

Labor and Public Employees Committee

JOINT FAVORABLE REPORT

Bill No: SB-268 / [Bill Status](#) / [Public Hearing Testimony](#)

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

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 reason for this bill is to require contractors and subcontractors to pay the prevailing wage on qualifying projects, and allows the Comptroller to withhold payment if this requirement is not met, at the request of the Department of Labor. This is intended as an additional enforcement method that would help dissuade wage theft from occurring, and encourage contractors to ensure that their subcontractors follow the rules. When a contractor breaks prevailing wage law, they can outbid contractors that follow the law, thus costing taxpayer money on state funded projects.

RESPONSE FROM ADMINISTRATION/AGENCY:

Danté Bartolomeo, Commissioner of the Connecticut Department of Labor:

Commissioner Bartolomeo says she is in support of the bill because it will allow the Comptroller to withhold payment to a contractor when a stop work order has been issued. She explains that a stop work order is issued to employers who knowingly engage in worker misclassification or when an employer does not pay workers their legally required wages. She adds that he believes that allowing the Comptroller to withhold payments to a contractor makes sense in the law. She also hopes that the bill will be able to extend to wage theft.

Sean Scanlon, State Comptroller, Office of the State Comptroller: Comptroller Scanlon supports the bill as it would add greater protections for workers on state funded projects from prevailing wage violations. Currently the DOL can investigate when contractors cheat employees and place stop-work order but there is no ability for the office of the state

Comptroller to withhold payments to such contractors. The bill would provide contractors a final notice to comply prior to the State Comptroller withholding funds. The DOL and Comptroller Office would be able to determine which cases rise to that level rather than setting a blanket requirement.

NATURE AND SOURCES OF SUPPORT:

Nate Brown, Business Manager / President, International Union Of Operating Engineers: Mr. Brown supports the bill. He states that the bill is important to his union because not everyone who is a part of the construction industry follows the law or cooperates with CTDOL's Wage and Workplace Standards Division (WWSD). In the cases that a company refuses to comply with SWO and is unable to get restitution for the impacted workers this bill will give the DOL Commissioner the option to give the matter to the state Comptroller. Which the Comptroller then has the authority to withhold monies on state or state-assisted projects which will encourage companies to comply.

Joseph Toner, Executive Director-CT State Building Trades Council: Mr. Toner supports the bill because wage theft directly impacts working people, undermines responsible contractors, and distorts competition on public projects. The reforms the legislature has made in the past years has made a real difference, but stronger enforcement tools are still needed. Mr. Toner believes SB 268 addresses the difficulties with enforcement by giving the DOL the ability to refer matters to the State Comptroller who could withhold payment on public or state assisted projects at issue. It does not replace existing enforcement options such as referrals to the Attorney General or State Attorney but adds another avenue for resolving violations.

Don Scoopo, Business Manager-Insulators, Local 33: Mr. Scoopo's members work on public construction projects across Connecticut. They perform skilled and demanding work for our infrastructure and in return they rely on the protections from the state's laws. When prevailing wage requirements are violated the consequences are serious. Workers lose wages they earned, contractors who follow the law are disadvantaged, and taxpayer dollars are diverted away from their intended purpose. Connecticut has strengthened enforcement of prevailing wage standards with tools such as stop work orders. Some contractors delay compliance, dispute findings, or treat penalties as another cost of doing business. Mr. Scoopo believes SB 268 fills in these critical gaps by allowing the State Comptroller to withhold payment when violations go unresolved. The bill does not replace existing enforcement mechanisms but gives the State another effective option.

Jay More, Business Agent, UA Local 777 Plumbers: Mr. More supports the bill and represents approximately 3,000 members across the state. Prevailing wage laws directly impact whether workers are paid what they are owed. Despite these laws wage theft, misclassification and payroll fraud are a persistence issue in the construction industry. SB 268 addresses the issue when contractors refuse to cooperate with the DOL by allowing the DOL to refer matters to the state comptroller. The state Comptroller can then withhold funds on the state assisted projects that are at issue.

Joelyn Leon, Director, Foundation for Fair Contracting: Ms. Leon supports SB 268 stating that when prevailing wage laws are ignored the harm is real, workers lose income they rely on, law abiding contractors are undercut, and public funds are used in a way that undermines the integrity of the States contracting process. Connecticut has made meaningful

progress but needs more tools to address contractors who repeatedly refuse to comply, stall, evade or absorb penalties as part of doing business. SB 268 allowing the DOL the option to have the Comptroller withhold fund, compliments rather than replaces existing enforcement options for the DOL.

Ed Hawthorne, President, Connecticut AFL-CIO: Mr. Hawthorne supports SB 268 as it pertains to prevailing wage laws and when contractors violate those laws it harms construction workers, as well as puts compliant contractors at a disadvantage. SB 268 would allow the DOL to notify the State Comptroller when a state contractor is under investigation for wage theft. The comptroller would then have the authority to withhold funds until the investigation is completed.

Bill Finch, Director, CTLMCC: Mr. Finch supports the bill stating it will protect CTs workers, help CT enforce its laws, protect taxpayer funds, and support legitimate contractors. Mr. Finch represents the men and women of the International Brotherhood of Electrical Workers and the CT National Electrical Contractors Association. This law will protect law abiding contractors and give the CT Comptroller similar abilities as several of our neighboring states.

Michael Colombo, Business Manager, SMART Local 38: Mr. Colombo represents members working in the sheet metal industry in Fairfield and Lichfield counties. They support SB 268 as prevailing wage laws directly impact whether working people are paid what they are legally owed. Despite this wage theft still occurs and this undermines responsible contractors who follow the law. SB 268 adds another enforcement tool to the DOL allowing them to refer matters to the State Comptroller, who can then withhold funds for contractors who refuse to comply with the law.

Kristen Abrahamson, Executive Vice President, MCACCT: Supports the bill as it strengthens the prevailing wage laws by allowing the state Comptroller to withhold payment to contractors or subcontractors for violations where a stop work order was given. Illegal practices such as wage theft, reclassification and payroll fraud remain a persistent problem in the construction industry. The general assembly has taken steps to address these problems and they believe SB 268 will go further in assisting.

NATURE AND SOURCES OF OPPOSITION:

Andrew Kao, Corporate Counsel, The Middlesex Corporation: Mr. Kao opposes SB 268 and HB 5275, stating that while both have the intended goal of eliminating wage theft, 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.

Christopher Fryxell, President, CTABC: Mr. Fryxell represents more than 260 business and opposes SB 268. They believe that innocent contractors would be harmed in the process. The prime contractor is typically the only one in contract with the state and

completes the project by subcontracting with subcontractors who may in turn also have subcontractors. If the issue is with a sub-contractor who is in violation of prevailing wage laws the upstream prime contractors and sub-contractors may be harmed. An example given was, if a stop work order is issued on an offending subcontractor, the prime contractor may need to find a replacement to complete the work. If payment stops from the state, the prime contractor may have no option but to use its own funds to hire a new subcontractor.

Carlos Nogueras, Citizen: Mr. Nogueras opposes the bill for reasons largely unrelated to the content of the bill.

Reported by: Olivia Buczak

Date: 3/12/2026