House of Representatives

General Assembly

File No. 361

February Session, 2024

House Bill No. 5271

House of Representatives, April 9, 2024

The Committee on Labor and Public Employees reported through REP. SANCHEZ, E. of the 24th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT INCREASING THE UNEMPLOYMENT COMPENSATION THRESHOLD FOR AGRICULTURAL EMPLOYERS.

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

Section 1. Subparagraph (H) of subdivision (1) of subsection (a) of section 31-222 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2024*):

(H) Service performed after December 31, 1977, by an individual in agricultural labor as defined in subparagraph (1)(H)(vi) of this subsection when: (i) Such service is performed for a person who (I) prior to January 1, 2025, during any calendar quarter in either the current or the preceding calendar year paid remuneration in cash of twenty thousand dollars or more to individuals employed in agricultural labor not taking into account service in agricultural labor performed before January 1, 1980, by an alien referred to in subdivision (ii) of this subparagraph; **[**,**]** on and after January 1, 2025, but prior to January 1, 2026, during any calendar quarter during the period January 1, 2024, to

December 31, 2024, inclusive, paid remuneration in cash of twenty thousand dollars or more, or during the period January 1, 2025, to December 31, 2025, inclusive, paid remuneration in cash of twenty-five thousand dollars or more, to individuals employed in agricultural labor not taking into account service in agricultural labor performed before January 1, 1980, by an alien referred to in subdivision (ii) of this subparagraph; and on and after January 1, 2026, during any calendar quarter in either the current or the preceding calendar year paid remuneration in cash of twenty-five thousand dollars or more to individuals employed in agricultural labor not taking into account service in agricultural labor performed before January 1, 1980, by an alien referred to in subdivision (ii) of this subparagraph; or (II) for some portion of a day in each of twenty different calendar weeks, whether or not such weeks were consecutive, in either the current or the preceding calendar year, employed in agricultural labor not taking into account service in agricultural labor performed before January 1, 1980, by an alien referred to in subdivision (ii) of this subparagraph, ten or more individuals, regardless of whether they were employed at the same moment of time; (ii) such service is not performed in agricultural labor if performed before January 1, 1980, by an individual who is an alien admitted to the United States to perform service in agricultural labor pursuant to Sections 214(c) and 101(a)(15)(H) of the Immigration and Nationality Act; (iii) for the purposes of this subsection any individual who is a member of a crew furnished by a crew leader to perform service in agricultural labor for any other person shall be treated as an employee of such crew leader (I) if such crew leader holds a valid certificate of registration under the Farm Labor Contractor Registration Act of 1963; or substantially all the members of such crew operate or maintain tractors, mechanized harvesting or crop-dusting equipment, or any other mechanized equipment, which is provided by such crew leader; and (II) if such individual is not an employee of such other person within the meaning of subparagraph (B) of subsection (a)(1); (iv) for the purposes of this subparagraph (H), in the case of any individual who is furnished by a crew leader to perform service in agricultural labor for any other person and who is not treated as an employee of such crew

leader under subdivision (iii), (I) such other person and not the crew leader shall be treated as the employer of such individual; and (II) such other person shall be treated as having paid cash remuneration to such individual in an amount equal to the amount of cash remuneration paid to such individual by the crew leader either on his own behalf or on behalf of such other person for the service in agricultural labor performed for such other person; (v) for the purposes of this subparagraph (H), the term "crew leader" means an individual who (I) furnishes individuals to perform services in agricultural labor for any other person, (II) pays either on his own behalf or on behalf of such other person the individuals so furnished by him for the service in agricultural labor performed by them, and (III) has not entered into a written agreement with such other person under which such individual is designated as an employee of such other person; (vi) for purposes of this chapter, the term "agricultural labor" means any service performed prior to January 1, 1978, which was agricultural labor prior to such date, and remunerated service performed after December 31, 1977: (I) On a farm, in the employ of any person, in connection with cultivating the soil, or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training and management of livestock, bees, poultry and fur-bearing animals and wildlife; (II) in the employ of the owner or tenant or other operator of a farm, in connection with the operation, management, conservation, improvement or maintenance of such farm and its tools and equipment, or in salvaging timber or clearing land of brush and other debris left by a hurricane, if the major part of such service is performed on a farm; (III) in connection with the production or harvesting of a commodity defined as an agricultural commodity in Section 15(g) of the Agricultural Marketing Act, as amended (46 Stat. 1550, S. 3; 12 USC 1141j) or in connection with the ginning of cotton, or in connection with the operation or maintenance of ditches, canals, reservoirs or waterways, not owned or operated for profit, used exclusively for supplying and storing water for farming purposes; (IV) (1) in the employ of the operator of a farm in handling, planting, drying, packing, packaging, processing, freezing, grading, storing or delivering to storage or to

