Testimony
SB 391
From: Scott Fanning, President
The Connecticut Franchisee Association
March 8, 2016

Co-Chair (Marilyn) Moore, Co-Chair (Catherine) Abercrombie and members of the Human Services Committee.

I am Scott Fanning, the President of the Connecticut Franchisee Association. Our association represents the owners of 400 Dunkin' Donuts restaurants in Connecticut. Connecticut Dunkin' Donuts franchises are owned directly by your constituents – families who live and work in your neighborhoods. We represent small business owners; family businesses that have been handed down from one generation to the next.

SB 391 places an unfair burden on many small business owners in Connecticut and especially franchisees. It appears to be a back door attempt to force small business owners to pay an effective minimum wage that is more 50% higher than the current actual minimum wage.

The bill uses a penalty tax to punish employers who are otherwise adhering to the law by paying at least the statutory state minimum wage. This legislation is deliberately coercive in that it requires small businesses to choose between paying wages higher than what the law currently allows or to pay a tax that also effectively increases personnel costs. There is no other way to characterize the intent of this legislation.

The bill also places new reporting requirements on small business franchise owners that will increase operating costs.

As is the case with several other pieces of legislation being contemplated this year, SB 391 increases the cost of doing business in Connecticut which in turn leads to higher prices for consumers and fewer jobs for entry level and part time workers.

The Connecticut economy is struggling. Small business owners, like the many Dunkin' Donuts family operators living and working in your districts, cannot afford the cost of these new mandates.

We urge you to reject SB 391 as un-necessarily burdensome on small business.

Thank you.