

Legislative History for Connecticut Act

SB 1154	PA 714	1967
Senate :	1505-1506 , 1817	(3)
House :	4921-4923	(3)
Labor :	124-127	(4)
		Total : 10p

Transcripts from the Joint Standing Committee Public Hearing(s) and/or Senate and House of Representatives Proceedings

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CONNECTICUT
GENERAL ASSEMBLY

SENATE

PROCEEDINGS

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in favor of the adoption of the amendment, indicate by saying Aye. AYE. Opposed? The amendment is adopted.

Now the question is on acceptance of the committee's favorable report and passage of the bill as amended. Are there further remarks? If not, all in favor of passage of this bill as amended, indicate by saying Aye. AYE. Opposed? The bill is passed as amended.

THE CLERK:

Page 3, calendar 571, file 651, substitute SB 1154, An Act concerning the Payment of Wages. Favorable report of the Joint Committee on Labor. The Clerk has an amendment.

SENATOR MILLER:

Mr. President, will the Clerk please read the amendment?

THE CLERK:

Senate Amendment Schedule "A": delete all of section 5.

SENATOR MILLER:

Mr. President, I move the adoption of the amendment. In this bill, Mr. President, we have previously had in section 5 that the prime contractor was responsible for the subcontractor on the payment of wages. This amendment would knock out that section. I urge its adoption.

THE CHAIR:

Any further remarks? If not, all those in favor of the adoption of the amendment, indicate by saying Aye. AYE. Opposed? The amendment is adopted.

The Chair rules that this is not a technical amendment. The bill will be referred back to the Legislative Commissioners office

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for redrafting.

THE CLERK:

Page 2, calendar 392, file 220, HB 3893, An Act Amending the Charter of the Pawcatuck Fire District. Favorable report of the Joint Committee on Cities and Boroughs.

The Clerk has an amendment.

SENATOR PALMER:

Mr. President, will the Clerk please read the amendment?

THE CLERK:

In line 1, before the word, "Section", insert: Section 1.

In lines 13 and 14, delete all the words, "or to make contracts for a proper supply of water for all necessary purposes", and insert in lieu thereof the following: And may provide, operate and maintain a public water works system for a proper supply of water for all purposes, public or domestic, pursuant to Chapter 102 of the General Statutes.

After line 34, insert the following: Section 2. This act shall take effect upon its approval by a majority vote of the voters of the Pawcatuck fire district present and voting at any annual or special meeting of said district.

SENATOR PALMER:

Mr. President, this amendment has been requested by the executive authority of the Pawcatuck fire district and by the selectman of the Town of Stonington. It carries a referendum provision. I move for its adoption.

THE CHAIR:

All those in favor of the adoption of this amendment, signify

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and in addition, permits the Pawcutuck Authority to establish and run its own Water Department. The bill also carries a referendum provision. It's a good bill and I recommend its passage.

THE CHAIR:

Any further remarks? Question is on the acceptance of the Committee's favorable report and passage of this bill, as amended by Senate Amendment Schedule, "A". All those in favor indicate by saying, "aye". Opposed. The ayes have it and the Bill is passed, as amended.

Cal. No. 564 File No. 1146 Favorable report of the Joint Committee on Labor. Senate Bill No. 1154. An Act Concerning the Payment of Wages.

SENATOR MILLER:

Mr. President, I move for acceptance of the Committee's favorable report and passage of the bill, as amended, by Senate Amendment Schedule, "A". Mr. President, the amendment removed the responsibility of the Farm Contractor to be liable that the employees receive payment of wages due such work, he may assign to a sub-contractor. Now this bill will provide a more effective procedure for payment of wages due employees for service rendered and will provide clarification of the present statutes concerning employer obligations to the payment of wages. It will assure an orderly procedure for payment of such obligations. It's a good bill and should pass.

