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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 1021 Session of  
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INTRODUCED BY LEWIS DELROSSO, MILLARD, HELM, KAIL, KAUFER,  
MIZGORSKI, WHEELAND, SNYDER AND SAYLOR, MARCH 26, 2021

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REFERRED TO COMMITTEE ON LABOR AND INDUSTRY, MARCH 26, 2021

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AN ACT

1 Providing for verification of construction contractors and for  
2 procedures for verification; establishing the Construction  
3 Contractor Verification Account; making an appropriation; and  
4 imposing penalties.

5 The General Assembly of the Commonwealth of Pennsylvania  
6 hereby enacts as follows:

7 Section 1. Short title.

8 This act shall be known and may be cited as the Contractor  
9 Verification Act.

10 Section 2. Definitions.

11 The following words and phrases when used in this act shall  
12 have the meanings given to them in this section unless the  
13 context clearly indicates otherwise:

14 "Account." The Construction Contractor Verification Account  
15 established under section 5(b).

16 "Bureau." The Bureau of Consumer Protection in the Office of  
17 Attorney General.

18 "Construction contractor." As follows:

19 (1) A person who, in any capacity for compensation,

1 other than as an employee of another person, engages in the  
2 erection, reconstruction, demolition, alteration,  
3 modification, custom fabrication, building, assembling, site  
4 preparation and repair or maintenance work on real property  
5 or premises under a contract, including work for a public  
6 body or work paid for from public funds. The term includes  
7 any of the following:

8 (i) A person who performs any work in connection  
9 with a construction project, including the erection of  
10 scaffolding.

11 (ii) A subcontractor of any tier.

12 (iii) A staffing agency that supplies workers under  
13 contract.

14 (iv) A construction or project manager.

15 (2) The term does not include any of the following:

16 (i) A supplier or seller of goods, materials or  
17 equipment who does not arrange or perform work or labor  
18 in connection with the products.

19 (ii) An installer of finished goods, materials or  
20 equipment that is not fabricated into or a fixed part of  
21 the structure.

22 (iii) An individual who performs or solicits work on  
23 a property that the individual owns or leases or an  
24 individual who performs work as a bone fide employee of  
25 the property owner or occupant.

26 (iv) An architect, engineer, geologist, land  
27 surveyor, real estate agent or real estate appraiser who  
28 holds a professional license or certification from an  
29 oversight board or commission within the Department of  
30 State of the Commonwealth and does not perform work as a

1 construction contractor.

2 "Person." An individual, firm, sole proprietorship,  
3 partnership, corporation, association or other entity.

4 Section 3. Verification of construction contractors.

5 (a) Prohibition.--A person may not hold oneself out or  
6 engage in any act as a construction contractor without  
7 satisfying the verification requirements under this act.

8 (b) Home improvement contractors.--Nothing in this act shall  
9 be construed to affect the requirements specified under the act  
10 of October 17, 2008 (P.L.1645, No.132), known as the Home  
11 Improvement Consumer Protection Act. A construction contractor  
12 who only engages in the business of home improvement as defined  
13 in section 2 of the Home Improvement Consumer Protection Act,  
14 and who has registered in accordance with the Home Improvement  
15 Consumer Protection Act, shall be deemed to satisfy the  
16 verification requirements under this act.

17 (c) Proof of verification.--A construction contractor shall  
18 include the construction contractor's verification number issued  
19 by the bureau in all advertisements distributed within this  
20 Commonwealth and on all contracts, estimates and related  
21 documents created after the effective date of this section.

22 (d) Verification system.--The bureau shall develop and  
23 maintain a list of completed verifications under this act on the  
24 bureau's publicly accessible Internet website, which shall  
25 include each construction contractor's legal business name, any  
26 assumed business name, business address, verification number and  
27 verification expiration date.

28 Section 4. Procedures for verification.

29 (a) Application.--

30 (1) A construction contractor shall apply, in writing or

1 electronically, for verification to the bureau in a manner  
2 and on a form prescribed by the bureau. The application shall  
3 include all the following information:

4 (i) For any individual, sole proprietor, primary  
5 owner or officer of a business entity, all of the  
6 following information:

7 (A) The applicant's full legal name and title at  
8 the applicant's business.

