person who violates any
19 provision of chapter 563a may be liable to the Labor Department for a
20 civil penalty of not greater than five hundred dollars for the first
21 violation of chapter 563a related to an individual employee or former
22 employee, and for each subsequent violation of said chapter related to
23 such individual employee or former employee, may be liable to the
24 Labor Department for a civil penalty of not greater than one thousand
25 dollars. In setting a civil penalty for any violation in a particular case,
26 the Labor Commissioner shall consider all factors which the
27 commissioner deems relevant, including, but not limited to, (1) the
28 level of assessment necessary to insure immediate and continued
29 compliance with the provisions of chapter 563a; (2) the character and
30 degree of impact of the violation; and (3) any prior violations of such
31 employer of chapter 563a.

32 (c) The Attorney General, upon complaint of the Labor
33 Commissioner, shall institute civil actions to recover the penalties
34 provided for under subsections (a) and (b) of this section. Any amount
35 recovered shall be deposited in the General Fund and credited to a
36 separate nonlapsing appropriation to the Labor Department, for other
37 current expenses, and may be used by the Labor Department to
38 enforce the provisions of chapter 557, chapter 563a, this chapter and
39 subsection (g) of section 31-288 and to implement the provisions of
40 section 31-4.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2015	31-69a

LAB *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 16 \$	FY 17 \$
Labor Dept.	GF - Revenue Gain	29,250	39,000

Municipal Impact: None

Explanation

The bill increases the per-day civil penalty for violating a stop work order from \$1,000 to \$2,500. This results in a revenue gain of \$29,250 in FY 16 and \$39,000 annually thereafter.

This estimate is based on data from the Labor Department indicating that 17 companies were assessed a total of \$26,000 in civil penalties for violating a stop work order in FY 14.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to fluctuation in the number and duration of stop work order violations.

OLR Bill Analysis**sSB 912*****AN ACT INCREASING THE CIVIL PENALTY FOR VIOLATING A STOP WORK ORDER.*****SUMMARY:**

This bill increases the daily civil penalty for violating a stop work order from \$1,000 to \$2,500.

By law, a stop work order requires an employer to cease all business operations at a specific place of business or employment where certain violations exist. The labor commissioner can issue a stop work order after she determines that an employer:

1. failed to provide the required workers' compensation insurance for its employees or
2. with intent to injure, defraud, or deceive a workers' compensation insurance company, knowingly (a) misrepresented an employee as an independent contractor or (b) provided false, incomplete, or misleading information on its number of employees so it could pay a lower insurance premium (CGS §§ 31-76a and 31-288).

EFFECTIVE DATE: October 1, 2015

COMMITTEE ACTION

Labor and Public Employees Committee

Joint Favorable Substitute

Yea 8 Nay 3 (03/12/2015)