



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:

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2 section 31-222 of the general statutes is repealed and the following is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

4 (H) Service performed after December 31, 1977, by an individual in
5 agricultural labor as defined in subparagraph (1)(H)(vi) of this
6 subsection when: (i) Such service is performed for a person who (I) prior
7 to January 1, 2025, during any calendar quarter in either the current or
8 the preceding calendar year paid remuneration in cash of twenty
9 thousand dollars or more to individuals employed in agricultural labor
10 not taking into account service in agricultural labor performed before
11 January 1, 1980, by an alien referred to in subdivision (ii) of this
12 subparagraph; [] on and after January 1, 2025, but prior to January 1,
13 2026, during any calendar quarter during the period January 1, 2024, to

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

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

84 market or to a carrier for transportation to market, in its
 85 unmanufactured state, any agricultural or horticultural commodity; but
 86 only if such operator produced more than one-half of the commodity
 87 with respect to which such service is performed; (2) in the employ of a
 88 group of operators of farms, or a cooperative organization of which such
 89 operators are members, in the performance of service described in
 90 subclause (1), but only if such operators produced more than one-half
 91 of the commodity with respect to which such service is performed; (3)
 92 the provisions of subclauses (1) and (2) shall not be deemed to be
 93 applicable with respect to service performed in connection with
 94 commercial canning or commercial freezing or in connection with any
 95 agricultural or horticultural commodity after its delivery to a terminal
 96 market for distribution for consumption; or (V) on a farm operated for
 97 profit if such service is not in the course of the employer's trade or
 98 business. As used in this subdivision, the term "farm" includes stock,
 99 dairy, poultry, fruit, fur-bearing animal, and truck farms, plantations,
 100 ranches, nurseries, ranges, greenhouses or other similar structures used
 101 primarily for the raising of agricultural or horticultural commodities,
 102 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

¹The 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)