



# Senate

General Assembly

**File No. 335**

January Session, 2025

Substitute Senate Bill No. 1370

*Senate, March 31, 2025*

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 REQUIRING WORKERS PERFORMING OFF-SITE CUSTOM FABRICATION FOR A PUBLIC WORKS PROJECT TO BE PAID PREVAILING WAGE RATES.***

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

1 Section 1. Subsection (a) of section 31-53 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective July 1,*  
3 *2025*):

4 (a) Each contract for the construction, remodeling, refinishing,  
5 refurbishing, rehabilitation, alteration or repair of any public works  
6 project by the state or any of its agents, or by any political subdivision  
7 of the state or any of its agents, including, on and after July 1, 2025, each  
8 contract for off-site custom fabrication for any such public works  
9 project, shall contain the following provision: "The wages paid on an  
10 hourly basis to any person performing the work of any mechanic,  
11 laborer or worker on the work herein contracted to be done and the  
12 amount of payment or contribution paid or payable on behalf of each

13 such person to any employee welfare fund, as defined in subsection (i)  
14 of this section, shall be at a rate equal to the rate customary or prevailing  
15 for the same work in the same trade or occupation in the town in which  
16 such public works project is being constructed. Any contractor who is  
17 not obligated by agreement to make payment or contribution on behalf  
18 of such persons to any such employee welfare fund shall pay to each  
19 mechanic, laborer or worker as part of such person's wages the amount  
20 of payment or contribution for such person's classification on each pay  
21 day." For purposes of this subsection, "off-site custom fabrication"  
22 means the fabrication of systems that are fabricated at a site other than  
23 the location of a public works project, but are fabricated specifically for  
24 such public works project, including plumbing systems, heating  
25 systems, cooling systems, pipefitting systems, ventilation systems or  
26 exhaust duct systems. "Off-site custom fabrication" does not include  
27 components or materials that are stock shelf items or readily available.

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

|           |              |          |
|-----------|--------------|----------|
| Section 1 | July 1, 2025 | 31-53(a) |
|-----------|--------------|----------|

**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.*

## **OFA Fiscal Note**

### **State Impact:**

| Agency Affected                                  | Fund-Effect               | FY 26 \$  | FY 27 \$  |
|--|---------------------------|-----------|-----------|
| Labor Dept.                                      | GF - Potential Cost       | 104,306   | 102,806   |
| State Comptroller - Fringe Benefits <sup>1</sup> | GF - Potential Cost       | 39,517    | 39,517    |
| Various State Agencies                           | App Fund - Potential Cost | See Below | See Below |

Note: GF=General Fund; App Fund=All Appropriated Funds

### **Municipal Impact:**

| Municipalities     | Effect         | FY 26 \$  | FY 27 \$  |
|--------------------|----------------|-----------|-----------|
| All Municipalities | Potential Cost | See Below | See Below |

### **Explanation**

The bill requires workers performing off-site fabrication for a public works project to be paid prevailing wage rates. This could potentially result in a cost to the Department of Labor (DOL), the State Comptroller-Fringe Benefits account, and the state and municipalities as employers.

The cost to DOL and the Comptroller- Fringe Benefits account is dependent on the potential volume of complaints and investigations brought to the Wage and Workplace Standards Division. As a reference, hiring an additional Wage Enforcement Agent would result in a cost to (1) DOL of \$104,306 (\$97,069 for salary and \$7,237 for

<sup>1</sup>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 40.71% of payroll in FY 26.

equipment/overhead) in FY 26 and \$102,806 (\$97,069 for salary and \$5,737 for overhead) in FY 27 and (2) the State Comptroller- Fringe Benefits account of \$39,517 in each FY 26 and FY 27.

Additionally, there is a potential cost to the state and municipalities (for the municipal share of the project cost) as there may be increased contractual costs for these projects beginning in FY 26, to the extent that these projects currently fall below the existing prevailing wage threshold.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation and the volume of complaints and investigations brought to the Wage and Workplace Standards Division.

**OLR Bill Analysis****sSB 1370*****AN ACT REQUIRING WORKERS PERFORMING OFF-SITE CUSTOM FABRICATION FOR A PUBLIC WORKS PROJECT TO BE PAID PREVAILING WAGE RATES.*****SUMMARY**

This bill extends the state's prevailing wage law to cover off-site custom fabrication for a covered public works project. Under the bill, "off-site custom fabrication" is fabricating systems specifically for a public works project at a site other than the project's location. It includes plumbing, heating, cooling, pipefitting, ventilation, and exhaust duct systems, but does not include components or materials that are stock shelf items or readily available.

Generally, the prevailing wage law requires each contract to build, renovate, or repair certain public works projects to have a provision that requires the project's contractors and subcontractors to pay their construction workers wages and benefits equal to those that are customary or prevailing for the same work, in the same occupation, in the same town. Starting July 1, 2025, the bill requires contracts for off-site custom fabrication on prevailing wage projects to include this provision. The prevailing wage law applies to new construction projects costing at least \$1 million and renovation projects costing at least \$100,000.

EFFECTIVE DATE: July 1, 2025

**COMMITTEE ACTION**

Labor and Public Employees Committee

Joint Favorable Substitute

Yea 9      Nay 4      (03/13/2025)