OLR Bill Analysis  
shB 7379

**AN ACT INCREASING THE PENALTIES ASSOCIATED WITH THE ISSUANCE OF A STOP WORK ORDER.**

**SUMMARY**

This bill changes the amount and structure of the additional civil penalty that the Department of Labor commissioner may impose on an employer who violates a stop work order issued for a failure to comply with workers’ compensation requirements (see BACKGROUND). (A “stop work order” is an order to cease all business operations.)

The bill changes the penalty from a flat $1,000 fine for each day the violation continues and, instead, gives the commissioner the discretion to impose a fine up to $5,000 per employee for each day that the violation continues after the date the commissioner issues the stop work order.

Under existing law, unchanged by the bill, each day of such violation constitutes a separate offense. It allows the employer to request, in writing and within 10 days after the issuance of the order, a hearing before the commissioner (CGS § 31-76a(c)).

**EFFECTIVE DATE:** October 1, 2019

**BACKGROUND**

*Workers’ Compensation Requirements*

By law, employers are guilty of a class D felony, punishable by up to five years in prison, a fine of up to $5,000, or both, and must be subject to a stop work order if they:

1. fail to insure their full liability under the workers’ compensation statutes and do not provide the Workers’ Compensation Commission with satisfactory proof of their solvency and 

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financial ability to pay (a) workers’ compensation directly to injured employees or other beneficiaries or (b) assessments directly to the state treasurer or

2. with the intent to injure, defraud, or deceive the state or the company insuring the employers’ liability because of failure to pay workers' compensation assessments or Second Injury Fund assessments, knowingly (a) misrepresent one or more employees as independent contractors, or (b) provide false, incomplete, or misleading information on the number of employees to pay a lower insurance policy premium (CGS § 31-288(g)).

COMMITTEE ACTION

Judiciary Committee

Joint Favorable Substitute
Yea  25   Nay  12   (04/10/2019)