



Connecticut Chapter

Testimony by Chris Syrek, President of
Associated Builders & Contractors of Connecticut

Before the Labor and Public Employees Committee on March 3, 2015

SB 1039 An Act Concerning General Contractor Liability for Wages and Workers' Compensation

Good afternoon, my name is Chris Syrek; I am the President of Associated Builders and Contractors of Connecticut (CT ABC). CT ABC is a statewide trade association of almost 200 members that represents merit shop contractors.

CT ABC would like to voice its opposition to SB 1039. This bill clearly places an unfair burden not only on general contractors, but on anyone who is a prime contractor overseeing a subcontractor on a project.

CT ABC is supportive of all contractors paying a fair wage and providing their employees with benefits. While general contractors have the obligation to oversee a safe and legal jobsite, there is realistically only so much that is within their control and that they should be held liable for.

There are limitations that exist in regard to what information a general contractor can demand from a subcontractor. They will not have complete access to the subcontractor's employment records, and can only review the payroll records that are provided by the subcontractor if asked. If there are further efforts by that subcontractor to break the law there is no mechanism to compel that information or stop the act.

As far as workers compensation is concerned, the only business that is able to insure their workers is the business that hires them directly. There is no mechanism for a general contractor to take out a worker's compensation policy on another business' employees. Since the general contractor is not able to insure a subcontractor the penalty for a liable general contractor would have to be financial. Serious claims could result in penalties in excess of \$100,000 dollars. Every worker should have access to the appropriate insurances needed to protect them and their family, but that liability must continue to be a responsibility of their direct employer.

There are also a number of existing state laws that require the payment of fair wages and also require the employer to carry appropriate insurance. Within those laws there are penalties that business must pay if they were to break the law. Adding another layer of enforcement is redundant, and levying financial punishment against another entity other than the guilty party is overly burdensome.

The large majority of general contractors and subcontractors pride themselves on providing fair wages and insurance coverage. There are existing state laws to punish those who do not. Creating a law that would unfairly penalize a general contractor for someone else breaking the law would hurt the industry and is not good for business in Connecticut. CT ABC encourages the members of the Labor and Public Employees committee not to support this bill.