THE CHAIR:

Any further remarks? Question is on the Acceptance of the Committee's favorable report and passage of the bill, as amended, by Senate Amendment Schedule, "A". All those in favor of passage of the bill, as so amended, indicate by saying, "aye". Opposed? The ayes have it. The bill is passed.

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Senate Amendment Schedule B. In line 27 after the period add the following: The Commissioner shall encourage and promulgate such incentive earning programs as are permitted by federal law and regulations.

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THE SPEAKER:

The question now is on adoption of Senate Amendment Schedule B. Will you remark?

DR. MORRIS N. COHEN, 41st DISTRICT:

Mr. Speaker, this is a very good amendment and I hope it is adopted.

THE SPEAKER:

Will you remark further? If not, all those in favor of adopting Senate Amendment Schedule B will say aye. All those opposed. The amendment is adopted. The question now is on acceptance and passage of the bill as amended by Senate Amendment Schedule A and B. Will you remark?

DR. MORRIS N. COHEN, 41st DISTRICT:

It is a good bill with its amendments. I move its passage.

THE SPEAKER:

All those in favor will say aye. All those opposed? The bill is passed.

THE CLERK:

Calendar No. 1286, substitute for Senate Bill 1154, An Act Concerning the Payment of Wages as amended by Senate Amendment Schedule A.

THE GENTLEMAN FROM THE 4th:

MR. PAUL A. LAROSE, 4th DISTRICT:

I move the acceptance of the Joint Committee's favorable report in passage of the bill.

THE SPEAKER:

The question is on acceptance and passage of the bill. Will you remark?

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MR. PAUL A. LAROSE, 4th DISTRICT:

I move the passage of Senate Amendment Schedule A which is in the file.

THE SPEAKER;

The question is on the adoption of Senate Amendment Schedule A. Will you remark?

THE GENTLEMAN FROM THE 4th:

MR. PAUL A. LAROSE, 4th DISTRICT:

Senate Amendment Schedule A deletes the provision where the contractor is deemed liable to insure that employees receive payment of wages due for such work he may assign to a sub-contractor. It is a good amendment and I move its passage.

THE SPEAKER:

Will you remark further? If not, the question is on adoption of Senate Amendment Schedule A. All those in favor will say aye. All those opposed. The amendment is adopted. The question now is on acceptance and passage of the bill as amended by Senate Amendment Schedule A. Will you remark?

THE GENTLEMAN FROM THE 4th:

MR. PAUL A. LAROSE, 4th DISTRICT:

This bill will provide a more effective procedure for the payment of wages due employees for services rendered and will provide clarification of the present statutes concerning employer obligations in payment of wages. It will assure an orderly procedure for payment of such obligations and I urge its adoption.

THE SPEAKER:

Will you remark further? If not, the question is on acceptance and

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passage of the bill as amended by Senate Amendment Schedule A. All those in favor will say aye. All those opposed. The bill is passed.

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THE CLERK:

Calendar 1287, substitute for Senate Bill No. 1711. An Act Incorporating Community Health Care Center Plan, Inc. as amended by Senate Amendment Schedule A.

THE LADY FROM THE 123rd:

MRS. MYRTLE P. GUTMANN, 123rd DISTRICT:

I move acceptance of the Joint Committees favorable report in passage of the bill in concurrence with the Senate.

THE SPEAKER:

The question is on acceptance and passage of the bill. Will you remark?

MRS. MYRTLE P. GUTMANN, 123rd DISTRICT:

The Clerk has an amendment.

THE SPEAKER:

The amendment is in your files. The question now is on adoption of Senate Amendment Schedule A. Will you remark? If npt, all those in favor of adoption of Senate Amendment Schedule A will say aye. All those opposed. The amendment is adopted. The question now is on acceptance and passage of the bill as amended by Senate Amendment Schedule A. All those in favor will say. All those opposed? The bill is passed.

THE CLERK:

Page 12 of the Calendar, Calendar No. 1289, substitute for House Bill No. 4891. An Act concerning the Regulation of Ambulance Services.

