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## **OLR Bill Analysis**

### **sSB 1123**

#### ***AN ACT AMENDING CODIFICATION OF PREVAILING WAGE CONTRACT RATES.***

#### **SUMMARY**

This bill changes how residential construction rates are set under the law requiring prevailing wages be paid on public works projects that meet the prevailing wage cost thresholds. Under current law, the labor commissioner sets the residential construction rates for prevailing wage projects by adopting the applicable wage rates set by the federal labor secretary. Under the bill, she must instead use the rates set in the collective bargaining agreements or understandings covering the same work in the same trade or occupation in the town where the project is being done. This is the current method used for determining prevailing wage rates for the three other categories of public building projects (i.e., building, heavy, and highway projects) under the prevailing wage law.

Under the federal prevailing wage guidelines, residential projects are those of either single- or multi-family housing or dormitories of no more than four stories.

The prevailing wage law requires contractors on public works projects to at least pay the prevailing hourly wage and benefits to all eligible workers on the project. The requirement applies to new construction projects of \$1 million or more and rehabilitation or repair projects of \$100,000 or more. The bill defines “public work project” to mean the construction, reconstruction, alteration, remodeling, repair, or demolition of any public building or any other public works by a public entity.

The bill also makes conforming changes.

EFFECTIVE DATE: July 1, 2023

## **WAGE RATES AND COLLECTIVE BARGAINING AGREEMENTS**

In aligning the prevailing wage setting method for residential projects and building, heavy, and highway projects, the bill also applies two related provisions to residential construction projects. First, for each trade or occupation with more than one collective bargaining agreement in effect for the town where the project is being constructed, the collective bargaining agreement of historical jurisdiction must be used. (The law does not define “historical jurisdiction” in this context.) Second, in situations where there is no collective bargaining agreement in effect for the town where the project is located, the labor commissioner must adopt the applicable wage rates set by the federal labor secretary. These same requirements apply under existing law to building, heavy, and highway projects.

## **COMMITTEE ACTION**

Labor and Public Employees Committee

Joint Favorable

Yea 10    Nay 2    (03/16/2023)