



State of Connecticut

SENATOR LEONARD A. FASANO
SENATE REPUBLICAN LEADER

34TH DISTRICT

LEGISLATIVE OFFICE BUILDING
300 CAPITOL AVENUE, SUITE 3400
HARTFORD, CONNECTICUT 06106-1591
www.SenatorFasano.com

HARTFORD: (860) 240-8800
TOLL FREE: (800) 842-1421
FAX: (860) 240-8306
Len.Fasano@cga.ct.gov

September 11, 2019

Senator Martin Looney
President Pro Tempore
Legislative Office Building, Room 3300
Hartford, Connecticut 06106

Dear Senator Looney:

I am writing to you in regard to the growing number of lawsuits Connecticut's restaurants are facing as a result of the advice provided by the Connecticut Department of Labor regarding wage tip credit.

As legislative leaders, we have discussed this issue extensively. Earlier this year, the legislature passed legislation with strong bipartisan support to rectify this issue, only for the bill to be vetoed by the governor, surprising us all. Since the governor's veto, we have seen new lawsuits filed effecting over a dozen restaurants throughout our state. These include class action lawsuits which are threatening the existence of multiple restaurants, potentially bankrupting families and putting hundreds if not thousands of jobs they support in jeopardy. This number is and will continue to grow if we do nothing.

As these lawsuits increase, law firms stand to make large profits, while restaurants and their employees are being put at risk. This goes beyond just a few isolated cases. This issue touches on every single restaurant in our state, large and small. This puts an entire industry at risk for being slammed with unsurmountable legal fees, all for following advice provided by state officials. It also threatens the entire restaurant wage system that allows servers to collect tips for their work, as many restaurants will switch to pooled tips and minimum wage across the board to avoid potential lawsuits.

Let's be intellectually honest. You and I both know these restaurants were not acting in bad faith. We know how restaurant owners value their staff members, which are the face and the lifeblood of their businesses. This is really about the unions trying to make a political statement. And even the unions are now backing off now because they realize that servers are the ones who are going to be hurt in the end. As I mentioned above, to avoid potential lawsuits, restaurants will end up doing what they do in Europe and add a service fee to the check and institute a no tipping policy and then redistribute that money to all staff people, thereby reducing the money that servers get now from tips. The reality is this will negatively affect servers, and perhaps you have to know the business to know that this is the case. Simply put, without this fix it is the serving staff that ultimately will lose money.

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Three caucuses of the Connecticut General Assembly have made it clear that we are in agreement on fixing this issue and we are ready to act. However, your caucus has been silent. I need to know where you stand on this issue.

These lawsuits are not in the best interest of restaurant workers. There is a two year statute of limitations on these types of lawsuits. Therefore, every day that we sit back as a legislature and allow time to pass we are putting more restaurants more jobs at risk.

I hope you will consider this issue very closely and work with the three other caucuses to do what is right for an important Connecticut industry and the workers they support.

Sincerely,



Len Fasano
Senate Republican Leader