

1 **SENATE FLOOR VERSION**

2 April 2, 2012

3 As Amended

4 ENGROSSED HOUSE

5 BILL NO. 2258

6 By: Sherrer and Hoskin of the
7 House

8 and

9 Burrage, Coates and
10 McAffrey of the Senate

11 An Act relating to **contractors; requiring employer**
12 **identification number on certain bids; setting**
13 **penalty for certain violations; setting penalty for**
14 **certain misclassifications;** requiring specified
15 agencies to share information and coordinate
16 investigative and enforcement efforts for certain
17 purpose; authorization for creation of secure
18 database and promulgation of rules; providing for
19 codification; and providing an effective date.

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

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

24 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

1 Service, and the Social Security Administration which are required
2 to be in their possession pursuant to Section 1701.1 of Title 68 of
3 the Oklahoma Statutes.

4 B. Any contractor failing to have their employer
5 identification numbers as required by law prior to entering the bid
6 process on a public construction project in this state, or any
7 contractor that fails to include proof of their employer
8 identification numbers on a written bid as required in subsection A
9 of this section, or any contractor that performs work in this state
10 as a resident or nonresident contractor without registration as
11 required by Section 1701.1 of Title 68 of the Oklahoma Statutes,
12 shall be fined by the Oklahoma Tax Commission an amount not to
13 exceed ten percent (10%) of the total bid or project cost, whichever
14 is higher, which shall be in addition to any other penalties allowed
15 by law.

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

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

4 The Oklahoma Tax Commission, Oklahoma Workers' Compensation
5 Court and Oklahoma Employment Security Commission shall share
6 information and coordinate investigative and enforcement efforts for
7 the purpose of detecting those **contractors** who intentionally
8 misclassify individuals as independent contractors rather than
9 employees for the purpose of affecting procedures and payments
10 relating to withholding and social security, unemployment tax or
11 workers' compensation premiums. The agencies required by this
12 section to share information and coordinate efforts **may** create a
13 secure database of information accessible by agency representatives
14 responsible for enforcement, enter into contracts and interagency
15 agreements and promulgate such rules as may be necessary to
16 implement this section.

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

18 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS & COMMERCE, dated 3-29-12
19 - DO PASS, As Amended and Coauthored.
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