



General Assembly

**Raised Bill No. 391**

February Session, 2016

LCO No. 2355

\* \_\_\_\_\_ SB00391LAB \_\_\_ 041216 \_\_\_ \*

Referred to Committee on HUMAN SERVICES

Introduced by:  
(HS)

**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 section 31-76n of the general statutes and sections 3 and 4 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 or educational institution that  
18 employs five hundred or more employees in the state in any one  
19 quarter for quarters commencing on and after January 1, 2016, based  
20 upon the wage information submitted to the Labor Commissioner  
21 pursuant to subsection (j) of section 31-225a of the general statutes; or

22 (B) Any franchisor where the franchisor and its franchisees employ,  
23 in the aggregate, five hundred or more employees in the state in any  
24 one quarter for quarters commencing on and after January 1, 2016,  
25 based upon the information submitted to the Labor Commissioner  
26 pursuant to section 4 of this act;

27 (C) "Covered employer" does not include any private nonprofit  
28 entity, the state, or any department, agency or political subdivision  
29 thereof;

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

33 (8) "Wage" means compensation due to an employee by reason of  
34 his or her employment.

35 (b) Any covered employer that employs, or whose franchisee  
36 employs, any employee (1) who was listed on such covered employer's  
37 or such franchisee's payroll for at least ninety calendar days prior to  
38 the completion of the most recent calendar quarter, beginning with the  
39 first calendar quarter of 2017, and (2) whose wages paid by the covered  
40 employer, or the covered employer's franchisee, during the quarter  
41 were on average less than fifteen dollars per hour, shall pay a fee to the  
42 Labor Commissioner. The Labor Commissioner shall calculate the fee  
43 by multiplying the fee rate by number of hours during the quarter that

44 such employee worked. The fee rate shall be equal to 0.004 dollars, or  
45 four-tenths of one cent, multiplied by the number of employees in  
46 excess of five hundred employed in the state by the covered employer  
47 directly or in the aggregate with its franchisees; provided in no event  
48 shall the fee rate be less than ten cents or greater than one dollar. The  
49 fee shall be assessed quarterly based on employee hours worked  
50 during the first calendar quarter of 2017 and thereafter.

51 (c) On January 1, 2023, and annually thereafter, "fifteen dollars" in  
52 subsection (b) of this section shall be adjusted by an amount  
53 corresponding to the prior year's increase, if any, in the Consumer  
54 Price Index for All Urban Consumers (CPI-U), as released by the  
55 Bureau of Labor Statistics of the United States Department of Labor, or  
56 its successor.

57 (d) The Labor Commissioner shall deposit moneys collected  
58 pursuant to subsection (b) of this section with the State Treasurer, who  
59 shall deposit such moneys in the General Fund, and shall report the  
60 amount of such deposits to the joint standing committees of the  
61 General Assembly having cognizance of matters relating to education,  
62 human services and appropriations and the budgets of state agencies.  
63 Each legislative session, said committees may issue recommendations  
64 concerning spending the moneys received to expand or improve  
65 services under state programs supporting the quality of and access to  
66 state-supported, consumer-directed services for elderly and disabled  
67 persons, school readiness programs, the child care subsidy program  
68 authorized pursuant to section 17b-749 of the general statutes, child  
69 development centers, Head Start, Early Head Start, or other programs  
70 to provide child care and early learning opportunities for the children  
71 of low wage employees. In making their recommendations, the  
72 committees shall consider any recommendations made by the  
73 Connecticut Low Wage Employer Advisory Board established  
74 pursuant to section 31-76n of the general statutes, as amended by this  
75 act. For the purposes of improving quality of and access to services  
76 pursuant to this subsection, moneys received may be appropriated for

77 use by state programs to recruit, retain and offer professional  
78 development to a qualified workforce.

79 (e) Moneys received by the Labor Commissioner, pursuant to  
80 subsection (b) of this section, may be used for the purpose of  
81 administering and enforcing the provisions of subsection (b) of this  
82 section.

83 (f) Not later than October 1, 2016, the Labor Commissioner shall  
84 adopt regulations in accordance with the provisions of chapter 54 of  
85 the general statutes for the determination and collection of fees  
86 pursuant to subsection (b) of this section. Such regulations shall  
87 include the establishment of reasonable penalties or other remedies for  
88 failure to file timely reports and for delinquent or unpaid fees assessed  
89 pursuant to this section.

