



# House of Representatives

General Assembly

**File No. 353**

January Session, 2025

Substitute House Bill No. 6955

*House of Representatives, March 31, 2025*

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 substitute bill ought to pass.

## ***AN ACT CONCERNING A CONTRACTOR'S RESPONSIBILITY FOR UNPAID WAGES ON A CONSTRUCTION CONTRACT.***

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

1 Section 1. (NEW) (*Effective October 1, 2025*) (a) For the purposes of this  
2 section and section 31-72 of the general statutes, as amended by this act:

3 (1) "Construction contract" means any contract entered into on or  
4 after October 1, 2025, for construction, renovation or rehabilitation in the  
5 state, including any improvements to real property that are associated  
6 with such construction, renovation or rehabilitation, or any subcontract  
7 for construction, renovation or rehabilitation between an owner and a  
8 contractor, a contractor and a subcontractor or between a subcontractor  
9 and another subcontractor. "Construction contract" does not include (A)  
10 any public works or other contract entered into with any agency or  
11 department in the state, another state or a federal agency or department,  
12 or (B) a home improvement contract for (i) the construction, renovation  
13 or rehabilitation of an owner-occupied residence or the property where

14 such residence is located, or (ii) the construction, renovation or  
15 rehabilitation of a one-family or two-family dwelling unit or the  
16 property where such dwelling unit is located, except when such contract  
17 is for the construction of more than fifteen one-family or two-family  
18 dwelling units at one project site;

19 (2) "Contractor" means any individual, firm, partnership,  
20 corporation, association, company, organization or other business  
21 entity, including, but not limited to, a construction manager, general or  
22 prime contractor, joint venture or any combination thereof that has a  
23 direct contractual relationship with an owner;

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

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

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

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

40 (b) A contractor that enters into a construction contract shall be jointly  
41 and severally liable for any unpaid wages due to an employee of a  
42 subcontractor for such employee's performance of labor included within  
43 the scope of the construction contract.

44 (c) Nothing in this section shall prohibit a contractor from including

45 in any construction contract between such contractor and a  
46 subcontractor a provision establishing a remedy for any liability created  
47 by the nonpayment of wages by a subcontractor, provided such  
48 provision does not diminish the right of an employee to bring an action  
49 under section 31-72 of the general statutes, as amended by this act, and  
50 does not waive or release any liability assigned to a contractor under  
51 this section. No such provision to waive or release liability assigned to  
52 the contractor under this section shall be enforceable.

53 Sec. 2. Section 31-72 of the general statutes is repealed and the  
54 following is substituted in lieu thereof (*Effective October 1, 2025*):

55 (a) When any employer fails to pay an employee wages in accordance  
56 with the provisions of sections 31-71a to 31-71i, inclusive, or fails to  
57 compensate an employee in accordance with section 31-76k or where an  
58 employee or a labor organization representing an employee institutes  
59 an action to enforce an arbitration award which requires an employer to  
60 make an employee whole or to make payments to an employee welfare  
61 fund, such employee or labor organization shall recover, in a civil action,  
62 (1) twice the full amount of such wages, with costs and such reasonable  
63 attorney's fees as may be allowed by the court, or (2) if the employer  
64 establishes that the employer had a good faith belief that the  
65 underpayment of wages was in compliance with law, the full amount of  
66 such wages or compensation, with costs and such reasonable attorney's  
67 fees as may be allowed by the court. Any agreement between an  
68 employee and his or her employer for payment of wages other than as  
69 specified in said sections shall be no defense to such action. The Labor  
70 Commissioner may collect the full amount of any such unpaid wages,  
71 payments due to an employee welfare fund or such arbitration award,  
72 as well as interest calculated in accordance with the provisions of section  
73 31-265 from the date the wages or payment should have been received,  
74 had payment been made in a timely manner. In addition, the Labor  
75 Commissioner may bring any legal action necessary to recover twice the  
76 full amount of unpaid wages, payments due to an employee welfare  
77 fund or arbitration award, and the employer shall be required to pay the  
78 costs and such reasonable attorney's fees as may be allowed by the court.

79 The commissioner shall distribute any wages, arbitration awards or  
80 payments due to an employee welfare fund collected pursuant to this  
81 section to the appropriate person.

