An Act

ENROLLED HOUSE
BILL NO. 2258

By: Sherrer, Hoskin and Scott of the House

and

Burrage, Coates, McAffrey, Newberry and Ivester of the Senate

An Act relating to contractors; requiring certain contractors show proof of certain documentation; providing for penalties; requiring specified agencies to share information and coordinate investigative and enforcement efforts for certain purpose; providing authorization for creation of secure database and promulgation of rules; providing for codification; and providing an effective date.

SUBJECT: Contractors

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1708 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. All contractors submitting a written bid on a public construction project offered for bid in this state shall upon written request show proof of documentation required to be in their possession pursuant to Section 1701.1 of Title 68 of the Oklahoma Statutes.

B. Any contractor that fails to provide proof as required in subsection A of this section, or any contractor that performs work in this state as a resident or nonresident contractor without registration as required by Section 1701.1 of Title 68 of the

Oklahoma Statutes, shall be fined by the Oklahoma Tax Commission an amount not to exceed ten percent (10%) of the contractor's total bid, which shall be in addition to any other penalties allowed by law.

C. Any contractor that intentionally misclassifies individuals as independent contractors rather than employees for the purpose of affecting procedures and payments relating to withholding and social security, unemployment tax or workers' compensation premiums shall be fined by the Oklahoma Tax Commission an amount not to exceed ten percent (10%) of the contractor's total bid, which shall be in addition to any other penalties allowed by law.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1709 of Title 68, unless there is created a duplication in numbering, reads as follows:

The Oklahoma Tax Commission, Oklahoma Workers' Compensation Court, Department of Labor, CompSource Oklahoma and Oklahoma Employment Security Commission shall share information and coordinate investigative and enforcement efforts for the purpose of detecting those contractors who intentionally misclassify individuals as independent contractors rather than employees for the purpose of affecting procedures and payments relating to withholding and social security, unemployment tax or workers' compensation premiums. The agencies required by this section to share information and coordinate efforts shall be authorized to create a secure database of information accessible by agency representatives responsible for enforcement and shall be further authorized to enter into contracts and interagency agreements and promulgate such rules as may be necessary to implement this section.

SECTION 3. This act shall become effective November 1, 2012.

Passed the House of Representatives the 25th day of May, 2012.

Presiding Officer of the House of Representatives

Passed the Senate the 25th day of May, 2012.

Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Governor this 25th

day of May, **20** 12,

at 7:25 **o'clock** P **M.**

By: Jessica R Rogers

Approved by the Governor of the State of Oklahoma the 8 **day of** June, **20** 12, **at** 2:52 **o'clock** P **M.**

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Secretary of State this

8th **day of** June, **20** 12,

at 4:45 **o'clock** P. **M.**

By: Michelle R Day