



General Assembly

Substitute Bill No. 409

February Session, 2024



AN ACT CONCERNING WAGE THEFT RESPONSIBILITY.

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

1 Section 1. (NEW) (*Effective October 1, 2024*) (a) For purposes of this
2 section and section 2 of this act:

3 (1) "Construction contract" means any contract entered into on or
4 after October 1, 2024, for construction, renovation or rehabilitation in
5 this state, including any improvements to real property that are
6 associated with such construction, renovation or rehabilitation, or any
7 subcontract for construction, renovation or rehabilitation between an
8 owner and a contractor, a contractor and a subcontractor or a
9 subcontractor and another subcontractor. "Construction contract" does
10 not include (A) any public works or other contract entered into with this
11 state, any other state or the United States, or (B) a home improvement
12 contract for (i) the construction, renovation or rehabilitation of an
13 owner-occupied residence, or (ii) the construction, renovation or
14 rehabilitation of a one-family or two-family dwelling unit, except when
15 such contract is for the construction of more than fifteen one-family or
16 two-family dwelling units at one project site;

17 (2) "Contractor" means any individual, firm, partnership,
18 corporation, association, company, organization or other business
19 entity, including, but not limited to, a construction manager, general or
20 prime contractor, joint venture or any combination thereof that has a

21 direct contractual relationship with an owner;

22 (3) "Employee" has the same meaning as provided in section 31-71a
23 of the general statutes;

24 (4) "Owner" has the same meaning as provided in section 42-158i of
25 the general statutes;

26 (5) "Subcontractor" means any individual, firm, partnership,
27 corporation, association, company, organization or other business entity
28 or any combination thereof that (A) does not have a direct contractual
29 relationship with an owner, and (B) (i) is a party to a construction
30 contract with a contractor, (ii) is a party to a construction contract with
31 another subcontractor that has a direct contractual relationship with a
32 contractor, or (iii) performs any portion of work at any tier within the
33 scope of a construction contract regardless of whether such
34 subcontractor has a direct contractual relationship with a contractor;
35 and

36 (6) "Wages" has the same meaning as provided in section 31-71a of
37 the general statutes.

38 (b) Any contractor who enters into a construction contract shall be
39 jointly and severally liable for any unpaid wages due to any employee
40 of any subcontractor in a direct contractual relationship with the
41 contractor, or any subcontractor of a subcontractor, for such employee's
42 performance of labor included within the scope of the construction
43 contract.

44 (c) Nothing in this section shall prohibit a contractor from including
45 in each of its subcontracts a provision establishing a remedy for any
46 liability created by the nonpayment of wages by a subcontractor,
47 provided such provision does not diminish the right of an employee to
48 bring an action under section 31-72 of the general statutes, as amended
49 by this act, and does not waive or release any liability assigned to a
50 contractor under this section. No such provision to waive or release
51 liability assigned to the contractor under this section shall be

52 enforceable.

53 Sec. 2. (NEW) (*Effective October 1, 2024*) (a) (1) A contractor may
54 request from a subcontractor the payroll records of employees
55 providing labor under the construction contract. Such request shall be
56 sent to the subcontractor by certified mail and shall notify the
57 subcontractor that such subcontractor has thirty days to respond.

58 (2) Upon request of a contractor for the payroll records of employees
59 of a subcontractor pursuant to this subsection, a subcontractor and any
60 other subcontractors under contract to such subcontractor shall provide
61 such contractor with such payroll records not later than thirty days after
62 such request is received. Such payroll records shall (A) be attested to
63 and certified to be accurate and complete, (B) indicate the
64 subcontractor's and any lower tier subcontractor's payment status in
65 paying wages to employees, and (C) be marked or redacted only to
66 prevent disclosure of an employee's full Social Security number.

