

**2024 -- S 2125 SUBSTITUTE A**

LC004064/SUB A

**STATE OF RHODE ISLAND**

**IN GENERAL ASSEMBLY**

**JANUARY SESSION, A.D. 2024**

**A N A C T**

**RELATING TO LABOR AND LABOR RELATIONS -- PAYMENT OF WAGES**

Introduced By: Senators Kallman, Ciccone, F. Lombardi, Tikoian, Sosnowski, Bissailon, Ruggiero, Miller, and Cano

Date Introduced: January 12, 2024

Referred To: Senate Labor

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 28-14 of the General Laws entitled "Payment of Wages" is hereby  
2 amended by adding thereto the following section:

3 **28-14-32. Construction industry paycheck recovery.**

4 (a) As used in this section:

5 (1) "Benefits" means any and all benefits, including paid vacations, holidays, sick leave,  
6 employer contributions and reimbursements to health insurance and/or any other retirement  
7 benefits, and any other similar benefits that are incidents of employment.

8 (2) "Construction" means the alteration, building, maintenance, reconstruction, moving or  
9 demolition of any building, structure or improvement on, connected with, or on or beneath the  
10 surface of any real property, or relating to the excavation, clear, grade, fill, or landscape of any real  
11 property, or any other development or improvement to land. "Construction" also includes any  
12 design or other professional or skilled services rendered by architects, engineers, land surveyors,  
13 landscape architects, and construction managers.

14 (3) "Construction contract" means a written or oral agreement for the construction,  
15 reconstruction, alteration, maintenance, moving or demolition of any building, structure or  
16 improvement on, connected with, or on or beneath the surface of any real property, or relating to  
17 the excavation, clear, grade, fill, or landscape of any real property, or any other development or  
18 improvement to land.

19 (4) "Contractor" means any person, firm, partnership, corporation, association, company,

1 organization or other entity, including a construction manager, general or prime contractor, joint  
2 venture, or any combination thereof, which enters into a construction contract with an owner.

3 (5) "Notice" means a written communication mailed, postage prepaid, or hand delivered to  
4 the contractor's place of business, registered agent, officer, director, worksite manager or a  
5 supervisor, or any other individual identified by the contractor as its representative. Notice shall  
6 include, if known and available, the name of the employer, the amount of the claim or an  
7 explanation of any data needed to calculate the amount of the claim and the dates that the claimant  
8 worked.

9 (6) "Person" means, and shall include, any natural person, corporation, municipality,  
10 partnership, unincorporated association, or other legal entity.

11 (7) "Owner" means any person, firm, partnership, corporation, company, association or  
12 other organization or other entity, or a combination of any thereof, (with an ownership interest,  
13 whether the interest or estate is in fee, as vendee under a contract to purchase, as lessee or another  
14 interest or estate less than fee) that causes a building, structure or improvement, new or existing, to  
15 be constructed, altered, repaired, maintained, moved or demolished or that causes land to be  
16 excavated or otherwise developed or improved. "Owner" includes successors interest of the owner  
17 and agents of the owner acting within their authority or on the owner's behalf. An owner shall not  
18 be subject to liability under subsection (b) of this section unless the owner is a contractor or  
19 subcontractor.

20 (8) "Subcontractor" means any person, firm, partnership, corporation, company,  
21 association, organization or other entity, or any combination thereof, which is a party to a contract  
22 with a contractor, and/or the contractor's subcontractors to perform any portion of work within the  
23 scope of the contractor's construction contract with the owner, including where the subcontractor  
24 has no direct privity of contract with the contractor.

25 (b) A contractor making or taking a construction contract shall assume liability for any debt  
26 resulting from an action under §§ 28-14-19, 28-14-19.1, 28-14-19.2, 37-13-14.1, or 37-13-17 owed  
27 to a wage claimant or third party on the wage claimant's behalf, incurred by a subcontractor at any  
28 tier acting under, by, or for the contractor or its subcontractors for the wage claimant's performance  
29 of labor, provided that written notice of the alleged violation to be raised in that action is provided  
30 to the contractor not more than forty-five (45) days from the last occurrence of the alleged wage  
31 theft. A written offer and payment in full of all such wages allegedly owed during the forty-five  
32 (45) day period after a receipt of the notice by a contractor shall extinguish a contractor's liability  
33 for damages under this section.

