
OLR Bill Analysis

SB 1035

AN ACT CONCERNING STOP WORK ORDERS.

SUMMARY

This bill broadens the labor commissioner's authority to issue stop work orders to include instances when a contractor or subcontractor knowingly or willfully pays an employee less than the prevailing wage required on a public works project. It also increases the civil penalty for violating a stop work order from \$1,000 to \$5,000 for each day that an order is violated.

The bill correspondingly broadens the commissioner's investigative authority to cover complaints that a contractor or subcontractor violated the prevailing wage requirement. It also increases the fine for hindering an investigation of these complaints, or complaints about a non-payment of wages or a failure to provide workers' compensation insurance coverage, from a \$150-\$250 fine, to a fine of at least \$1,000.

EFFECTIVE DATE: October 1, 2023

STOP WORK ORDERS

Current law allows the labor commissioner to issue stop work orders for violations of the requirement to provide workers' compensation insurance coverage for employees. The bill expands this authority to also include knowing or willful violations of the requirement to pay certain employees the prevailing wage on public works projects.

As with the workers' compensation stop work orders, the bill's prevailing wage stop work orders:

1. must be issued within 72 hours after investigating and determining that a violation occurred;
2. only apply to the violating employer and the specific place of

- business or employment where the violation exists;
3. are effective when served on the employer or at that place of business or employment;
 4. may be served by posting a copy of the order in a conspicuous location at the place of business or employment;
 5. remain in effect until the commissioner either finds that the employer complied with the prevailing wage requirement or holds a hearing at the employer's request; and
 6. are effective against the employer's successor entity if it is engaged in the same or equivalent trade or activity and has at least one of the same principals or officers as the corporation, partnership, or sole proprietorship subject to the original order.

INVESTIGATIONS AND FINES

Under current law, when the labor commissioner receives a complaint for nonpayment of wages or a failure to provide workers' compensation coverage, she and certain other labor officials may enter an employer's business to determine compliance and take other investigatory actions (e.g., examine payroll records, take depositions). The bill allows the commissioner and these officials to also do this after receiving a complaint about a prevailing wage violation.

The law imposes a fine on an employer who, in the course of these investigations, (1) willfully fails to furnish time and wage records as required, (2) refuses to admit the commissioner or labor officials to the place of employment, or (3) hinders or delays the commissioner and officials from performing their duties. The bill requires this fine to be at least \$1,000, instead of the \$150-\$250 fine required by current law.

COMMITTEE ACTION

Labor and Public Employees Committee

Joint Favorable

Yea 8 Nay 3 (02/28/2023)