



**CONNECTICUT**

**TESTIMONY OF  
NATIONAL FEDERATION OF INDEPENDENT BUSINESS (NFIB)  
CONCERNING  
SB-391, AAC THE RECOUPMENT OF COSTS ATTRIBUTABLE TO LOW WAGE EMPLOYERS  
BEFORE THE  
HUMAN SERVICES COMMITTEE  
MARCH 8, 2016**

*A non-profit, non-partisan organization founded in 1943, NFIB is Connecticut's and the nation's leading small-business association. In Connecticut, NFIB represents thousands of members and their employees. NFIB membership is scattered across the state and ranges from sophisticated high technology enterprises to "Main Street" small businesses to single-person "Mom & Pop" shops that operate in traditional ways. NFIB's mission is "To promote and protect the right of its members to own, operate, and grow their businesses." On behalf of those small- and independent- job-providers in Connecticut, NFIB/Connecticut offers the following comments:*

**NFIB/Connecticut has series concerns with SB-391 and urges rejection.** This legislation sets terrible precedent by imposing a tax or a "fee" (line 27 et seq.) on certain "covered" employers (line 16 et seq.) that the state deems to be underpaying certain "covered" employees. While on its face the proposed bill may appear to only impact large employers, many small businesses may potentially be impacted by the provisions that aggregate employees of franchises in Connecticut. This would be a fundamental shift in the autonomy of independent business owners who have entered into a contractual relationship. This legislation is bad policy and not only will be a significant financial and administrative burden on employers, but it also raises several legal and constitutional questions, not to mention the lack of an actual nexus between the purported intent and the actual effect of the bill. Finally, this legislation imposes a needless reporting requirement on small business owners who may operate franchised businesses (Section 4). Connecticut's already tarnished reputation as a place to own, operate and grow a business is certainly not helped by the burdens and the stigmas that will be imposed by this bill.

Thank you for the opportunity to comment, and NFIB urges lawmakers to take no action on SB-391.