November 1, 2013

Honorable Sharon M. Palmer  
Department of Labor  
200 Folly Brook Blvd.  
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Honorable Evonne M. Klein  
Department of Housing  
505 Hudson Street  
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Dear Commissioners Palmer and Klein:

You have each separately requested a formal opinion as to the applicability of the state prevailing wage statute, Conn. Gen. Stat. § 31-53, to construction and renovation projects of local housing authorities. We understand that your respective departments have reached opposing conclusions on this question and that you have both requested an opinion to assist in resolving this important issue. Our analysis is based on a careful consideration of the statutes and developments in the case law and other relevant legal materials, including prior opinions of this Office. From that analysis, we conclude a court would likely rule that (1) housing authorities are political subdivisions of the state for purposes of the prevailing wage statute; and (2) the determination that a particular housing authority project is a public works project subject to the prevailing wage statute can only be made after a fact-based, case-by-case evaluation.

Background

Section 31-53 of the General Statutes provides: “Each contract for the construction, remodeling, refinishing, refurbishing, rehabilitation, alteration or repair of any public works project by the state or any of its agents, or by any political subdivision of the state or any of its agents, shall contain [a provision for prevailing wages].”1 Conn. Gen. Stat. § 31-53(a) (emphasis added). Thus, the

1 Specifically, the § 31-53(a) requires the inclusion of the following provision:

The wages paid on an hourly basis to any person performing the work of any mechanic, laborer or worker on the work herein contracted to be done and the amount of payment or contribution paid or payable on behalf of each such
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application of the prevailing wage statutes depends, among other things, on whether the entity involved is the state, a political subdivision of the state, or an agent of either, and whether the project is a public works project. Neither "political subdivision of the state" nor "public works project" is defined.

Housing authorities are established pursuant to statute and are "public bod[ies] corporate and politic, exercising public powers...." Conn. Gen. Stat. § 8-44(a). The governing bodies of a municipality, or of two or more municipalities in the case of a regional housing authority, may pass a resolution declaring the need for a housing authority. Id., § 8-40. Upon adoption of such a resolution, the chief executive officer of the municipality appoints five commissioners of the housing authority, who serve for five-year terms. Id., § 8-41(a); see Norwalk v. Housing Auth., 216 Conn. 112, 122 (1990) (describing "hybrid" character of housing authorities that are "created" by state statute but become operative only after adoption of municipal resolution). A housing authority's statutory powers include among other things: acquiring, leasing, constructing, repairing and operating housing projects; investigating housing conditions and means of improving such conditions; and promoting the creation and preservation of low- and moderate-income housing. Conn. Gen. Stat. § 8-44(a). Housing authorities may establish a police force, id., § 8-44b, and exercise the power of eminent domain. Id., § 8-40; see A.G. Op. No. 2011-003, 2011 WL 5617496 (Aug. 4, 2011). The bonds of a housing authority are "issued for an essential public and governmental purpose...." Conn. Gen. Stat. § 8-58. The statutes governing housing authorities do not, however, expressly declare them to be political subdivisions of the state.²

We have received separate opinion requests from the Departments of Labor and Housing, both accompanied by legal analyses of several issues related to whether the prevailing wage statute applies to housing authority projects. The Labor Commissioner, who is charged with the enforcement of the prevailing wage

² The legislative history of the statutes governing housing authorities does not provide any further guidance as to whether the legislature intended to treat housing authorities as political subdivisions.
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statute, takes the position that housing authorities, as "public bod[ies] corporate and politic," are political subdivisions of the state or agents of a political subdivision of the state. She further maintains that construction or renovation projects of housing authorities serve the public interest and therefore are public works projects to which the prevailing wage statute applies. The Commissioner of Housing takes the opposite view. First, the Commissioner of Housing relies on several superior court and Attorney General opinions that suggest that housing authorities are not political subdivisions of the state. Similarly, because of their statutory autonomy, she maintains that housing authorities are not agents of the state or municipalities. Finally, she contends that housing authority projects are distinct from public works projects because they are not exempt from property taxes and are not put to common use of the public.