9 (B) The applicant's business address and  
10 telephone number.

11 (C) The applicant's Social Security number and  
12 date of birth.

13 (D) The percentage of the applicant's business  
14 owned by the applicant.

15 (E) All prior business names and addresses of  
16 the applicant.

17 (ii) The legal business name, an assumed business  
18 name, designated business address, physical address,  
19 telephone number and email address of the applicant.

20 (iii) For an out-of-State business entity, the name  
21 and address of the applicant's resident agent or office  
22 within this Commonwealth and any identification number  
23 issued to the applicant by the applicant's state or  
24 political subdivision where the applicant has a principal  
25 place of business through other registration, licensing  
26 or verification systems, if applicable.

27 (iv) The applicant's Federal employer identification  
28 number, if applicable.

29 (v) For any individual, sole proprietor, primary  
30 owner or officer of a business entity, the name of all

1 other persons with an ownership interest in the applicant  
2 who are not identified under subparagraph (i) and the  
3 percentage of the interest owned by each person. This  
4 subparagraph shall not apply to shareholders with less  
5 than a 5% ownership interest in a publicly traded  
6 corporation.

7 (vi) A description of the nature of the business of  
8 the applicant.

9 (vii) Documentation of compliance with the act of  
10 June 2, 1915 (P.L.736, No.338), known as the Workers'  
11 Compensation Act, and the act of December 5, 1936 (2nd  
12 Sp.Sess., 1937 P.L.2897, No.1), known as the Unemployment  
13 Compensation Law.

14 (viii) Documentation of enrollment in the E-Verify  
15 program as required to be used for new hires under the  
16 act of October 7, 2019 (P.L.454, No.75), known as the  
17 Construction Industry Employee Verification Act.

18 (ix) Proof of financial responsibility, which may  
19 include liability insurance or bonding, or self-  
20 insurance.

21 (x) The fee specified under section 5(a).

22 (xi) A signed statement by the applicant that the  
23 information in the application is true and accurate and  
24 any individual signing the application is an authorized  
25 agent of the applicant.

26 (b) Expiration and renewal.--The verification shall be  
27 completed on a fixed, biennial basis on a date determined by the  
28 bureau. The bureau shall accept an application for a  
29 verification renewal before the expiration of an active  
30 verification in a time frame specified by the bureau.

1 (c) Nominal business operations.--The bureau may elect to  
2 waive a verification renewal for a construction contractor whose  
3 total gross annual receipts for work as a construction  
4 contractor are less than \$12,400 per year for both years  
5 immediately before the renewal date specified by the bureau  
6 under subsection (b).

7 (d) Certification of compliance.--After a construction  
8 contractor completes an application for verification or  
9 verification renewal under this section and pays the fee  
10 specified under section 5(a), the bureau shall issue a  
11 certificate of compliance to the construction contractor that  
12 includes a verification number.

13 (e) Reporting changes.--A construction contractor shall  
14 update its verification within 30 days of any change in personal  
15 or business information required to be provided to the bureau  
16 under this section.

17 Section 5. Fees and account.

18 (a) Fees.--An applicant for verification or verification  
19 renewal under section 4 shall pay an application fee of not more  
20 than \$500 to the bureau. Fees shall be deposited into the  
21 account established in subsection (b).

22 (b) Construction Contractor Verification Account.--

23 (1) The Construction Contractor Verification Account is  
24 established as a restricted revenue, interest-bearing account  
25 in the General Fund.

26 (2) The bureau shall deposit fees and penalties  
27 collected under sections 5(a) and 8 into the account.

28 (3) Funds in the account and interest earned on the  
29 funds are appropriated on a continuing basis to the Office of  
30 Attorney General for administering and enforcing the

1 provisions of this act and the act of October 7, 2019  
2 (P.L.454, No.75), known as the Construction Industry Employee  
3 Verification Act.

4 Section 6. Prohibited acts.

5 On and after the effective date of this section, a person who  
6 holds oneself out or engages in any act as a construction  
7 contractor may not:

8 (1) fail to complete the verification as a construction  
9 contractor as required under this act;

10 (2) fail to display or identify its verification number  
11 as required by section 3(c);

12 (3) knowingly contract with or perform work as a  
13 construction contractor for another person without first  
14 completing the verification required under this act or after  
15 the construction contractor's verification has expired or has  
16 been suspended; or

17 (4) knowingly contract with or pay another person for  
18 work as a construction contractor if the person has not  
19 completed the verification required under this act or the  
20 person's verification has expired or has been suspended.