THE GENTLEMAN FROM THE 133rd:

MR. JOHN P. MAIOCCO JR., 133rd DISTRICT:

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LABOR COMMITTEE

MARCH 10, 1967

Leo Dunn: that bill but I'd like to mention that the only thing in 1268 is to make a clarification. We have to refer back to a bill that is before the Assembly and it is bill 870 which would provide for the Insurance Commissioner to repeal the present statutes on Employee Welfare Funds. Presently, the reporting service comes to the Commissioner and then is referred to the Insurance Commissioner. So, there is a little ambiguity in the reporting service. This is designed to clear it up and in doing it, to put in the provision for the determination of employee welfare funds within the existing or prevailing rates of wages on public construction-public works.

Chr. Miller: Thank you. Anyone else in favor of these three bills. Any opposition? The last bill is 1154 on Payment of Wages.

Joseph Bober: Mr. Chairman, again, briefly, I rise in support of 1154. It's a bill that was badly needed because many innocent employees of subcontractors have been injured through the collection of wages where there was a defaulting subcontractor. The General Contractor generally gets his money and the defaulting sub goes under and then people are denied wages. Thank you.

Chr. Miller: Thank you. Anyone else in favor? Any opposition?

Dale Van Winkle: Mr. Chairman, I represent United Aircraft and I'll try to be very brief. Section 5 of this bill would work a great hardship on us and I don't know whether you fully realize what it does or perhaps I don't. It's a very complicated thing to read but the way it reads. It says that if United Aircraft Corporation takes a contract from the government obligating it to build, say, an aircraft engine, and then subcontracts to buy parts from other contractors in Connecticut, we have to be responsible for the wages of all our subcontractors. Now, we put out \$349,000,000.00 in subcontracts in this state last year and there are thousands of employees working for all those other companies and we just can't be exposed to pay all of these subcontractors if the contractor himself doesn't pay his employees.

First, the company that we give the order to if we're buying bearings, say, from the Miller Metalworking Company, those employees may work only 10% of the time on our contracts but we have to pay all their wages. Secondly, if something happens, we may never get the bearings at all. Yet, we have to pay the wages of the employees of that contractor and it just doesn't

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Mr. Van Winkle: make any sense at all. It's not fair. If you gentlemen, for instance, were buying gasoline from your local gas station and charge it, say at the end of the month when it came time for your bill to be paid, if the garageman hadn't paid his service station attendants, would you feel that you ought to be civilly liable to a law suit to pay him or his employees. This doesn't ring true and we cannot be exposed to that much subcontracting where we have \$349,000,000.00 involved. We can't pay all the employees of all those people. Did you have a question, sir?

Rep. Ruoppolo, 108th District: I have one question. Is there anything in the law which forbids United Aircraft from whatever name you use? Can you let the subcontractor put up a bond or hold back a certain amount of money, payable to them to guarantee that he has faith in paying the employees wages that they so justifiably earned.

Mr. Van Winkle: Well, if he puts up that bond, he is going to have to pay a very sizeable premium and we're going to have to pay the cost of that so we're going to end up paying those employees anyway. Every time there's a default in the bond, the insurance company has got its money back from the premium and the insurance company collects its premium through the contractor from us and we're going to end up paying it and it just shouldn't be our liability.

Rep. Ruoppolo: Can I ask you in this way here? While it costs you money, what you earn, what your company earns, comes from the taxpayers' money. When you get contracts from the United States Government, it's the taxpayers' money that pays you.

Mr. Van Winkle: Well, that's about the most fallacious argument that I've heard this year. I'm sure no Senator or Congressman considers that the money that that he gets is not his to spend for whatever he wants to spend it for and I don't see any reason that we should make the taxpayers pay an extra 10 or 20% for no reason at all. Sure, it's coming out of the taxpayers eventually and why make it more expensive for them. Do you want to pay more taxes?