Housing Authorities Are Political Subdivisions of the State
Within the Meaning of the Prevailing Wage Statute

The prevailing wage statute applies to "any public works project by the state or any of its agents, or by any political subdivision of the state or any of its agents...." Conn. Gen. Stat. § 31-53(a). Undefined references to political subdivisions are found throughout the General Statutes, and both the courts and this Office have had occasion to address whether various entities constituted political subdivisions for the purposes of particular statutes. In some instances, the legislature has expressly designated an entity as a political subdivision of the state. See, e.g., Conn. Gen. Stat. § 22a-261(a) (Connecticut Resources Recovery Authority); Conn. Gen. Stat. § 32-35(a) (Connecticut Innovations, Inc.), § 8-244(a) (Connecticut Housing Finance Authority); Conn. Gen. Stat. § 7-273bb(e) (municipal resource recovery authorities). The failure of the legislature to designate expressly that an entity is a political subdivision, however, does not end the inquiry. In the absence of clear expression by the legislature, the courts have developed a framework for evaluating the question.

For example, in determining that a local taxing district is a political subdivision for the purposes of the minority representation statute, the Supreme Court in State ex rel. Maisano v. Mitchell, 155 Conn. 256, 263 (1967), stated that

[t]he term 'political subdivision' is broad and comprehensive and denotes any division of the State made by proper authorities thereof, acting within their constitutional powers, for the purpose of carrying out a portion of those functions of the State which by

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3 In Maisano, the Court noted that, as with housing authorities, a local taxing district constituted a "body politic and corporate." 155 Conn. at 260.
long usage and the inherent necessities of government have always been regarded as public.

*Id.* at 263; *see* Black’s Law Dictionary 1053 (5th ed. 1979) (quoting *Maisano*).

Shortly following *Maisano*, the Court in *Dugas v. Beauregard*, 155 Conn. 573 (1967), held that city and town consolidation districts were not political subdivisions for purposes of laws governing consolidation of local government units. The *Dugas* Court stated:

The attributes which are generally regarded as distinctive of a political subdivision are that it exists for the purpose of discharging some function of local government, that it has a prescribed area, and that it possesses authority for subordinate self-government through officers selected by it.

*Id.* at 578. The city and town consolidation districts were merely geographical subdivisions for the purpose of apportioning taxes and electing members to the city council. Thus, they did not have the “essential attributes” of a political subdivision. *Id.* at 578-79.

More recently, in *Mayfield v. Goshen Volunteer Fire Co.*, 301 Conn. 739 (2011), the Supreme Court elaborated on the general meaning of political subdivision as it is typically used throughout the statutes. In *Mayfield*, the Court concluded that a town volunteer fire company was not a political subdivision for purposes of the state Occupational Safety and Health Act, principally because the fire company was organized as a nonstock corporation and as such was not a unit of local government. *Id.* at 747-48. In so holding, the Court noted that statutory references to political subdivisions generally “establish a core set of entities — cities, towns, and other units of local government — that plainly fall within the meaning of political subdivisions.” *Id.* at 747 (emphasis added).

Several superior court cases have held that housing authorities were not political subdivisions for purposes of governmental immunity from tort liability. *See Cavannaugh v. Howell*, 2008 WL 2068263 (Conn. Super. May 1, 2008); *Majette v. New London Housing Auth.*, 2005 WL 3112738 (Conn. Super. Nov. 3, 2005); *Quinones v. New Britain Housing Auth.*, 1992 WL 329291 (Conn. Super. Oct. 29, 1992); *but see Secondo v. Housing Auth.*, 2012 WL 1959294 (Conn. Super. May 3, 2012) (holding that housing authority was a political subdivision for purposes of ERISA). In addition, several earlier Attorney General opinions have concluded that housing authorities were not political subdivisions for