21 Section 7. Enforcement.

22 The bureau may enforce this act and investigate alleged  
23 violations of this act. In enforcing this act and investigating  
24 alleged violations of this act, the bureau may take any of the  
25 following actions:

26 (1) Enter and inspect the place of business or a  
27 worksite of a construction contractor at any reasonable time  
28 for the purposes of examining and inspecting records of the  
29 construction contractor that relate to compliance with this  
30 act.

1           (2) Subpoena witnesses, administer oaths, examine  
2 witnesses and take testimony or compel the production of  
3 documents for the purpose of ascertaining a construction  
4 contractor's compliance with this act.

5           (3) Petition the Commonwealth Court to enforce any  
6 subpoena or order issued by the bureau under this act.

7 Section 8. Penalties.

8       (a) Imposition.--

9           (1) A person who violates section 6(1) or (2) shall be  
10 subject to the following:

11           (i) For a first violation, the bureau shall issue a  
12 warning letter to the person detailing the omission and  
13 provide 30 days to correct the violation.

14           (ii) For a second or subsequent violation, the  
15 bureau shall bring an action in a court of competent  
16 jurisdiction to assess a fine of up to \$2,000 per day  
17 when the person is in violation of section 6(1) or (2).

18           (2) The bureau shall bring an action in a court of  
19 competent jurisdiction to assess a fine of up to \$10,000 per  
20 violation for a person who violates section 6(3) or (4).

21       (b) Suspensions of verifications.--If a construction  
22 contractor's verification is suspended by court order, including  
23 an order under the act of October 7, 2019 (P.L.454, No.75),  
24 known as the Construction Industry Employee Verification Act,  
25 the suspension shall take effect by operation of law on the date  
26 that the court's order is entered, unless the suspension is  
27 stayed by subsequent court order, pending appeal. The Office of  
28 Attorney General shall provide notice of a court order affecting  
29 the validity of a contractor's verification to the bureau and  
30 the bureau shall update the verification system consistent with



1 the court order no later than 30 days from the date of receipt  
2 of the notice.

3 (c) Other relief.--In addition to the penalties specified  
4 under this section, the bureau may seek other relief, including  
5 injunctive relief, restitution and costs under the act of  
6 December 17, 1968 (P.L.1224, No.387), known as the Unfair Trade  
7 Practices and Consumer Protection Law, and any violation of this  
8 act shall be considered a violation of the Unfair Trade  
9 Practices and Consumer Protection Law.

10 Section 9. Protection from retaliation.

11 (a) Retaliation prohibited.--A construction contractor  
12 may not discharge, threaten or otherwise retaliate or  
13 discriminate against an employee regarding compensation or other  
14 terms or conditions of employment because the employee  
15 participates in an investigation, hearing or inquiry by the  
16 bureau or reports an alleged violation of this act to the  
17 bureau.

18 (b) Actions.--An employee who suffers retaliation or  
19 discrimination under subsection (a) may bring an action in a  
20 court of common pleas in accordance with the Pennsylvania Rules  
21 of Civil Procedure. The action must be brought within three  
22 years from the date the employee knew of the retaliation or  
23 discrimination.

24 (c) Relief.--If an employee prevails in an action commenced  
25 under subsection (b), the employee shall be entitled to the  
26 following relief:

27 (1) Reinstatement of the employee, if applicable.

28 (2) Restitution equal to three times the amount of the  
29 employee's wages and fringe benefits calculated from the date  
30 of the retaliation or discrimination.

1           (3) Reasonable attorney fees and costs of the action.

2           (4) Any other legal and equitable relief as the court  
3       deems appropriate.

4 Section 10. Construction.

5       Nothing in this act shall be construed to alleviate,  
6 substitute or otherwise impact licensing or certification  
7 standards or requirements for individuals or businesses that may  
8 be required under any other Federal or State law or regulation  
9 or local ordinance.

10 Section 11. Effective date.

11       The act shall take effect in 180 days.