



Senate

General Assembly

File No. 298

January Session, 2023

Substitute Senate Bill No. 1123

Senate, March 29, 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 substitute bill ought to pass.

AN ACT AMENDING CODIFICATION OF PREVAILING WAGE CONTRACT RATES.

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

1 Section 1. Subsection (d) of section 31-53 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July 1,*
3 *2023*):

4 (d) For the purpose of predetermining the prevailing rate of wage on
5 an hourly basis and the amount of payment, contributions and member
6 benefits paid or payable on behalf of each person to any employee
7 welfare fund, as defined in subsection (i) of this section, in each town
8 where such contract is to be performed, the Labor Commissioner shall
9 adopt the rate of wages on an hourly basis in accordance with the
10 provisions of this section and section 31-76c and the amount of payment,
11 contributions and member benefits, including health, pension, annuity
12 and apprenticeship funds, as recognized by the United States
13 Department of Labor and the Labor Commissioner paid or payable on

14 behalf of each person to any employee welfare fund, as defined in
 15 subsection (i) of this section, as established in the collective bargaining
 16 agreements or understandings between employers or employer
 17 associations and bona fide labor organizations for the same work in the
 18 same trade or occupation in the town in which the applicable [building,
 19 heavy or highway] public works project, as defined in section 31-56a, is
 20 being constructed. For each trade or occupation for which more than
 21 one collective bargaining agreement is in effect for the town in which
 22 such project is being constructed, the collective bargaining agreement of
 23 historical jurisdiction shall prevail. For [residential project rates and for]
 24 each trade or occupation for which there is no collective bargaining
 25 agreement in effect for the town in which the [building, heavy or
 26 highway] public works project is being constructed, the Labor
 27 Commissioner shall adopt and use such appropriate and applicable
 28 prevailing wage rate determinations as have been made by the Secretary
 29 of Labor of the United States under the provisions of the Davis-Bacon
 30 Act, as amended.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2023	31-53(d)

Statement of Legislative Commissioners:

In the first sentence, "as defined in section 31-56a," was added after "public works project" for clarity.

LAB *Joint Favorable Subst. -LCO*

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: None

Municipal Impact: None

Explanation

The bill, which changes how residential construction prevailing wage rates are set, does not result in any fiscal impact to the state or municipalities.

The Out Years

State Impact: None

Municipal Impact: None

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)