First, the court decisions did not apply the standard for political subdivisions as articulated by our Supreme Court. For example, in Quinones, on which the later superior court decisions relied, see Cavanaugh, 2008 WL 2068263, at *2; Majette, 2005 WL 3112738, at *2; the court narrowly focused on the availability of governmental immunity. In concluding that there was evidence that the legislature did not intend for housing authorities to have the same governmental immunity as afforded “municipalities or other ‘political subdivisions’ of the state,” the court in Quinones relied on statutory provisions that allowed housing authorities to sue and be sued and to obtain insurance and that provided for the manner for bringing damages actions against housing authorities. Quinones, 1992 WL 329291, at *2. It stated that “[t]his view is buttressed further by the failure of the Legislature to expressly designate municipal housing authorities as political subdivisions....” Id. Neither it nor the subsequent court decisions, however, evaluated whether housing authorities nonetheless satisfied the standard for political subdivisions in the absence of an expressed statutory designation.

By contrast, the prior Attorney General opinions purported to do just that. For example, in a 1979 opinion addressing whether Conn. Gen. Stat. § 49-41b’s requirements for withholding or payment of retainage on public works contracts applied to housing authorities, the opinion set forth the standards for political subdivisions under Maisano and Dugas. It concluded that a housing authority “does not possess one of the characteristics of a political subdivision, to wit, authority for subordinate self-government.” A.G. Op. to David W. Deakin, 1979 WL 42282, at *3 (June 29, 1979). The only reason it gave for this conclusion, however, was that a housing authority “has only those powers enumerated in
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[Conn. Gen. Stat. §] 8-44...."4 Id.; see also A.G. Op. to Douglas S. Lloyd, 1982 WL 188517 (Dec. 27, 1982) (offering the identical analysis for purposes of statute prohibiting smoking in buildings of state or any political subdivision).5 The opinion does not to explain why the breadth of an entity’s powers, rather than the governmental nature of those powers, is what should control.

The analysis and conclusions reached in these opinions is inconsistent with subsequent Attorney General opinions addressing political subdivisions. These more recent Attorney General opinions have determined that entities were political subdivisions where, as here, the entity’s statutory powers were circumscribed to a specific subject matter and the entity’s board members or commissioners were appointed by municipal officials. For example, this Office opined that the South Central Regional Council of Governments was a political subdivision for purposes of applying for “Brownfield” grants under a program funded by the federal Environmental Protection Agency. A.G. Op. No. 2000-13, 2000 WL 777822 (Mar. 24, 2000). Applying Maisano’s definition of political subdivision, the opinion noted that “[t]he authority to establish such regional councils of government derives from a duly enacted statute, and the councils themselves are in fact established by the actions of the component municipal bodies.” Id. at *1. It further concluded that the planning functions of such councils constituted governmental functions within the Maisano’s description of

4 The opinion further indicated that this view was consistent with decisions from other jurisdictions. A.G. Op. to David W. Deakin, 1979 WL 42282, at *3 (citing Mount Vernon Housing Auth. v. American Motorists Ins. Co., 21 A.D.2d 788, 250 N.Y.S.2d 479 (1964); Lloyd v. Twin Falls Housing Auth., 113 P.2d 1102 (Idaho 1941); Ohio Citizens Trust Co. v. Evatt, 146 Ohio St. 30, 63 N.E.2d 912 (1949)). A review of those cases reveals that their analysis of the issue was conclusory at best, and they do not represent persuasive authority. In any event, more recent decisions from other jurisdictions have concluded that housing authorities are political subdivisions. E.g., Moore v. Lorain Metropolitan Housing Auth., 121 Ohio St. 3d 455, 458-59, 905 N.E.2d 606 (2009); Doe v. Portland Housing Auth., 656 A.2d 1200, 1204 (Me. 1995).

