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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 2360 Session of  
2024

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INTRODUCED BY DONAHUE, PROBST, GIRAL, HILL-EVANS, DELLOSO,  
HADDOCK, BRENNAN, GALLAGHER, CERRATO AND MENTZER,  
JUNE 3, 2024

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REFERRED TO COMMITTEE ON LABOR AND INDUSTRY, JUNE 3, 2024

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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 Contractor  
9 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 who, 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 funds. The term includes  
8 any of the following:

9           (i) A person who 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 and receiving a  
9 certificate of compliance under this act.

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

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

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

30 Section 4. Procedures for verification.

1 (a) Application.--A construction contractor shall apply, in  
2 writing or electronically, for verification to the bureau in a  
3 manner and on a form prescribed by the bureau. The application  
4 shall include all of the following information:

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

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

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

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

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

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

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

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

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

30 (5) For an individual, sole proprietor, primary owner or

1 officer of a business entity, the name of all other persons  
2 with an ownership interest in the applicant who are not  
3 identified under paragraph (1) and the percentage of the  
4 interest owned by each person. This paragraph shall not apply  
5 to shareholders with less than a 5% ownership interest in a  
6 publicly traded corporation.

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

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

13 (8) Certification that the applicant maintains all valid  
14 licenses, registrations or certificates required by Federal  
15 or State laws or regulations that are necessary to do  
16 business or perform work as a construction contractor.

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

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

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

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

29 (c) Nominal business operations.--The bureau may elect to  
30 waive a verification renewal for a construction contractor whose

1 total gross annual receipts for work as a construction  
2 contractor are less than \$14,700 per year for both years  
3 immediately before the renewal date specified by the bureau  
4 under subsection (b).

5 (d) Certification of compliance.--If the bureau determines  
6 that a construction contractor has met all requirements of an  
7 application for verification or verification renewal under this  
8 section and has paid the fee specified under section 5(a), the  
9 bureau shall approve the verification and issue a certificate of  
10 compliance to the construction contractor that includes a  
11 verification number and authorizes the construction contractor  
12 to conduct business operations in the construction industry in  
13 Pennsylvania.

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

#### 18 Section 5. Fees and account.

19 (a) Fees.--An applicant for verification or verification  
20 renewal under section 4 shall pay an application fee of not more  
21 than \$500 to the bureau. Fees shall be deposited into the  
22 account established in subsection (b).

23 (b) Construction Contractor Verification Account.--

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

27 (2) The bureau shall deposit fees and penalties  
28 collected under subsection (a) and section 8 into the  
29 account.

30 (3) Money in the account and interest earned on the

1 money are appropriated on a continuing basis to the Office of  
2 Attorney General for administering and enforcing the  
3 provisions of this act and other acts related to the  
4 construction industry.

5 Section 6. Prohibited acts.

6 On and after the effective date of this section, a person who  
7 holds oneself out or engages in any act as a construction  
8 contractor may not:

9 (1) fail to complete or operate without a certification  
10 of compliance of verification as a construction contractor as  
11 required under this act;

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

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

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

23 Section 7. Enforcement.

24 The bureau may enforce this act and investigate alleged  
25 violations of this act. In enforcing this act and investigating  
26 alleged violations of this act, the bureau may take any of the  
27 following actions:

28 (1) Enter and inspect the place of business or a  
29 worksite of a construction contractor at any reasonable time  
30 for the purposes of examining and inspecting records of the

1 construction contractor that relate to compliance with this  
2 act.

3 (2) Subpoena witnesses, administer oaths, examine  
4 witnesses and take testimony or compel the production of  
5 documents for the purpose of ascertaining a construction  
6 contractor's compliance with this act.

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

9 Section 8. Penalties.

10 (a) Imposition.--

11 (1) A person who violates section 6(1) or (2) shall be  
12 subject to the following:

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

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

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

23 (b) Suspensions of verifications.--If a construction  
24 contractor's verification is suspended by court order, the  
25 suspension shall take effect by operation of law on the date  
26 that the court's order is entered, unless the suspension is  
27 stayed by subsequent court order, pending appeal. The Office of  
28 Attorney General shall provide notice of a court order affecting  
29 the validity of a contractor's verification to the bureau and  
30 the bureau shall update the verification system consistent with



1 the court order no later than 30 days from the date of receipt  
2 of the notice.

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

10 Section 9. Protection from retaliation.

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

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

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

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

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

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

1           (4) Any other legal and equitable relief as the court  
2       deems appropriate.

3 Section 10. Construction.

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

9 Section 11. Effective date.

10       This act shall take effect in 180 days.