

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 26-17—SB 268

Labor and Public Employees Committee

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

SUMMARY: This act 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 act 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 act 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 act, 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 (or the contracting political subdivision of 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(b)).