

1 AN ACT relating to construction contracts.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 45A.480 is amended to read as follows:

- 4 (1) (a) No state contract for building, construction, reconstruction, renovation,
5 demolition, or maintenance, or for any activity related to building,
6 construction, reconstruction, renovation, demolition, or maintenance shall be
7 awarded by any agency, department, or office of the Commonwealth of
8 Kentucky or any political subdivision of the Commonwealth of Kentucky to
9 any person until that person assures, by affidavit, that all contractors and
10 subcontractors employed, or that will be employed, under the provisions of the
11 contract shall be in compliance with Kentucky requirements for workers'
12 compensation insurance according to KRS Chapter 342 and unemployment
13 insurance according to KRS Chapter 341. ***Each affidavit shall also include a***
14 ***list of all subcontractors that are supplying workers for the project,***
15 ***including a primary contact for each subcontractor, and an assurance that***
16 ***required taxes are being paid for or on behalf of each worker.***
- 17 (b) ***A contracting body that released the invitation for bids, request for***
18 ***proposals, or other solicitation related to a construction project:***
- 19 ***1. May take steps necessary to require the contractor to comply with this***
20 ***section if it is determined that the contractor is not complying with the***
21 ***terms of the contract or of this section;***
- 22 ***2. Shall have the right to inspect the contractor's job site to ensure***
23 ***compliance with this section; and***
- 24 ***3. Shall have the right to request from the contractor any requested***
25 ***documentation necessary to confirm compliance with this section.***
- 26 (c) ***Any public agency soliciting or advertising for bids for contracts for***
27 ***construction shall make this section part of the solicitation or advertisement***

1 for bids.

2 (d) An agency, department, office, or political subdivision of the Commonwealth
3 of Kentucky shall not award a state contract to a person that is a foreign entity
4 unless that foreign entity, on the records of the Secretary of State, holds a
5 certificate of authority or a statement of foreign qualification.

6 (2) Any person who fails to comply with the requirements of subsection (1) of this
7 section during the term of the state contract, upon such finding by a court of
8 competent jurisdiction, shall be fined an amount not to exceed four thousand dollars
9 (\$4,000), or an amount equal to the sum of uninsured and unsatisfied claims
10 brought under the provisions of KRS Chapter 342 and unemployment insurance
11 claims for which no wages were reported as required by KRS Chapter 341,
12 whichever is greater.

13 (3) The penalty imposed in subsection (2) of this section shall be enforced by the
14 county attorney for the county in which the violation occurred.