

Labor and Public Employees Committee

JOINT FAVORABLE REPORT

Bill No: HB-5275 / [Bill Status](#) / [Public Hearing Testimony](#)

AN ACT CONCERNING A CONTRACTOR'S RESPONSIBILITY FOR UNPAID

Title: WAGES ON A CONSTRUCTION CONTRACT.

Vote Date: 3/5/2026

Vote Action: Joint Favorable

PH Date: 2/24/2026

File No.:

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SPONSORS OF BILL:

Labor & Public Employees Committee

REASONS FOR BILL:

The intent of the bill is to help prevent wage theft on constructions sites by allowing the main contractor to be held responsible for wage theft committed by a subcontractor. When contractors do not pay the correct wages through either misclassification or some other means, this directly impacts the workers ability to make ends meet. This also allows contractors to bid less than contractors that follow the rules. The intent of this bill is to make it, so more contractors follow the laws to begin with by having more enforcement if they break them.

RESPONSE FROM ADMINISTRATION/AGENCY:

None provided.

NATURE AND SOURCES OF SUPPORT:

Bruce Conroy, Union Carpenter: Mr. Conroy expressed support for the bill and stated that it is about following the rules and the ones that steal from their workers. Roughly 20% of construction workers are paid off the books with 39% being on public assistance. This bill would protect workers and honest contractors that follow the rules. Many often-live paycheck to paycheck and when someone shorts them it is not easy to just walk away. As a union carpenter they don't have to be here, but they wish to protect and elevate the craft. For these reasons they urge support of HB 5275

Matthew F. Capece, Representative, General President United Brotherhood of Carpenters and Joiners of America: Mr. Capece expresses support for the bill claiming that there is growing a growing number of construction employers failing to pay wages, failing to pay state and federal employment taxes, failing to pay unemployment insurance, and workers' compensation premiums. He explains that subcontractors will use labor brokers to supplement their workforce which provides lower labor costs and protects them against liability. He states that often a labor broker will run out of money to pay employees because the subcontractor did not provide them with enough money to start. He adds that this activity has become so common in his industry that the U.S. Department of the Treasury's Financial Fraud Enforcement Network has required banks, money service businesses and other financial institutions to report suspicious transactions. Mr. Capece notes that there are many victims to this type of theft including taxpayers. He adds that several studies have found many construction workers are mislabeled as independent contractors or paid off the books, as a result the state and federal taxes lose money, and construction workers and their families suffer. Another study that from 2022, it found that 39% of construction worker families are enrolled in at least one safety net program which leads to a federal and state taxpayer subsidy of \$28 billion a year.

Krystal Green, Union Member: Ms. Green is in support of the bill since the bill is a commitment to safety, accountability, and community investment. She states that when contractors are not held reliable for unpaid wages workers and taxpayers are hit with the consequences. She adds that ensuring public dollars go to contractors who invest in registered apprenticeship programs will uphold safety standards, comply with wage, and tax laws and ensure skilled workers are hired. She also believes the bill will protect career paths for future generations.

John Legere, Senior Vice President of Operations, Legere Group, Ltd.: Mr. Legere is in support of the bill. He believes that the bill will create an even playing field for law-abiding contractors by preventing contractors from gaining an unfair advantage through wage theft. He adds that the bill will also protect law-abiding contractors and strengthen the integrity of the construction industry.

Mark Lofaro, Union Carpenter: Mr. Lofaro is in support of the bill. He believes that the bill will ensure that business is conducted fairly and responsibly and will protect those from unethical practices by subcontractors. He says that the bill will ensure responsibility of contractors and subcontractors which will make sure workers are paid what they are owed.

Micheal Oliver, Union Carpenter and Town Councilor, Town of Bloomfield: Mr. Oliver is in support of the bill. He states that as a carpenter and a council member he has firsthand experience in issues with quality and accountability. In his view this bill is about ensuring public projects that are funded with taxpayer dollars are made with the highest quality possible. He believes that the bill will prevent bad acting contractors from getting away with breaking the rules. He adds that the bill will strengthen apprenticeship programs that ensure jobs for the next generation. For these reasons Mr. Oliver supports the bill.