34 (c) A contractor's joint and several liability shall be limited to one hundred twenty (120)

1 consecutive days of any alleged wage theft, counting back the one hundred twenty (120) days from  
2 the day of the last violation prior to the notice. This one hundred twenty (120) day damages  
3 limitation period shall not impact other wage violation remedies available to a claimant.

4 (d) No agreement or release by an employee or subcontractor to waive liability assigned to  
5 a contractor under this section shall be valid. The provisions of this section shall not be deemed to  
6 impair the rights of a contractor to maintain an action against a subcontractor for owed wages that  
7 are paid by a contractor pursuant to this section.

8 (e) Notwithstanding any other provision of law, the remedies available for a claim pursuant  
9 to subsection (b) of this section shall only be civil and administrative actions.

10 (f) In the case of a private civil action brought by an employee under §§ 28-14-19.2 and  
11 37-13-17, such employee may authorize and designate any person, organization or collective  
12 bargaining agent to file a complaint with the director to make a wage claim on their behalf.

13 (g) In the case of an action against a subcontractor, the contractor shall be considered jointly  
14 and severally liable for any unpaid wages, benefits, wage supplements, penalties, liquidated  
15 damages, attorneys' fees and any other costs resulting from such action in addition to any other  
16 damages and penalties specified in §§ 28-14-17, 28-14-19, 28-14-19.1, 37-13-16, and 37-13-12.4  
17 that are applicable.

18 (h) Nothing in this section shall preclude the attorney general from bringing a civil action  
19 to collect unpaid wages and penalties on behalf of employees pursuant to this section.

20 (i) A contractor or any other person shall not evade, or commit any act that negates, the  
21 requirements of this section; provided, however, that this section shall not be deemed to prohibit a  
22 contractor or subcontractor from establishing by contract or enforcing any other lawful remedies  
23 against a subcontractor it hires for liability created by violation of this section; provided, that such  
24 contract or arrangement does not diminish the right of employees to bring an action under the  
25 provisions of this section.

26 (j) Nothing in this section shall be deemed to diminish the rights, privileges, or remedies  
27 of any employee under any collective bargaining agreement. The provisions of this section may be  
28 waived by a collective bargaining agreement with a bona fide building and construction trade labor  
29 organization which has established itself, and/or its affiliates, as the collective bargaining  
30 representative for persons performing work on a project, provided that for such waiver to be valid,  
31 it shall explicitly reference this section. Provided further, however, that such waiver shall not  
32 diminish or impair the rights of an employee provided under any other section of this chapter.

33 (k) Severability. If any provision of this section, or any application of any provision of this  
34 section, is held to be invalid, that shall not affect the validity or effectiveness of any other provision

1 of this section, or of any other application of any provision of this section, which can be given  
2 effect without that provision or application; and to that end, the provisions and applications of this  
3 section are severable.

4           SECTION 2. This act shall take effect on September 1, 2024, and shall apply to  
5 construction contracts entered into, renewed, modified or amended on or after the effective date of  
6 this act.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO LABOR AND LABOR RELATIONS -- PAYMENT OF WAGES

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1           This act would make contractors civilly liable and/or jointly civilly liable for any claims of  
2 wage theft or nonpayment from an employee against the contractor, its subcontractors and any  
3 subcontractor involved in the performance of the contract provided that written notice of the alleged  
4 violation to be given to the contractor not more than forty-five (45) days from the last occurrence  
5 of the alleged wage theft. This act would authorize only administrative and/or civil actions to  
6 recover the claimed wages. This act would also provide that these provisions could be waived by a  
7 collective bargaining agreement with a bona fide building and construction trade labor organization  
8 which has established itself as the collective bargaining representative for persons performing work  
9 on a project.

10           This act would take effect on September 1, 2024, and would apply to construction contracts  
11 entered into, renewed, modified or amended on or after the effective date of this act

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