5 A third Attorney General opinion, addressing the applicability of Conn. Gen. Stat. § 9-167a pertaining to minority representation on boards and commissions to housing authorities, simply relied on these opinions without any independent analysis. A.G. Op. to Joseph E. Canale, 1983 WL 181007 (June 1, 1983). An opinion issued in 1969 addressing the applicability of unemployment compensation statutes to housing authorities, among others, did not apply the standards for political subdivisions. Instead, it merely concluded housing authorities were political subdivisions only for purposes of the Municipal Employees Relations Act, Conn. Gen. Stat. §§ 7-467 et seq., because housing authorities were expressly defined as a political subdivision within the scope of that statute. Id. at *5. However, because other statutes may have explicit or different definitions for political subdivisions does not necessarily imply that an entity cannot satisfy the general standard for political subdivisions articulated by our courts for the purposes of another statute. See Mayfield, 301 Conn. at 747-48; A.G. Op. No. 2011-005, 2011 WL 5617501, at *1-2 (July 29, 2011).
political subdivisions. *Id.* Similarly, this Office has opined that regional councils of government, regional planning agencies, and transit districts all were political subdivisions for purposes of set-aside programs for small contractors and minority business enterprises under Conn. Gen. Stat. § 4a-60g. A.G. Op. No. 2008-008, 2008 WL 1959488 (Apr. 30, 2008). The opinion concluded that each of these entities were political subdivisions because they were “statutorily created by local governments through appropriate municipal actions,” they were “autonomously self-governed,” and their functions and duties were “inherently public.” *Id.* at *5.

Most recently, this Office concluded that a municipal electric energy cooperative was a political subdivision for the purposes of record retention requirements of Conn. Gen. Stat. § 11-8. A.G. Op. No. 2013-003, 2013 WL 4680706 (June 7, 2013). Like housing authorities, municipal electric energy cooperatives are statutorily authorized entities created through municipal action and are governed by a body appointed by municipal officials. *Id.* at *3-4. Moreover, they perform a governmental function, albeit one that is confined to a particular subject matter – providing for electric generation and distribution facilities in their respective municipalities. *Id.*

It is difficult, if not impossible, to square these opinions, reflecting the most recent application of our Supreme Court’s construction of the term “political subdivision,” with the curt analysis undertaken in the earlier opinions addressing housing authorities. We therefore do not believe that a court would find these earlier Attorney General opinions persuasive. See *Connecticut State Medical Soc’y v. Connecticut Bd. of Examiners in Podiatry*, 208 Conn. 709, 720 (1988) (although Attorney General opinions are ordinarily to be regarded as highly persuasive, an opinion with no legal analysis is not entitled to the same deference).

Rather, applying the principles from the Supreme Court’s cases and the more recent Attorney General opinions, we believe a court would conclude that housing authorities are political subdivisions of the state for the purposes of the prevailing wage statute. First, they exist for the purpose of discharging a function of local government. The legislature has determined that the provision of safe and sanitary housing for low- and moderate-income persons is a “matter of necessity in the public interest....” Conn. Gen. Stat. § 8-38. Housing authorities exercise “public powers,” *id.*, § 8-44(a), including operating housing projects, making efforts to improve housing conditions, creating and preserving low- and moderate-income housing, *id.*, establishing a police force, *id.*, § 8-44b, and exercising the power of eminent domain, among other things. *Id.*, § 8-40; see A.G. Op. No. 2011-003, 2011 WL 5617496 (Aug. 4, 2011). These are
governmental powers of the sort that are typically delegated to political subdivisions of a state, and are “functions of the State which by long usage and the inherent necessities of government have always been regarded as public.” Maisano, 155 Conn. at 263.

Second, they have a prescribed area – the municipality (or municipalities in the case of regional housing authorities) that have established them. See A.G. Op. No. 2012-005, 2012 WL 2119444 (June 5, 2012) (concluding that a housing authority may only act within geographical boundaries of the particular municipality forming it).