Joelyn Leon, Director, The Foundation for Fair Contracting of Connecticut: Ms. Leon supports the bill and states that it establishes a balanced framework that addresses instances in which construction workers are not paid by their direct employer. In her view the bill creates a reasonable process that will reflect how responsible contractors already operate.

She adds that instead of creating liability it encourages accountability through stronger oversight. The bill promotes fairness in the bidding process by aligning with existing industry practices. She notes that the bill is an opportunity to address wage issues before liability is triggered by establishing a defined cure period.

William Stroud, Union carpenter, Carpenters local 326: Mr. Stroud is in support of the bill as in his view the bill creates an even playing field and encourages contractors to abide by the laws. He claims that not supporting this bill means a person is in support of tax fraud and wage theft.

David Silvay, Technical Coordinator, NASCTF: Mr. Silvay is in support of the bill as he believes the bill supports responsible businesses rather than punishing them. The bill fixes gaps within the chain of responsibility within the contracting chain. He states the bill will keep things balanced and contractors still can protect themselves if they include provisions requiring subcontractors to reimburse them if any wage issues arise. The approach of the bill helps workers and strengthens the market for responsible contractors. Mr. Silvay appreciates that the bill doesn't add more layers of bureaucracy, but it clarifies authority.

Daniel Gines, Union carpenter, Carpenters union local 326: Mr. Gines is in support of the bill as he believes that the bill is a step towards better accountability, fairness, and reconcilability in the state. As a taxpayer and community member he believes this bill is important for protecting working people and families. He claims that this bill will address concerns over rising costs, and inconsistent enforcement through clear enforcement.

Ed Hawthorne, President, Connecticut AFL-CIO: Mr. Hawthorne is in support of the bill, because when workers are not paid by subcontractors, they are forced to pursue a long process to get what they have earned. He claims that this bill will protect those workers in these situations by holding contractors responsible.

Trevor Ceravone, Union Carpenter apprentice, CT Carpenters Local 326: Mr. Ceravone is in support of the bill because he believes it will bring much needed protections. The bill will ensure that construction workers are paid what they are owed. He claims to have heard many stories of people having to wait for their pay checks which makes it hard on families.

Geoffrey Sharp, Union Carpenter, Carpenters Local 326: Mr. Sharp is in support of the bill, since in his view this bill is needed to protect workers on privately funded projects in the way as workers on publicly funded projects. The bill will ensure that all construction workers get paid what they are promised.

Mukesh Desai, Town Councilor-Town of Rocky Hill: Supports the bill as wages go unpaid it harms the workers first and legal responsibility often land on the entity least able to make them whole. The bill assigns responsibility with the owner of the contract and makes them liable for the wages. It focuses on private construction and prevention when possible. The contractor has access to the job site, payment, scheduling and can set compliance expectations. It also includes a practical notice requirement before a worker attempts to bring civil action against a contractor, to allow for a resolution without unnecessary litigation. An example given of what happened in their local area of Rocky Hill where there were serious building and compliance concerns. They state HB 5275 improves enforcement at the point of control.

Joseph P. Toner, Executive Director CT State Building Trades Council: Mr. Toner is in support of the bill because it is designed to address issues of construction workers now getting paid what they are owed. It establishes clear expectations of contractors without imposing automatic liability and instead creates a process to correct the issue before hand. The bill will ensure a fair marketplace along with strengthening Connecticut's construction industry.

Scott DeAngelo, DeAngelo Contracting Inc, Jay Santos, Mehta Foundation, Skip Gardella, Matthew Marin, Century Drywall President, Norwalk Marine Contractors, Ben Whelan, President, BTW Construction LLC, Bruno Zavarella, Zavarella Woodworking, and Brendan Mahoney, Managing Principal, Total Wall Systems: They submitted testimony in support stating that as a sub-contractor they pay their employees responsibly and comply with all wage laws. Unfortunately, they state not all contractors operate responsibly, some contractors gain an unfair advantage by failing to pay wages properly. When they do not pay their workers, they artificially lower their labor costs and can submit bids that other contractors cannot match. This bill will address the problem by preventing contractors from getting an unfair advantage, protecting law abiding contractors and strengthening the integrity of the construction industry.