82 (b) When a subcontractor fails to pay an employee wages for labor  
83 performed within the scope of a construction contract entered into on or  
84 after October 1, 2025, the employee, or a labor organization representing  
85 the employee, may bring a civil action under this section against either  
86 the subcontractor, the contractor or both the subcontractor and  
87 contractor. Not less than thirty days prior to bringing a civil action  
88 under this section, if a contractor is a party in such action, an employee  
89 shall provide notice of an alleged violation by the subcontractor to such  
90 contractor. Such notice shall describe the general nature of the alleged  
91 violation. No employee shall be required to provide notice pursuant to  
92 this subsection if such employee has previously given notice to a  
93 contractor of either the same violation or a prior violation by the same  
94 subcontractor. Any notice provided to a contractor pursuant to this  
95 subsection shall not limit the liability of the contractor or preclude  
96 subsequent amendments of an action brought under this section to  
97 encompass additional employees employed by the subcontractor. For  
98 purposes of this section, "construction contract", "contractor" and  
99 "subcontractor" have the same meanings as provided in section 1 of this  
100 act.

This act shall take effect as follows and shall amend the following sections:

Section 1	October 1, 2025	New section
Sec. 2	October 1, 2025	31-72

**LAB**      *Joint Favorable Subst.*

*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.*

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### **OFA Fiscal Note**

**State Impact:** None

**Municipal Impact:** None

### **Explanation**

The bill, which makes contractors liable for unpaid wages owed to employees of subcontractors that perform work on any portion of a construction contract, does not result in any fiscal impact to the state or municipalities.<sup>1</sup>

Section 3 allows an employee and other designated parties to bring civil action against a contractor for unpaid wages and does not result in any fiscal impact to the state or municipalities. The court system disposes of over 250,000 cases annually and the number of cases is not anticipated to be great enough to need additional resources.

### **The Out Years**

**State Impact:** None

**Municipal Impact:** None

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<sup>1</sup> Current law, unchanged by the bill, allows employees to sue an employer for failure to pay wages or fringe benefits, and may be awarded up to twice their unpaid wages, related costs, and attorney's fees (CGS § 31-72).

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**OLR Bill Analysis****sHB 6955*****AN ACT CONCERNING A CONTRACTOR'S RESPONSIBILITY FOR UNPAID WAGES ON A CONSTRUCTION CONTRACT.*****SUMMARY**

For construction contracts executed on or after October 1, 2025, this bill makes a construction contractor jointly and severally liable for any unpaid wages owed to a subcontractor's employee working within the contract's scope.

Under the bill, if the subcontractor fails to pay such an employee, either the employee or a labor organization may sue the subcontractor, the contractor, or both. If the contractor is a party in the suit, the employee must give the contractor at least 30 days' advance notice about the subcontractor's alleged violation before suing. The notice must describe the alleged violation's general nature. However, the employee does not have to provide this notice if he or she has previously given notice to the contractor about the same violation or a prior violation by the same subcontractor. The bill specifies that the notice does not limit the contractor's liability or preclude subsequent amendments to the suit to encompass additional employees employed by the subcontractor.

The bill also specifies that it does not prohibit a construction contract between a contractor and subcontractor from including a provision establishing a remedy for any liability created by a subcontractor's nonpayment of wages, as long as it does not (1) diminish an employee's right to bring a lawsuit for unpaid wages or (2) waive or release any liability assigned to the contractor under the bill. Additionally, the bill makes any provision to waive or release liability assigned to the contractor unenforceable.

EFFECTIVE DATE: October 1, 2025

**CONTRACTS, CONTRACTORS, AND SUBCONTRACTORS**

Under the bill, a “construction contract” is a contract entered into on or after October 1, 2025, for construction, renovation, or rehabilitation in the state, including any improvements to real property associated with it. It includes those contracts between an owner and a contractor, a contractor and a subcontractor, or between subcontractors. It does not include (1) public works or other contracts by the state, another state, or the federal government or (2) home improvement contracts to build, renovate, or rehabilitate (a) an owner-occupied residence or property where it is located or (b) one- or two-family dwelling units or properties; unless there are more than 15 of them at one project site.

Under the bill, “contractors” are business entities, including construction managers, general or prime contractors, joint ventures, or combinations of them, that have a direct contractual relationship with an owner (the owner of record or lessee of real property where the construction, renovation, or rehabilitation will be or is being performed).

A “subcontractor” is a business entity that does not have a direct contractual relationship with an owner but:

1. is a party to a construction contract with the contractor;
2. is a party to a construction contract with another subcontractor that has a direct contractual relationship with the contractor; or
3. performs any work at any tier within the construction contract’s scope, regardless of whether it has a direct contractual relationship with a contractor.

**COMMITTEE ACTION**

Labor and Public Employees Committee

Joint Favorable Substitute

Yea 9      Nay 4      (03/13/2025)