



State of Connecticut COMMISSION ON HUMAN RIGHTS AND OPPORTUNITIES

450 Columbus Boulevard, Suite 2, Hartford, CT 06103

Promoting Equality and Justice for all People

Committee on Government Administration and Elections

Wednesday February 27, 2019

CHRO Testimony regarding SUPPORT of HB 6666, **AN ACT REQUIRING THE PROMPT PAYMENT OF CONTRACTORS**

Senator Flexer, Representative Fox, Senator Sampson, Representative France, and Members of the Government Administration and Elections Committee, thank you for the opportunity to submit testimony in support of HB 6666, Act Requiring the Prompt Payment of Contractors.

The Commission on Human Rights and Opportunities supports **HB 6666**, to the extent that it will expedite payments to small businesses and minority business enterprises for work they perform through their participation in set aside plans¹. Set aside plans are intended to present opportunities to small businesses and minority business enterprises enabling them to participate in contract work on state assisted construction projects. This presumes that once the small businesses get the contracts and subcontracts, they will perform the work and get paid. Although contracts contain payment due dates, payments are delayed. Current law requires the small business to be paid within thirty days of the payment due date². A delay in payment of thirty days beyond the payment due date could cause a start up or fledgling small business or even a healthy small business to fail. Small businesses do not have the financial capacity to wait for extended periods of time to be paid. As employers, they are obligated to pay their employees' payroll in short order. They also have to pay their suppliers. The bill reduces the thirty (30) days to twenty-five (25) days, requiring subcontractors to be paid within twenty-five (25) days of the owner's payment to the contractor, and requiring subcontractors to pay their respective subcontractors and suppliers within twenty-five days of their respective receipt of payment, unless otherwise agreed to in writing by the parties.

Small businesses and minority business enterprises (owned and controlled by ethnic minorities, or women or individuals with disabilities), who have been deprived of contracting opportunities for so long, and who are now benefiting from set-aside program contract work, must be timely paid to be able to survive and thrive.

Thank you for the opportunity to testify before you today. I am happy to answer any questions or to provide any assistance as this bill moves forward.

¹ Conn. Gen. Stat. §4a-60g.

² Conn. Gen. Stat. §4a-60j (time for payment of contractors) states: A small contractor shall receive payment on a contract awarded to him under the provisions of sections 4a-60g to 4a-60i, inclusive, no later than thirty days from the due date of any such payment on such contract.