

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 22-17—SB 418

Labor and Public Employees Committee

Judiciary Committee

AN ACT CONCERNING WAGE THEFT

SUMMARY: This act changes the penalties for prevailing wage job contractors and subcontractors that knowingly or willfully fail to pay their workers the required prevailing wage (see BACKGROUND). Prior law required the labor commissioner to issue fines ranging from \$2,500 to \$5,000 for these violations. The act instead allows her to impose a \$5,000 fine and requires her to issue a citation for each violation.

The act also changes the penalties that prohibit (debar) a contractor or subcontractor that violated the prevailing wage law from contracting with the state or its municipalities. Generally, it (1) allows the labor commissioner to refer knowing and willful violators for debarment, instead of requiring debarment for a certain period (as prior law did), and (2) broadens the debarment penalty to also cover contractors and subcontractors who enter into certain settlements with the commissioner to resolve claims for prevailing wage violations.

EFFECTIVE DATE: July 1, 2023

CITATIONS, FINES, & DEBARMENT

Prior law required that a contractor or subcontractor that knowingly or willfully paid a worker on a prevailing wage project less than what the prevailing wage law required be fined \$2,500 to \$5,000 and debarred for a certain period. First time violators were debarred until six months after they had repaid the owed wages and subsequent violators were debarred until two years after they had repaid the owed wages.

Citations & Fines

The act 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) allows, but does not require, her to impose a \$5,000 fine.

Listing and Debarment

The act also removes the debarment requirements for knowing and willful violators and instead requires the labor commissioner to maintain a list of any contractor or subcontractor that, during the previous three calendar years, (1) violated the prevailing wage law or (2) entered into a settlement with the

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commissioner to resolve any claims the commissioner brought under that law.

For each contractor or subcontractor on the list, the commissioner must record the (1) nature of the violation, (2) total amount of wages and fringe benefits “making up” the violation or agreed upon in the settlement, and (3) total amount of civil penalties and fines agreed upon by the commissioner. (The act does not further specify how to determine the wages and benefits “making up” a violation.)

The act requires the commissioner to annually review the list on May 1, for the preceding rolling three-year period. It allows her to “refer for debarment” any contractor or subcontractor that violated the prevailing wage law during that period. And it requires her to do so for any contractor or subcontractor with whom she entered into one or more settlements that, over the period, totaled more than \$50,000 in (1) back wages or fringe benefits or (2) civil penalties or fines agreed upon by the commissioner. The act allows any contractor or subcontractor referred for debarment to request a hearing with the commissioner under the Uniform Administrative Procedures Act.

Existing law, unchanged by the act, (1) requires the commissioner to maintain a list of persons or firms that have disregarded their obligations under the prevailing wage law (i.e., the debarment list) and (2) prohibits the state and its political subdivisions from contracting with any persons or firms on the list for up to three years, as determined by the commissioner (CGS § 31-53a). (It is unclear if the act’s provisions on “referring” a contractor or subcontractor for debarment involve placing the contractor or subcontractor on this list.)

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.