Third, they possess the authority for subordinate self-government. It is of no moment, contrary to what was suggested in the earlier Attorney General opinions, that their authority is limited to housing. The case law imposes no requirement that a political subdivision’s authority be broad, rather than circumscribed to a specific area of public powers. Instead, what is essential is that the entity is exercising public powers through self-government. In exercising their housing-related powers, housing authorities are self-governing, subordinate to the State pursuant to statute. The commissioners of a housing authority exercise their statutory authority autonomously. Indeed, the self-governing character of housing authorities is a principal reason why housing authorities are generally not treated as an agency or agent of the municipalities that have established them. See Gordon v. Housing Auth., 208 Conn. 161, 185-86 (1988).

housing authorities, established pursuant to Conn. Gen. Stat. § 8-44(a), qualify as such.⁶

Given these attributes – a statutorily authorized entity created by municipal entities and governed by a body to carry out a necessary governmental function – we conclude that housing authorities are among the “core set of entities – cities, towns and other units of local government” that our Supreme Court would hold to “plainly fall within the meaning of political subdivision.” Mayfield, 301 Conn. at 747. Although the Court in Mayfield cautioned against construing the meaning of political subdivision beyond the traditional understanding of “cities, towns and other units of local government” in the absence of a more expansive statutory definition, this does not preclude a determination that an entity, such as a housing authority, is a “unit of local government.” Id. at 747-48. Like regional councils of government, regional planning agencies, transit districts and municipal electric energy cooperatives that this Office has determined to be political subdivisions, housing authorities are created through statutorily authorized municipal action. They perform a quintessential public purpose and governmental function – providing affordable and adequate housing – typical of local units of government. They satisfy the Supreme Court’s standards for political subdivisions articulated in Maisano and Dugas.⁷

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⁶ The Court in Dugas spoke in terms of a political subdivision possessing “authority for subordinate self-government through officers selected by it.” 155 Conn. at 578 (emphasis added). Reading this language together with the Court’s emphasis on “proper authorities” in Maisano, we do not take this as a requirement that the commissioners of a housing authority would have to be appointed by the housing authority itself. First, that would be impossible in the first instance before the housing authority is established. More importantly, the essential requirement is that the appointment of commissioners be done by the “proper authorities” – that is, the authorities that the legislature has empowered to make the appointments. Once appointed, the commissioners have the statutory capacity for self-governance.

⁷ Having concluded that housing authorities are political subdivisions for purposes of § 31-53, we do not reach the issue whether a housing authority may also be an agent of the state or a municipality. Courts have held that, because under their governing statutes they act autonomously from municipal government, housing authorities are generally not agents of the municipalities in which they are located. See Gordon, 208 Conn. at 185-86; Austin v. Housing Auth., 143 Conn. 338, 349 (1956). This observation does not preclude the possibility that, in a specific set of facts demonstrating the requisite degree of control, a housing authority could be deemed an agent of the state or municipality.
Determining Whether a Housing Authority Project
Is a “Public Works” Within the Meaning of the Prevailing Wage Statute Requires a Project-by-Project Analysis.

The prevailing wage statute applies to “public works projects.” What constitutes a public works project is not defined by the statute, but rather requires a fact-based, project-by-project analysis that cannot be answered in the abstract.

Recognizing that the statute does not define “public works projects,” the Department of Labor’s Guide to Prevailing Wage Laws in Connecticut indicates that it “has historically relied upon the accepted dictionary definition of public works as ‘Construction projects, such as highways or dams financed by public funds and constructed by a government for the general public.’” DOL, Guide to Prevailing Wage Laws in Connecticut, at 17 (rev. 2009) (available at http://www.ctdol.state.ct.us/wgwkstd/prevailing-rates/PrevailingWageGuide/); see Nyenhuis v. Metropolitan Dist. Comm’n, 300 Conn. 708, 720 (2011) (in absence of statutory definition, courts will use dictionary definition for common meaning of term). It further relies on the definition of public works under the regulations for the Davis-Bacon Act, the federal corollary to the state prevailing wage statute, which provides:

The term public building or public work includes building or work, the construction, prosecution, completion, or repair of which . . . is carried on directly by authority of or with funds of a Federal agency to serve the interests of the general public regardless of whether title is in a Federal agency.

