



Senate

General Assembly

File No. 82

January Session, 2023

Senate Bill No. 1035

Senate, March 15, 2023

The Committee on Labor and Public Employees reported through SEN. KUSHNER of the 24th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING STOP WORK ORDERS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 31-76a of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2023*):

3 (a) On receipt of a complaint for nonpayment of wages, [or] a
4 violation of the provisions of subsection (g) of section 31-288 or a
5 violation of the provisions of subsection (b) of section 31-53, the Labor
6 Commissioner, the director of Wage and Workplace Standards or the
7 director's designee, shall have power to enter, during usual business
8 hours, the place of business or employment of any employer to
9 determine compliance with the wage payment laws, [or] subsection (g)
10 of section 31-288 or subsection (b) of section 31-53, and for such purpose
11 may examine payroll and other records and interview employees, call
12 hearings, administer oaths, take testimony under oath and take
13 depositions in the manner provided by sections 52-148a to 52-148e,
14 inclusive.

15 (b) The commissioner or the director, for such purpose, may issue
16 subpoenas for the attendance of witnesses and the production of books
17 and records. Any employer or any officer or agent of any employer,
18 corporation, firm or partnership who wilfully fails to furnish time and
19 wage records as required by law to the commissioner, the director of
20 minimum wage or any wage enforcement agent upon request, or who
21 refuses to admit the commissioner, the director or such agent to the
22 place of employment of such employer, corporation, firm or
23 partnership, or who hinders or delays the commissioner, the director or
24 such agent in the performance of the commissioner's, the director's or
25 such agent's duties in the enforcement of this section shall be fined not
26 less than [one hundred dollars nor more than two hundred fifty dollars]
27 one thousand dollars. Each day of such failure to furnish the time and
28 wage records to the commissioner, the director or such agent shall
29 constitute a separate offense, and each day of refusal to admit, of
30 hindering or of delaying the commissioner, the director or such agent
31 shall constitute a separate offense.

32 (c) (1) If the commissioner determines, after an investigation
33 pursuant to subsection (a) of this section, that an employer is in violation
34 of (A) subsection (g) of section 31-288, or (B) subsection (b) of section 31-
35 53, the commissioner shall issue, not later than seventy-two hours after
36 making such determination, a stop work order against the employer
37 requiring the cessation of all business operations of such employer. Such
38 stop work order shall be issued only against the employer found to be
39 in violation of subsection (g) of section 31-288 or in violation of
40 subsection (b) of section 31-53 and only as to the specific place of
41 business or employment for which the violation exists. Such order shall
42 be effective when served upon the employer or at the place of business
43 or employment. A stop work order may be served at a place of business
44 or employment by posting a copy of the stop work order in a
45 conspicuous location at the place of business or employment. Such order
46 shall remain in effect until the commissioner issues an order releasing
47 the stop work order upon a finding by the commissioner that the
48 employer has come into compliance with the requirements of subsection
49 (b) of section 31-284 or subsection (b) of section 31-53, or after a hearing

50 held pursuant to subdivision (2) of this subsection.

51 (2) Any employer against which a stop work order is issued pursuant
52 to subdivision (1) of this subsection may request a hearing before the
53 commissioner. Such request shall be made in writing to the
54 commissioner not more than ten days after the issuance of such order.
55 Such hearing shall be conducted in accordance with the provisions of
56 chapter 54.

57 (3) Stop work orders and any penalties imposed under section 31-288
58 or 31-69a, as amended by this act, against a corporation, partnership or
59 sole proprietorship for a violation of subsection (g) of section 31-288 or
60 for a violation of subsection (b) of section 31-53 shall be effective against
61 any successor entity that has one or more of the same principals or
62 officers as the corporation, partnership or sole proprietorship against
63 which the stop work order was issued and are engaged in the same or
64 equivalent trade or activity.

65 (4) The commissioner shall adopt regulations, in accordance with the
66 provisions of chapter 54, necessary to carry out this subsection.

67 Sec. 2. Subsection (a) of section 31-69a of the general statutes is
68 repealed and the following is substituted in lieu thereof (*Effective October*
69 *1, 2023*):

70 (a) In addition to the penalties provided in this chapter and chapter
71 568, any employer, officer, agent or other person who violates any
72 provision of this chapter, chapter 557 or subsection (g) of section 31-288
73 shall be liable to the Labor Department for a civil penalty of three
74 hundred dollars for each violation of said chapters and for each
75 violation of subsection (g) of section 31-288, except that (1) any person
76 who violates (A) a stop work order issued pursuant to subsection (c) of
77 section 31-76a, as amended by this act, shall be liable to the Labor
78 Department for a civil penalty of [one thousand dollars] five thousand
79 dollars and each day of such violation shall constitute a separate offense,
80 and (B) any provision of section 31-12, 31-13 or 31-14, subsection (a) of
81 section 31-15 or section 31-18, 31-23 or 31-24 shall be liable to the Labor

82 Department for a civil penalty of six hundred dollars for each violation
83 of said sections, and (2) a violation of subsection (g) of section 31-288
84 shall constitute a separate offense for each day of such violation.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2023</i>	31-76a
Sec. 2	<i>October 1, 2023</i>	31-69a(a)

LAB *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
Labor Dept.	GF - Potential Revenue Gain	Less than 100,000	Less than 100,000

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill, which expands the labor commissioner's authority to issue stop work orders and increases associated civil penalty amounts, results in a potential General Fund revenue gain of less than \$100,000 annually beginning in FY 24 to the extent violations occur.

The Department of Labor collected an average of approximately \$75,000 in fines annually from FY 18 through FY 22.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to fluctuation in the number of violations that occur.

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)