
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1183 Session of
2023

INTRODUCED BY PISCIOTTANO, MADDEN, McNEILL, T. DAVIS, McANDREW,
SANCHEZ, DELLOSO, D. WILLIAMS AND NEILSON, MAY 18, 2023

REFERRED TO COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT,
MAY 18, 2023

AN ACT

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

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 Construction
9 Contractor 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:

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

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

12 (ii) A subcontractor of any tier.

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

15 (iv) A construction or project manager.

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

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

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

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

27 (iv) An architect, engineer, geologist, land
28 surveyor, real estate agent or real estate appraiser who
29 holds a professional license or certification from an
30 oversight board or commission within the Department of

1 State and does not perform work as a construction
2 contractor.

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

5 Section 3. Verification of construction contractors.

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

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

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

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

29 Section 4. Procedures for verification.

30 (a) Application.--A construction contractor shall apply, in

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

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

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

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

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

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

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

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

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

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

29 (5) For an individual, sole proprietor, primary owner or
30 officer of a business entity, the name of all other persons

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

6 (6) A description of the nature of the business of the
7 applicant.

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

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

16 (9) Proof of financial responsibility, which may include
17 liability insurance or bonding, or self-insurance.

18 (10) The fee specified under section 5(a).

19 (11) A signed statement by the applicant that the
20 information in the application is true and accurate and any
21 individual signing the application is an authorized agent of
22 the applicant.

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

28 (c) Nominal business operations.--The bureau may elect to
29 waive a verification renewal for a construction contractor whose
30 total gross annual receipts for work as a construction

1 contractor are less than \$12,400 per year for both years
2 immediately before the renewal date specified by the bureau
3 under subsection (b).

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

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

14 Section 5. Fees and account.

15 (a) Fees.--An applicant for verification or verification
16 renewal under section 4 shall pay an application fee of not more
17 than \$500 to the bureau. Fees shall be deposited into the
18 account.

19 (b) Construction Contractor Verification Account.--

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

23 (2) The bureau shall deposit fees and penalties
24 collected under subsection (a) and section 8 into the
25 account.

26 (3) Money in the account and interest earned on the
27 money is appropriated on a continuing basis to the Office of
28 Attorney General for administering and enforcing the
29 provisions of this act and the act of October 7, 2019

30 (P.L.454, No.75), known as the Construction Industry Employee

1 Verification Act.

2 Section 6. Prohibited acts.

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

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

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

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

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

19 Section 7. Enforcement.

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

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

29 (2) Subpoena witnesses, administer oaths, examine
30 witnesses and take testimony or compel the production of

1 documents for the purpose of ascertaining a construction
2 contractor's compliance with this act.

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

5 Section 8. Penalties.

6 (a) Imposition.--

7 (1) A person that violates section 6(1) or (2) shall be
8 subject to the following:

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

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

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

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

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

8 Section 9. Protection from retaliation.

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

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

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

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

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

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

29 (4) Any other legal and equitable relief as the court
30 deems appropriate.

1 Section 10. Construction.

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

7 Section 11. Effective date.

8 This act shall take effect in 180 days.