29 C.F.R. § 5.2(k); see CHRO v. Savin Rock Condominiums Ass’n, Inc., 273 Conn. 373, 386 (2005) (related federal law may be guide to interpreting state statute). The Department concludes that the two definitions are consistent and reflect that a public works project is one involving “the construction, rehabilitation or repair of a project which serves the interest of the general public.” DOL, Guide to Prevailing Wage Laws in Connecticut, at 17. Courts will give deference to the “time-tested” construction of a statute by the agency charged with its enforcement. Taxis Ohr’s Fuel, Inc. v. Administrator, 309 Conn. 412, 422 (2013); Dept. of Public Safety v. State Bd. of Labor Relations, 296 Conn. 594, 599 (2010).

Applying this definition of public works, however, is a fact-intensive, case-by-case determination. See L. Suzio Concrete Co., Inc. v. New Haven
Tobacco, Inc., 28 Conn. App. 622, 629 (1992) (construing “public works” under Conn. Gen. Stat. § 49-41 pertaining to performance bonds for such projects); Gerrity Co., Inc. v. Pace Constr., Inc., 1996 WL 663860, at *3 (Conn. Super. 1996) (concluding that a housing authority project was a public works project under Conn. Gen. Stat. § 49-41), aff’d per curiam, 47 Conn. App. 926 (1998). Drawing from this definition, the factors that should be considered, no single one of which is determinative, include the public source of financing of the project, the extent of government involvement in the project, and the public purpose or use of the project that serves the interests of the general public. See L. Suzio Concrete, 28 Conn. App. at 629; Gerrity, 1996 WL 663860, at *3; 120 West Fayette St., LLP v. Mayor, 413 Md. 309, 336-40, 992 A.2d 359 (2010) (applying factors for determining public works project under Maryland prevailing wage statute). Whether a particular housing authority project constitutes a public works project within the meaning of the prevailing wage statute therefore requires an individualized evaluation of these specific facts of that project in light of these factors. In the first instance, that is an analysis for the Department of Labor to conduct as the agency charged with enforcement of the statute.

We acknowledge that the application of the prevailing wage statute to housing authority projects may have significant practical and fiscal consequences. Indeed, this issue exists at the intersection of two important public policies. First, the wage level for these projects obviously impacts upon the costs of projects undertaken by local housing authorities. On the other hand, providing a fair wage for employees impacts upon the standard of living employees enjoy in our state as well as the quality of labor a particular project will attract. We are not in a position to accurately assess or balance these competing impacts. Moreover, the practical policy implications of the resolution of the questions we have been asked must be left to the legislature to address. The purpose of this opinion is to address

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For certain specific types of housing projects, the legislature has expressly directed that the prevailing wage statute shall apply. See Conn. Gen. Stat. §§ 8-74 (moderate rental housing projects); 8-94 (moderate cost housing); 8-177a (elderly housing). Although the express requirement in those statutes could be a basis for implying that the legislature did not intend the prevailing wage statute to apply to all other housing authority projects, see Tine v. Zoning Bd. of Appeals, 308 Conn. 300, 308-09 (2013), we do not read those statutes as supporting that negative implication. That the legislature sought to make clear that the prevailing statute applies to those specific kinds of projects – and thus eliminating the need for the case-by-case evaluation required to determine if a project qualifies as a public works project – does not imply that the legislature meant to do away with that case-by-case analysis for all other housing authority projects. We believe the better interpretation is that a housing authority project, other than those under the specifically designated statutes, may constitute a public works project if the particular facts of a project support such a conclusion under the case-by-case determination.
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how a court would most likely decide the meaning and application of the governing statutory provisions in light of relevant precedent and case law.

On the basis of that analysis, we conclude (1) housing authorities are political subdivisions of the state for purposes of the prevailing wage statute; and (2) the determination that a particular housing authority project is a public works project subject to the prevailing wage statute can only be made after a fact-based, case-by-case evaluation.

We trust this is responsive to your queries.

Sincerely yours,

GEORGE JEPSEN  
ATTORNEY GENERAL