General Assembly

Raised Bill No. 6955

January Session, 2025

LCO No. **4598**

Referred to Committee on LABOR AND PUBLIC EMPLOYEES

Introduced by:
(LAB)

AN ACT CONCERNING THE LIABILITY OF A CONTRACTOR FOR UNPAID WAGES OWED TO AN EMPLOYEE OF A SUBCONTRACTOR FOR PERFORMANCE OF LABOR 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 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, 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 a contractor and
8   a subcontractor or between a subcontractor and another subcontractor.
9   "Construction contract" does not include (A) any public works or other
10   contract entered into with any agency or department in the state,
11   another state or a federal agency or department, or (B) a home
12   improvement contract for (i) the construction, renovation or
13   rehabilitation of an owner-occupied residence, or (ii) the construction,
14   renovation or rehabilitation of a one-family or two-family dwelling unit,

15   except when such contract is for the construction of more than fifteen
16   one-family or 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) A contractor who enters into a construction contract shall be
39   jointly and severally liable for any unpaid wages due to an employee of
40   a subcontractor in a direct contractual relationship with the contractor,
41   or a subcontractor of a subcontractor in a direct contractual relationship
42   with the contractor, for such employee's performance of labor included
43   within 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. (NEW) (*Effective October 1, 2025*) (a) (1) A contractor may
54 request from a subcontractor the payroll records of employees
55 providing labor under the construction contract between the contractor
56 and subcontractor. Such request shall be sent to the subcontractor by
57 certified mail and shall notify the subcontractor that such subcontractor
58 has thirty days to respond.

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

68 (b) (1) A contractor may request from a subcontractor in a direct
69 contractual relationship with the contractor: (A) The names of all
70 employees and independent contractors such subcontractor employs
71 who are providing labor under the construction contract between the
72 contractor and subcontractor; (B) when applicable, the name, address
73 and phone number of any subcontractors with whom such
74 subcontractor is under contract, the anticipated start date of such
75 contract and the duration of work under such contract; and (C) when

76 applicable, collective bargaining agreements of which such
77 subcontractor is a signatory contractor. Such request shall be sent to the
78 subcontractor by certified mail and shall notify the subcontractor that
79 such subcontractor has thirty days to respond. For purposes of this
80 subdivision, "signatory contractor" means a subcontractor that is
81 independently obligated to one or more collective bargaining
82 agreements with any labor organization.

83   (2) Upon request of a contractor pursuant to this section, a
84 subcontractor and any lower tier subcontractor under contract to such
85 subcontractor shall provide the contractor with such information not
86 later than thirty days after such request is received.

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

90   Sec. 3. Section 31-72 of the general statutes is repealed and the
91 following is substituted in lieu thereof (*Effective October 1, 2025*):

92   (a) When any employer fails to pay an employee wages in accordance
93 with the provisions of sections 31-71a to 31-71i, inclusive, or fails to
94 compensate an employee in accordance with section 31-76k or where an
95 employee or a labor organization representing an employee institutes
96 an action to enforce an arbitration award which requires an employer to
97 make an employee whole or to make payments to an employee welfare
98 fund, such employee or labor organization shall recover, in a civil action,
99 (1) twice the full amount of such wages, with costs and such reasonable
100 attorney's fees as may be allowed by the court, or (2) if the employer
101 establishes that the employer had a good faith belief that the
102 underpayment of wages was in compliance with law, the full amount of
103 such wages or compensation, with costs and such reasonable attorney's
104 fees as may be allowed by the court. Any agreement between an
105 employee and his or her employer for payment of wages other than as
106 specified in said sections shall be no defense to such action. The Labor

107   Commissioner may collect the full amount of any such unpaid wages,
108   payments due to an employee welfare fund or such arbitration award,
109   as well as interest calculated in accordance with the provisions of section
110   31-265 from the date the wages or payment should have been received,
111   had payment been made in a timely manner. In addition, the Labor
112   Commissioner may bring any legal action necessary to recover twice the
113   full amount of unpaid wages, payments due to an employee welfare
114   fund or arbitration award, and the employer shall be required to pay the
115   costs and such reasonable attorney's fees as may be allowed by the court.
116   The commissioner shall distribute any wages, arbitration awards or
117   payments due to an employee welfare fund collected pursuant to this
118   section to the appropriate person.

119   (b) When a subcontractor fails to pay an employee wages for labor
120   performed within the scope of a construction contract, the employee, or
121   a labor organization representing the employee, may bring a civil action
122   under this section against either the subcontractor, the contractor or
123   both the subcontractor and contractor. Not less than ten days prior to
124   bringing a civil action under this section, an employee shall provide
125   notice of an alleged violation by such subcontractor to the contractor.
126   Such notice shall describe the general nature of the alleged violation. No
127   employee shall be required to provide notice pursuant to this subsection
128   if such employee has previously given notice to a contractor of either
129   the same violation or a prior violation by the same subcontractor. Any
130   notice provided to a contractor pursuant to this subsection shall not
131   limit the liability of the contractor or preclude subsequent amendments
132   of an action brought under this section to encompass additional
133   employees employed by the subcontractor. For purposes of this section,
134   "construction contract", "contractor" and "subcontractor" have the same
135   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, 2025*	New section

| Sec. 2 | *October 1, 2025* | New section |
| Sec. 3 | *October 1, 2025* | 31-72 |

Statement of Purpose:

To make a contractor liable for unpaid wages owed to an employee of a subcontractor at any tier who performs work on any portion of a construction contract.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]