market or to a carrier for transportation to market, in its unmanufactured state, any agricultural or horticultural commodity; but only if such operator produced more than one-half of the commodity with respect to which such service is performed; (2) in the employ of a group of operators of farms, or a cooperative organization of which such operators are members, in the performance of service described in subclause (1), but only if such operators produced more than one-half of the commodity with respect to which such service is performed; (3) the provisions of subclauses (1) and (2) shall not be deemed to be applicable with respect to service performed in connection with commercial canning or commercial freezing or in connection with any agricultural or horticultural commodity after its delivery to a terminal market for distribution for consumption; or (V) on a farm operated for profit if such service is not in the course of the employer's trade or business. As used in this subdivision, the term "farm" includes stock, dairy, poultry, fruit, fur-bearing animal, and truck farms, plantations, ranches, nurseries, ranges, greenhouses or other similar structures used primarily for the raising of agricultural or horticultural commodities, and orchards;

This act shall take effect as follows and shall amend the following sections:		
Section 1	*July 1, 2024*	31-222(a)(1)(H)

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 25 $	FY 26 $
Labor Dept.	GF - Cost	13,135	None
Labor Dept.	UITF - See Below	See Below	See Below
State Comptroller - Fringe Benefits[1]	GF - Cost	551	None

Note: GF=General Fund; UITF=Unemployment Insurance Trust Fund

Municipal Impact: None

Explanation

The bill, which increases from $20,000 to $25,000 the quarterly compensation threshold that determines whether an agricultural employer and its employees are covered by the state's unemployment law, results in a cost to (1) the Department of Labor (DOL) of $13,135 in FY 25 only and (2) the State Comptroller- Fringe Benefits account of $551 also in FY 25 only. Additionally, it results in a minimal net fiscal impact to the Unemployment Insurance (UI) Trust Fund beginning in FY 25.

In order to implement the requirements of this bill, DOL would need $11,800 for vendor costs related to code changes needed in ReEmployCT.[2] Additionally, DOL would need 24 hours of staff time for a Revenue Examiner ($909 for 16 hours of work and $375 for fringe

[1]The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.25% of payroll in FY 25.

[2] ReEmployCT is the unemployment insurance administration system. Since the code changes needed will not be part of the Unemployment Insurance Modernization Consortium, the vendor costs will need to be paid using the General Fund.

benefits) and a Temporary Worker Retiree ($426 for 8 hours of work and $176 for fringe benefits)[3]. The staff would test the system to ensure the code changes function properly.

The bill also results in an expected loss of UI taxes paid by any newly exempted employer, which is anticipated to be largely offset by savings in UI benefits to newly exempted employees over time.

The Out Years

The annualized ongoing fiscal impact on the Unemployment Insurance Trust Fund identified above would continue into the future.

[3] The agency cannot use federal funds for state mandated requirements. Therefore, the hours paid to the staff will be from the General Fund.

OLR Bill Analysis

HB 5271

AN ACT INCREASING THE UNEMPLOYMENT COMPENSATION THRESHOLD FOR AGRICULTURAL EMPLOYERS.

SUMMARY

This bill increases, from $20,000 to $25,000, the quarterly compensation threshold that determines whether an agricultural employer and its employees are covered by the state's unemployment law.

Under current law, if an employer paid at least $20,000 to people employed in agricultural labor during any calendar quarter of the current or preceding year, then that labor is considered "employment" covered by the unemployment law. As covered employment, the employer would have to pay unemployment taxes on it, and the employees could qualify for unemployment benefits.

The bill increases this threshold to $25,000 for compensation paid on or after January 1, 2025. (Because of the law's one-year lookback, during 2025, an agricultural employer could come under the unemployment law by either (1) having paid at least $20,000 during a 2024 quarter or (2) paying at least $25,000 during a 2025 quarter.)

By law, "agricultural labor" is generally any service performed (1) on a farm, in the employ of any person, in connection with cultivating the soil or with raising or harvesting an agricultural or horticultural commodity; (2) in the employ of a farm's owner, tenant, or other operator in connection with operating, managing, conserving, improving, or maintaining the farm and its tools and equipment; or (3) in the employ of certain farm operators handling, planting, drying, packing, packaging, processing, freezing, grading, storing, or delivering an agricultural or horticultural commodity in its unmanufactured state.

EFFECTIVE DATE: July 1, 2024

COMMITTEE ACTION

Labor and Public Employees Committee

Joint Favorable
Yea 12 Nay 0 (03/21/2024)