
OLR Bill Analysis

SB 418

AN ACT CONCERNING WAGE THEFT.

SUMMARY

This bill creates additional penalties for prevailing wage job contractors and subcontractors that knowingly or willfully fail to pay their workers the required prevailing wage (see BACKGROUND). It requires the labor commissioner to issue a citation to these violators and fixes the fine for a violation at \$5,000, rather than allowing for fines ranging from \$2,500 to \$5,000 as current law does. The bill allows a contractor or subcontractor that receives a citation to request a hearing with the commissioner, which she must grant if it disputes the material facts supporting the citation.

For contractors or subcontractors that have more than one violation within a five-year period, the bill also requires the commissioner to refer the violator to the attorney general, who may start a civil lawsuit to recover any unpaid wages, plus interest.

The bill also allows the attorney general to file an action to enjoin the violation and debar the contractor (i.e., prohibit from contracting with the state or its municipalities) for up to five years. Under existing law, unchanged by the bill, first time violators must be fined and debarred until six months after they have repaid the owed wages, and subsequent violators must be fined and debarred until two years after they have repaid the owed wages.

EFFECTIVE DATE: October 1, 2022

CITATIONS & FINES

Under current law, a contractor or subcontractor that knowingly or willfully pays a worker on a prevailing wage project less than what the prevailing wage law requires must be fined \$2,500 to \$5,000. The bill

instead (1) requires the labor commissioner to issue a citation to such a contractor or subcontractor if, upon inspection or investigation of a complaint, she believes that it committed the violation and (2) sets the related fine at \$5,000.

The bill requires each citation issued by the commissioner to be in writing and specifically describe the violation's nature. It allows the cited contractor or subcontractor to request a hearing with the commissioner. The request must be made in writing within 10 days after the citation was issued. The commissioner must grant the request if it disputes the material facts that led to the citation, and the hearing must be held under the Uniform Administrative Procedure Act's provisions.

BACKGROUND

Prevailing Wage

The state's prevailing wage law requires employers on certain public works projects to pay their construction workers wages and benefits equal to those that are customary or prevailing for the same work, in the same trade or occupation, in the same town. The requirement applies to new construction projects of \$1 million or more and renovation projects of \$100,000 or more.

COMMITTEE ACTION

Labor and Public Employees Committee

Joint Favorable

Yea 9 Nay 4 (03/22/2022)