Jake Ertel, Pursuit Construction LLC: Supports the bill as in today's construction marketplace responsible contractors are forced to compete against firms that undercut bids by misclassifying workers, failing to pay overtime, or not remitting proper wages. The intent of HB 5275 is to help ensure accountability by encouraging prime contractors to carefully vet their sub-contractors. They suggest additional language be added to promote timely payment between contracting tiers, provide transparency regarding project funding and encourage responsible payment practices.

Marc Okun, Regional Manager, NASRCC Local 326: Submitted testimony in support of HB 5275, stating the bill reflects the realities of how construction projects are funded and managed. The bill will include protections that ensure general contractors are not exposed to unmanageable liability. The bill also provides that an employee provides 30 days' notice to the contractor before any civil action may be filed. During this time the contractor can verify payroll compliance, withhold future payments, or utilize retainage to ensure wages are paid. The existing safeguards give general contractors visibility and leverage over subcontractor payment practices. The bill would not create new financial obligations it would just ensure that funds already designated for labor are used for their intended purpose.

NATURE AND SOURCES OF OPPOSITION:

Paul Amarone, Senior Policy Director, Job Growth and Manufacturing: Mr. Amarone expresses opposition for the bill because he claims the bill will impose large levels of unprecedented liability on contractors for wage violations committed by subcontractors. He believes that this will cause harm to Connecticut's construction sector. Mr. Amarone states that in Section 1 of the bill joint liability is established for contractors for unpaid wages owed by a subcontractor. This he claims will allow the contractor to be held fully responsible for wage violations committed by an independent subcontractor. Section 2 of the bill, he states, will allow employees to bring civil actions against the contractor, the subcontractor, or both.

He claims this will have significant financial exposure on the contractor even if they properly paid the subcontractor because of existing laws that provides double damages and attorney fees in wage claims. He adds that the 30-day notice does not add meaningful protections, limit liability, does not offer a cure period, and does not require verification of claims before litigation proceeds. He finishes with stating that this bill shifts liability rather than strengthening enforcement.

Tim O'Brien, Executive Vice President and Chief Financial Officer, KBE Building

Corporation: Mr. O'Brien is not in support of the bill because it seeks to create a direct cause of liability against contractors when construction workers claiming non-payment of wages on private construction projects. Mr. O'Brien states that this is not right because the contractor is not the employer, but a subcontractor employs the workers. He claims that the bill is created on the thought that the contractors have control over wage and employment practices of subcontractors. Therefore, he believes the bill will only punish law-abiding contractors instead of punishing those who do not. He adds that it is the responsibility of the Department of Labor to enforce the state's wage laws not that of private business who lack the authority to do so. Mr. O'Brien claims that to protect themselves contractors will seek indemnity from subcontractors which will increase the price and slow the progress of construction projects. He adds that he believes this bill will bring threats of and unfair lawsuits to contractors.

Alexander Babbidge, President, Babbidge Construction: Mr. Babbidge is in opposition of the bill. In his belief the bill will hold one business liable for the illegal doings of another business or subcontractor. He adds that giving a third party the ability to bring a lawsuit against a company for the wrong doings of another is a potential abuse.

John Butts, Executive Director, AGC of Connecticut; Don Shubert, President, Connecticut Construction Industries Association: They submitted testimony in opposition of the bill because they believe the bill will cause harm. They first claim that the bill will make a contractor on a private construction project partially liable for the unpaid wages of the subcontractor's employees. Along with this they believe it adds risks to the contractor, such as taking part in a series of performance and payment bonds or adding personnel and administrative functions to the overall cost of the project to protect themselves from the event that there is a payroll dispute. Thus, increasing the cost of projects on the contractor. Mr. Butts and Mr. Shubert then claim that the bill fails to recognize the legal and practical matters that take place in determining the unpaid wages that a contractor owes an employee when there is a dispute. They add that there are classifications that the bill applies to for workers who fall under federal Davis Bacon and state prevailing wage rules, however there is no set classifications. In some cases, they note, there is no way to determine the hours worked or compensation package an employee is owed, which would make it difficult for working hours and compensation packages to be validated. Finally, they claim that the bill will allow civil actions to be brought against a contractor or all subcontractors for unpaid subcontractor wages. This could threaten that contractor's or subcontractor's prequalification status on public and private construction projects.