90 Sec. 2. Subsections (a) and (b) of section 31-76n of the 2016  
91 supplement to the general statutes are repealed and the following is  
92 substituted in lieu thereof (*Effective from passage*):

93 (a) There is established the Connecticut Low Wage Employer  
94 Advisory Board. Such board shall advise the Labor Commissioner, the  
95 Departments of Social Services and Developmental Services and the  
96 Office of Early Childhood on matters related to: (1) The causes and  
97 effects of businesses paying low wages to residents of the state, (2)  
98 public assistance usage among working residents of the state, (3)  
99 minimum wage rates necessary to ensure working residents of the  
100 state [may] can achieve an economically stable standard of living, (4)  
101 improvement of the quality of public assistance programs affecting  
102 such residents, (5) wages and working conditions for the workforce  
103 delivering services to low-wage working families, [and] (6) reliance of  
104 businesses on state-funded public assistance programs, and (7)  
105 recommendations for using the moneys received from the low wage  
106 employer fee.

107 (b) In advising the Labor Commissioner, the Departments of Social

108 Services and Developmental Services and the Office of Early  
109 Childhood on the matters described in subdivisions (1) to ~~[(6)] (7)~~,  
110 inclusive, of subsection (a) of this section, the board shall:

111 (1) Study and monitor (A) the causes and effects of businesses  
112 paying low wages to residents of the state, including the impact of  
113 such labor practices on workers' need for public assistance, (B) the  
114 minimum wage rates necessary to enable working residents of the  
115 state to meet basic needs, such as food, housing, health care and child  
116 care without assistance from state-funded public assistance programs,  
117 and (C) the benefits received by employers from the provision of  
118 public assistance to the state workforce and solutions to associated  
119 problems;

120 (2) Consider, suggest and review legislative and agency proposals  
121 and actions regarding the matters described in subdivisions (1) to ~~[(6)]~~  
122 ~~(7)~~, inclusive, of subsection (a) of this section;

123 (3) Foster communication between working residents of the state  
124 who provide or receive public assistance and employers and state  
125 agencies for the purpose of improving the quality of state public  
126 assistance programs serving lower-income residents; and

127 (4) Advise the Labor Commissioner, and other interested state  
128 agencies or officials, on policies and procedures related to the board's  
129 areas of study, including, but not limited to, public assistance usage  
130 among lower-income working residents, the impact of public  
131 assistance programs on workforce quality and stability, and the wages  
132 and benefits necessary to maintain a stable and qualified workforce to  
133 administer and provide services in connection with public assistance  
134 programs.

135 Sec. 3. (NEW) (*Effective from passage*) (a) Any covered employer  
136 aggrieved by the Labor Commissioner's determination of fees,  
137 pursuant to subsection (b) of section 1 of this act, may file a complaint  
138 with the commissioner. Upon receipt of the complaint, the

139 commissioner shall investigate such complaint and may conduct a  
 140 hearing in accordance with the provisions of chapter 54 of the general  
 141 statutes.

142 (b) The Labor Commissioner may request the Attorney General to  
 143 investigate any violation of subsection (b) of section 1 of this act. Any  
 144 information obtained pursuant to such investigation shall be exempt  
 145 from disclosure under section 1-210 of the general statutes. If the  
 146 Attorney General finds that a covered employer has violated or is  
 147 violating any provision of section 1 or 4 of this act, the Attorney  
 148 General may bring a civil action in the superior court for the judicial  
 149 district of Hartford in the name of the state against such covered  
 150 employer.

151 (c) Nothing in this section shall be construed to require a fee based  
 152 on the hourly pay of any employee whose pay was established by a  
 153 collective bargaining agreement executed prior to the effective date of  
 154 this section for the term of such agreement.

155 Sec. 4. (NEW) (*Effective from passage*) Not later than January 31, 2017,  
 156 and annually thereafter, each employer that submits wage information  
 157 to the Labor Commissioner pursuant to subsection (j) of section 31-  
 158 225a of the general statutes shall inform the commissioner if such  
 159 employer is a franchisee. If such employer is a franchisee, such  
 160 employer shall provide to the commissioner the name and address of  
 161 the franchisor that granted the franchise to such employer and any  
 162 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>	31-76n(a) and (b)
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>from passage</i>	New section

**HS**      *Joint Favorable*

**LAB**     *Joint Favorable*