



# Senate

General Assembly

**File No. 76**

February Session, 2026

Senate Bill No. 268

*Senate, March 19, 2026*

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 bill ought to pass.

**AN ACT AUTHORIZING THE COMPTROLLER TO WITHHOLD PAYMENT FOR VIOLATIONS OF THE PREVAILING WAGE STATUTES.**

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

1 Section 1. Section 31-76a of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2026*):

3 (a) On receipt of a complaint for nonpayment of wages, a violation of  
4 the provisions of subsection (g) of section 31-288 or a violation of the  
5 provisions of subsection (b) of section 31-53, the Labor Commissioner,  
6 the director of Wage and Workplace Standards or the director's  
7 designee, shall have power to enter, during usual business hours, the  
8 place of business or employment of any employer to determine  
9 compliance with the wage payment laws, subsection (g) of section 31-  
10 288 or subsection (b) of section 31-53, and for such purpose may examine  
11 payroll and other records and interview employees, call hearings,  
12 administer oaths, take testimony under oath and take depositions in the  
13 manner provided by sections 52-148a to 52-148e, inclusive.

14 (b) The commissioner or the director, for such purpose, may issue  
15 subpoenas for the attendance of witnesses and the production of books  
16 and records. Any employer or any officer or agent of any employer,  
17 corporation, firm or partnership who wilfully fails to furnish time and  
18 wage records as required by law to the commissioner, the director of  
19 minimum wage or any wage enforcement agent upon request, or who  
20 refuses to admit the commissioner, the director or such agent to the  
21 place of employment of such employer, corporation, firm or  
22 partnership, or who hinders or delays the commissioner, the director or  
23 such agent in the performance of the commissioner's, the director's or  
24 such agent's duties in the enforcement of this section shall be fined not  
25 less than one thousand dollars. Each day of such failure to furnish the  
26 time and wage records to the commissioner, the director or such agent  
27 shall constitute a separate offense, and each day of refusal to admit, of  
28 hindering or of delaying the commissioner, the director or such agent  
29 shall constitute a separate offense.

30 (c) (1) If the commissioner determines, after an investigation  
31 pursuant to subsection (a) of this section, that an employer is in violation  
32 of (A) subsection (g) of section 31-288, or (B) subsection (b) of section 31-  
33 53, the commissioner shall issue, not later than seventy-two hours after  
34 making such determination, a stop work order against the employer  
35 requiring the cessation of all business operations of such employer. Such  
36 stop work order shall be issued only against the employer found to be  
37 in violation of subsection (g) of section 31-288 or in violation of  
38 subsection (b) of section 31-53 and only as to the specific place of  
39 business or employment for which the violation exists. Such order shall  
40 be effective when served upon the employer or at the place of business  
41 or employment. A stop work order may be served at a place of business  
42 or employment by posting a copy of the stop work order in a  
43 conspicuous location at the place of business or employment. Such order  
44 shall remain in effect until the commissioner issues an order releasing  
45 the stop work order upon a finding by the commissioner that the  
46 employer has come into compliance with the requirements of subsection  
47 (b) of section 31-284 or subsection (b) of section 31-53, or after a hearing  
48 held pursuant to subdivision (2) of this subsection.

49 (2) Any employer against which a stop work order is issued pursuant  
50 to subdivision (1) of this subsection may request a hearing before the  
51 commissioner. Such request shall be made in writing to the  
52 commissioner not more than ten days after the issuance of such order.  
53 Such hearing shall be conducted in accordance with the provisions of  
54 chapter 54.

55 (3) Stop work orders and any penalties imposed under section 31-288  
56 or 31-69a against a corporation, partnership or sole proprietorship for a  
57 violation of subsection (g) of section 31-288 or for a violation of  
58 subsection (b) of section 31-53 shall be effective against any successor  
59 entity that has one or more of the same principals or officers as the  
60 corporation, partnership or sole proprietorship against which the stop  
61 work order was issued and are engaged in the same or equivalent trade  
62 or activity.

63 (d) (1) After issuing a stop work order for a violation of subsection (b)  
64 of section 31-53 pursuant to subsection (c) of this section, the  
65 commissioner may notify the Comptroller, in a form and manner  
66 prescribed by the Comptroller, of the issuance of such stop work order  
67 against a contractor or subcontractor performing work on a public  
68 works project.

69 (2) Not later than ten business days following receipt of notice from  
70 the commissioner pursuant to subdivision (1) of this subsection, the  
71 Comptroller shall notify the contractor or subcontractor that the  
72 Comptroller has received such notice from the commissioner and such  
73 contractor or subcontractor shall comply with the provisions of  
74 subsection (b) of section 31-53 not later than ten business days following  
75 receipt of such notice from the Comptroller.

76 (3) If, after ten business days, such contractor or subcontractor  
77 remains out of compliance with the provisions of subsection (b) of  
78 section 31-53, the Comptroller may withhold payment of money to such  
79 contractor or subcontractor until the commissioner issues an order  
80 releasing the stop work order pursuant to subsection (c) of this section  
81 or upon payment of any penalties imposed under section 31-53 or 31-

82 69a or finalization of any settlement agreement entered into pursuant to  
83 section 31-53.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2026</i>	31-76a

**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.*

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**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Resources of the General Fund	GF - Preclude Cost	See Below	See Below

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

The bill precludes costs to the General Fund beginning in FY 27 by allowing the Comptroller to withhold payment of money to non-compliant contractors or subcontractors who receive stop work orders until the labor commissioner releases such stop work orders.

**The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

**OLR Bill Analysis****SB 268*****AN ACT AUTHORIZING THE COMPTROLLER TO WITHHOLD PAYMENT FOR VIOLATIONS OF THE PREVAILING WAGE STATUTES.*****SUMMARY**

This bill sets a process for the state comptroller to withhold payment to a contractor or subcontractor who has violated the state's prevailing wage law. More specifically, it allows the labor commissioner to notify the comptroller when, as allowed under existing law, she issues a stop work order against a contractor or subcontractor for knowingly or willfully failing to pay an employee the prevailing wage required on a public works project. The notice must be in a way set by the comptroller.

The bill requires the comptroller, within 10 business days after getting the notice, to notify the contractor or subcontractor that (1) he received the notice from the labor commissioner and (2) the contractor or subcontractor must comply with the prevailing wage requirement within 10 business days after receiving the comptroller's notice.

If the contractor or subcontractor remains noncompliant after this 10-day period, the bill allows the comptroller to withhold payment to the contractor or subcontractor until the (1) labor commissioner releases the stop work order, (2) contractor or subcontractor pays any penalties imposed under the prevailing wage law or the law on additional wage-related penalties, or (3) parties finalize a settlement agreement.

EFFECTIVE DATE: October 1, 2026

**BACKGROUND*****Prevailing Wage Law***

The state's prevailing wage law generally requires contractors and

subcontractors on certain public works projects 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. The requirement applies to new construction projects costing at least \$1 million and renovation projects costing at least \$100,000. Under existing law, unchanged by the bill, if the contracting officer on a prevailing wage job finds that a contractor or subcontractor failed to pay a worker the required prevailing wage, the state may generally (1) terminate the contractor's right to proceed with the work or (2) withhold payment to the contractor or subcontractor (CGS § 31-53).

**COMMITTEE ACTION**

Labor and Public Employees Committee

Joint Favorable

Yea 9      Nay 4      (03/05/2026)