Johnny Carrier, Vice President, Carrier Group, Inc.: Mr. Carrier submitted testimony in opposition as he claims that this bill is an expansion of liability in Connecticut. It would allow contractors to be held legally and financially responsible for wage violations committed by a subcontractor. He states this would cause significant impacts on the construction industry, including increased insurance premiums, bonding costs, expanded legal, reduced

subcontractor availability, and greater financing challenges for residential and mixed-use projects. Mr. Carrier adds that the impacts of the costs will be passed through to the cost of housing, rent, and project feasibility. He expresses that the bill is being introduced at a poor time as Connecticut is already dealing with a housing crisis. He urges the committee to address wage theft by bad actors rather than imposing enforcements on responsible people.

Christopher Fryxell, President, Associated Builders and Contractors of Connecticut:

Mr. Fryxell is in opposition of the bill as he believes it enforces liability on parties who have committed no wrong doings. He states that a similar bill was vetoed in Colorado by the governor because it allows subcontractors who failed to pay their workers to walk free while hurting good actors. He says that in practice it is nearly impossible for contractors to insulate themselves from civil exposure so instead they would avoid the risk. To do so they will increase insurance coverage, bonding requirements, and administrative demands on subcontractors. Mr. Fryxell stated his biggest concern for the bill is the harm it will cause to minority-owned contractors.

Andrew Kao, Corporate Counsel, The Middlesex Corporation: Mr. Kao opposes HB 5275 and SB 268, stating that while both have the intended goal of eliminating wage theft, it would unfairly shift the responsibility/liability for the wage theft from the subcontractors to the contractors. Prime Contractors are unable to determine when an underpayment of wage exists and now, they would be liable for hefty fines. A stop work order already triggers remediation and having the Comptroller withholding payments will choke project cash flow, magnify harm beyond the alleged violator to innocent tiers such as suppliers and lower sub-contractors.

Jennifer Jennings, Executive Director, Connecticut Heating & Cooling Contractors Association:

Ms. Jennings does not support the bill because she believes the bill raises serious concerns for HVAC contractors as it imposes joint and several liability on contractors for unpaid wages by subcontractors, even if the contractor has no knowledge of those payroll practices. She states that many members of Connecticut Heating & Cooling Contractors do not supervise payroll, however they could still be held liable for them. She states that the bill will shift enforcement responsibility from the state to private contractors and small and mid-sized mechanical businesses.

Andy Markowski, State Director, NFIB: Mr. Markowski is in opposition of the bill as in his view the bill would make businesses liable for unpaid wages. He says that the bill will be holding the wrong party liable for breaking the law. He states that under this bill a small business acting as a general contractor might be exposed to double damages even if they are unaware of violations taking place. He adds that this bill is unnecessary as most small businesses work to comply with current laws

Douglas Porter, Remodeler/Builder, Woodstock Building Associates, LLC: Mr. Porter is not in support of the bill. He states that the bill will make remodelers, builders and general contractors liable for unpaid wages owed by subcontractors regardless of fault, knowledge, or control. This will then create legal and financial risk for contractors. He adds that at a time that Connecticut is facing a housing crisis this bill will only make things worse. He wants legislation that will target bad actors and not penalize responsible contractors.

Robert Mannarino, President, Mannarino Builders Inc: Mr. Mannarino submitted testimony in opposition of the bill stating, that every new regulation adds a layer of costs to a new home or reservation. He further adds that this bill is a contradiction to affordable housing.

Kenneth Mita Jr, Builder and Owner, Central Connecticut Construction Management, LLC , John O’Keefe Owner/Manager / HJ O’Keefe, LLC, Bepin Mgushi, Builder and Remodeler, Fixitup LLC, and Garrett Wilson, Builder, Garrett Wilson Builders, LLC: They submitted testimony in opposition of the bill, claiming that the bill will cause general contractors to be automatically liable for unpaid wages owed by subcontractors regardless of fault, knowledge, or control. He adds that this will expose responsible builders to legal and financial risk. He states that this bill will worsen housing affordability during a time that Connecticut is already facing a housing crisis. He asks the committee to create legislation that targets bad actors instead of punishing responsible builders.

