

**OKLAHOMA STATE SENATE  
STANDING  
COMMITTEE REPORT**

March 29, 2012

COMMITTEE ON BUSINESS AND COMMERCE

HB 2258

By: Sherrer and Hoskin of the House and Burrage of the Senate

Title: State government; requiring agencies to share information and coordinate investigative and enforcement efforts for certain purpose; codification; effective date.

Co-Authored By: Coates and McAffrey of the Senate

Recommendation: **DO PASS AS AMENDED**

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Senator Dan Newberry, Chair

Amendments:

1. Page 1, lines 13-15, by changing the proposed codification cite from Section 8152 of Title 74 of the Oklahoma Statutes to "Section 1709 of Title 68 of the Oklahoma Statutes".
2. Page 1, line 13, by inserting a new section and by renumbering subsequent sections:  
  
"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. Every contractor submitting a written bid on a public construction project offered for bid in this state shall be required to include with such bid written proof of their employer identification numbers issued by the Oklahoma Tax Commission, the Oklahoma

Employment Security Commission, the Internal Revenue Service, and the Social Security Administration which are required to be in their possession pursuant to Section 1701.1 of Title 68 of the Oklahoma Statutes.

B. Any contractor failing to have their employer identification numbers as required by law prior to entering the bid process on a public construction project in this state, or any contractor that fails to include proof of their employer identification numbers on a written bid 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 total bid or project cost, whichever is higher, 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 worker's compensation premiums shall be fined by the Oklahoma Tax Commission an amount not be exceed ten percent (10%) of the total bid or project cost, whichever is higher, which shall be in addition to any other penalties allowed by law.”;

3. Page 1, line 17, after the word “Court” by deleting the comma (,) and words “Department of Labor”.
4. Page 1, line 19, by deleting the word “employers” and inserting the word “contractors”.
5. Page 1, line 24 through Page 2, Line 1, by deleting the words “shall be authorized to” and inserting the word “may”.
6. Page 2, lines 2-3, by deleting the words “and shall be further authorized to” and inserting a comma (,).
7. By amending the title to conform as follows:  
Page 1, line 7, by deleting after the word “to” and before the semi-colon (;) all language and inserting:  
“contractors; requiring employer identification number on certain bids; setting penalty for certain violations; setting penalty for certain misclassifications”