Chr. Miller: Thank you very much. Any other opponents? You may speak in favor of this if you wish.

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Leo Dunn, Deputy Labor Commissioner: Mr. Chairman, this bill is a bill in which we have put forth from the Labor Department, in order to clarify the legislation pertaining to the paying of wages. It provides many instruments for the employer and the employees and an orderly procedure. It isn't in conflict with present procedures. It's more of an orderly procedure to carry it out, to clarify the wage claimant law and define the liability to make the prime contractor responsible for wage payments, to clarify employment agreement and authorize Commissioner of Labor to issue rules and regulations for carrying out this act.

The problem in regard to the question of subcontractors can be a rather serious one because it's a--there isn't any question if you're dealing with federal funds or with private funds that a prime contract given out should be the performance for the act that is involved. We're talking about the material things of a building or structure or a gear or a device of any kind.

Actually, we must realize that the end product, the contract that was agreed upon included not only the time and materials that went in to fabricate it, and it is our opinion that the employees down through the line should receive the wages for which they have performed the work.

It provides procedure here for civil action in order to claim anything in this sort and it provides, as well, it puts on--the responsibility on a prime contractor to make sure that the subcontractors are responsible individuals that pay wages in order to receive the products and I don't believe, in fairness to many of our fine firms in Connecticut, that the callousness of the fact that if the subcontractor doesn't pay, why they should be able to collect the prime rate for the contract. Thank you very much.

Chr. Miller: Thank you. Anyone else.

Leon Lemaire: Speaking for the Manufacturers' Association of Connecticut in opposition to parts of the bill. Specifically, that part relating to subcontractors. Now, let's get it out of the field of government money and tax money. We're not talking about that. Now, let's take a company that manufactures brushes. The same thing applies to him. Where's that money coming from? It's a question of responsibility for wages. Who are you going to make responsible? Just anybody who lets out a contract for

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Mr. Lemaire: work? That's the craziest notion I ever heard. In this country, we don't make people responsible for other people's debts. What they create - the debts they create, they pay for. If my wife goes out and buys a fur coat, I don't want to make Mr. Ruoppolo pay for it.

Chr. Miller: Would you have her buy that fur coat if you knew it was stolen?

Mr. Lemaire: I certainly would not. She wouldn't buy it if it were stolen. I don't know what that has to do with it.

Chr. Miller: When someone buys some goods from somebody that they didn't pay - somebody works for someone and they are not paid the wages, that's almost the same as stealing, isn't it?

Mr. Lemaire: It's quite a metaphor.

I would also ask you not to imprison, as I see it here, any employer or officer or agent of a corporation or any other person authorized to pay wages who violates this act. Well, I can conceive of a treasurer of a company. He's authorized to pay wages under this act. If one employee does not get paid, so he goes to jail? I don't understand. I think it's so broad as to make every officer in the corporation liable or subject to go to jail under the provisions of this act. We don't have that in the law today and I don't think it ought to be in there.

Also, this question of taking a written authorization on every deduction. Now, I've been informed that some of the major companies do this, that they simply don't take out of the man's pay anything which is not authorized in writing but a lot of companies don't do this and they do so on the oral statement of the employee, that he wants Red Cross or Blue Cross or something taken out of his paycheck but here this would require the way I read it - an authorization on a form provided by the Labor Commissioner. I hope he runs a printing press because we've got a half a million people in the State of Connecticut and I venture to say not a single one -- I would say everyone will end up having to sign one of these forms. Thank you.

Chr. Miller: Thank you.

Rep. Rock, 35th District, Bristol: I favor the legislation contained in H. B. 2325, which will prevent the hiring of "Professional Strikebreakers" who are hired for the explicit purpose of disrupting the orderly process of a strike.

The "strike" is recognized not only as a last resort in collective bargaining, but also as the only weapon held by the employees in the bargaining process.