



## Legislation Text

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Res. No. 1647

Resolution calling on the New York State Legislature to pass, and the Governor to sign, S.2766/A.3350, providing that a construction contractor shall assume liability for any unpaid wages or debt resulting from making a wage claim.

By Council Members Moya, Cabrera, Miller and Holden

Whereas, Wage theft is defined as an employer or contractor's failure to pay workers the full wages to which they are legally entitled; and

Whereas, In a 2015 report, the Center for Popular Democracy estimated that 2.1 million workers in New York State are victims of wage theft annually, with a total amount of approximately \$3.2 billion in stolen wages and benefits; and

Whereas, The United States Department of Labor estimates that approximately \$1 billion in wages are stolen each year in New York City; and

Whereas, An April 2021 report by the Catholic Labor Network, focusing on private construction projects in the District of Columbia, found that wage theft is particularly rampant in the construction industry, as 10% of workers surveyed were paid less than the minimum wage, and 37% of workers surveyed were not paid required overtime rates; and

Whereas, The report by the Catholic Labor Network also found that nearly half of respondents were paid in cash or in a check without required payroll tax deductions; and

Whereas, An exhaustive 2017 study of minimum wage violations by the Economic Policy Institute found that in New York State, construction was the industry with the highest average underpayment to workers; and

Whereas, These numbers may underestimate the full extent of wage theft, as many workers fail to report wage violations for fear of being blacklisted by employers; and

Whereas, While workers can bring private lawsuits against their direct employer to collect unpaid wages and benefits, unscrupulous employers have numerous means at their disposal to make themselves judgment-proof from a wage theft action; and

Whereas, The Center for Popular Democracy's 2015 report documented that employers in violation of wage laws have changed the name of their business, hidden or fraudulently transferred assets, or falsified other records to avoid paying their workers the wages they are owed; and

Whereas, The report from the Center for Popular Democracy further found that undocumented immigrants frequently face an additional burden in attaining unpaid wages, as employers can threaten to alert immigration authorities about their status;

Whereas, The current lack of oversight has created a system where employers fail to pay overtime, pay less than the minimum wage, illegally deduct work-related costs from paychecks, instruct employees to work off the clock, and, in some cases, fail to pay workers at all; and

Whereas, S.2766, introduced by State Senator Jessica Ramos, and its companion bill A.3350, introduced by Assembly Member Latoya Joyner, would provide that a construction contractor would assume liability for any unpaid wages, benefits, damages, or attorneys' fees related to an wage claim against any subcontractor; and

Whereas, A new remedy to hold the primary contractor liable for wage theft that it chooses to utilize on a job site could significantly help exploited construction workers collect unpaid wages; and

Whereas, Holding primary contractors liable for debts would also create an incentive for contractors to better self-police itself and prevent subcontractors or labor brokers from treating their workers unjustly; and

Resolved, That the Council of the City of New York calls on the New York State Legislature to pass, and the Governor to sign, S.2766/A.3350, providing that a construction contractor shall assume liability for any unpaid wages or debt resulting from making a wage claim.

LS #17502 and 17524  
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TWN