Eric A. Santini, Builder/Developer, Santini Homes: Mr. Santini is in opposition of the bill. He claims that the bill would subject builders to the risk of paying unpaid wages by sub-contractors. He notes that contractors have no control over payment of subcontractor employees so this bill would force contractors to underwrite prospective subcontractors to determine their prospects of paying employees. This will have several consequences such as builders will be hesitant to hire smaller and newer subcontractors because of the lack of record of wage payment. Along with this might take in additional insurance, finance and compliance costs causing the bill to work against housing affordability efforts.

Jason Travelstead, Executive Vice President, O&G Industries: Mr. Travelstead submitted testimony in opposition of the bill. He agrees that wage theft is unacceptable and should be addressed however they disagree with how the bill approaches the issue. They claim the bill shifts responsibility to those whose who follow the rules. CT DOL is the entity empowered to investigate wage complaints. The bill may unintentionally harm small business and force prime contractors to mitigate risk. They may have to increase insurance requirements and limit subcontract awards. This will increase the costs associated with construction projects. If litigation is on a subcontractor and the prime contractor is named as a defendant, then even if ultimately found not guilty it could jeopardize prequalification of the project. The bill would create prolonged uncertainty for contractors and relocated enforcement from the DOL to private contractors.

Jim Perras, CEO, Home Builders & Remodelers Association: Mr. Perras is in strong opposition of the bill. He describes the bill as a radical expansion of liability because it will make contractors automatically responsible for unpaid wages owed by any subcontractor at any tier. He states that this bill is a fundamental departure from long-standing principles of contract law and employment responsibility. He explains that there will be unintended consequences by this bill for housing production including increased costs, reduced subcontractor participation, smaller contractors will be pushed out and larger firms will be the only ones to take the risks, and a slower house production. He claims that the bill will penalizes responsible contractors who follow the law. And contractors have no real way of protecting themselves.

Barb Dimauro, Executive Director, Utility Contractors Association of Connecticut (UCAC): Mr. Dimauro is in opposition of the bill as he believes that the bill will impose joint

and several liability on utility/site contractors for unpaid wages owed by subcontractors. His key concerns for the bill are uncontrollable liability, business risks, and project delivery impacts. He states that the contractors do not control payroll practices, but the bill will still subject them to unnecessary risks including raised prices, limited and selective hiring of subcontractors, and slowing progress of projects.

Michael Moconyi, Executive Director, National Electrical Contractors Association

(NECA): Mr. Moconyi submitted testimony in opposition of the bill. He supports the idea of fair wages and strong enforcement however this bill does it in the wrong by creating joint and several liability for contractors that act responsibly. He claims contractors could be held liable for wage violations committed by a company they did not hire, and they don't oversee. As a result, contractors will shrink their bid lists, avoid ECs that use subcontractors in favor for larger firms. Smaller firms will be hit harder than larger ones with additional costs

Gina Amico, Public Relations, Tilcon Connecticut: Ms. Amico submitted testimony in opposition of the bill. She appreciates the intent of the bill; however, she feels the bill will increase the costs of construction projects, be unworkable because there is no way to confirm correct unpaid wages without set wage classifications and will endanger a contractor's prequalification status. She claims that this bill fails to recognize several legal matters that are involved with determining the accurate amounts of alleged unpaid wages that a contractor would be obliged to pay aggrieved employees of subcontractors. She adds that there are also no set classifications and pay rates for trade-workers on private work to which the bill applies. The bill will make contractors jointly and severally liable for the unpaid wages of its lower tier subcontractors' employees' work. This will add risks on to the contractors, and to avoid them contractors and subcontractors will either incorporate a series of performance and payment bonds or add administrative functions to the cost of the project.

Haley Stafford, Middlesex County Chamber of Commerce: Ms. Stafford opposes the bill and states that it resembles a bill that was proposed last session that did not pass. Her main concern about the bill is the impact it will have on private construction projects that will make business difficult to engage and complete projects. Under this bill contractors would be held liable for the unpaid wages and benefits of subcontractor employees even though do not have oversight in this area. She adds that this bill is very troubling to the labor market because of the challenges it gives subcontractors when trying to get hired on a project.

Reported by: Lawrence Sanchez

Date: 3/11/2026