67 (b) (1) A contractor may request from a subcontractor: (A) The names
68 of all employees and independent contractors such subcontractor
69 employs who are providing labor under the construction contract
70 between the contractor and subcontractor; (B) when applicable, the
71 name, address and phone number of any subcontractors with whom
72 such subcontractor is under contract, the anticipated start date of such
73 contract and the duration of work under such contract; and (C) when
74 applicable, collective bargaining agreements of which such
75 subcontractor is a signatory contractor. Such request shall be sent to the
76 subcontractor by certified mail and shall notify the subcontractor that
77 such subcontractor has thirty days to respond. For purposes of this
78 subdivision, "signatory contractor" means a subcontractor that is
79 independently obligated to one or more collective bargaining
80 agreements with any labor organization.

81 (2) Upon request of a contractor pursuant to this section, a
82 subcontractor and any lower tier subcontractor under contract to such
83 subcontractor shall provide such contractor with such information not

84 later than thirty days after such request is received.

85 (c) Failure by a subcontractor to comply with a request from a
86 contractor under subsections (a) and (b) of this section shall be cause for
87 a contractor to withhold payments owed to a subcontractor.

88 Sec. 3. Section 31-72 of the general statutes is repealed and the
89 following is substituted in lieu thereof (*Effective October 1, 2024*):

90 (a) When any employer fails to pay an employee wages in accordance
91 with the provisions of sections 31-71a to 31-71i, inclusive, or fails to
92 compensate an employee in accordance with section 31-76k or where an
93 employee or a labor organization representing an employee institutes
94 an action to enforce an arbitration award which requires an employer to
95 make an employee whole or to make payments to an employee welfare
96 fund, such employee or labor organization shall recover, in a civil action,
97 (1) twice the full amount of such wages, with costs and such reasonable
98 attorney's fees as may be allowed by the court, or (2) if the employer
99 establishes that the employer had a good faith belief that the
100 underpayment of wages was in compliance with law, the full amount of
101 such wages or compensation, with costs and such reasonable attorney's
102 fees as may be allowed by the court. Any agreement between an
103 employee and his or her employer for payment of wages other than as
104 specified in said sections shall be no defense to such action. The Labor
105 Commissioner may collect the full amount of any such unpaid wages,
106 payments due to an employee welfare fund or such arbitration award,
107 as well as interest calculated in accordance with the provisions of section
108 31-265 from the date the wages or payment should have been received,
109 had payment been made in a timely manner. In addition, the Labor
110 Commissioner may bring any legal action necessary to recover twice the
111 full amount of unpaid wages, payments due to an employee welfare
112 fund or arbitration award, and the employer shall be required to pay the
113 costs and such reasonable attorney's fees as may be allowed by the court.
114 The commissioner shall distribute any wages, arbitration awards or
115 payments due to an employee welfare fund collected pursuant to this
116 section to the appropriate person.

117 (b) When a subcontractor fails to pay an employee for labor
 118 performed within the scope of a construction contract, the employee, or
 119 a labor organization representing the employee, may bring a civil action
 120 under this section against either the subcontractor, the contractor or
 121 both the subcontractor and contractor. Not less than ten days prior to
 122 bringing a civil action under this section, such employee shall provide
 123 notice of an alleged violation by such subcontractor to the contractor.
 124 Such notice shall describe the general nature of the alleged violation. No
 125 employee shall be required to provide notice pursuant to this subsection
 126 if such employee has previously given notice to a contractor of either
 127 the same violation or a prior violation by the same subcontractor. Any
 128 notice provided to a contractor pursuant to this subsection shall not
 129 limit the liability of the contractor or preclude subsequent amendments
 130 of an action brought under this section to encompass additional
 131 employees employed by the subcontractor. For purposes of this section,
 132 "construction contract", "contractor" and "subcontractor" have the same
 133 meanings as provided in section 1 of this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2024	New section
Sec. 2	October 1, 2024	New section
Sec. 3	October 1, 2024	31-72

Statement of Legislative Commissioners:

In Section 1(b) "entering" was changed to "who enters into" for conformity with standard drafting conventions, and Subsec. (c) was rewritten for clarity; in Section 2(a)(1) "on a construction contract" was changed to "under the construction contract" for conformity with standard drafting conventions, and in Subsec. (b)(1) "on the construction contract" was changed to "under the construction contract" for conformity, and in Section 3(b) "entered into on or after October 1, 2024," was deleted for conformity with standard drafting conventions.

LAB *Joint Favorable Subst.*