
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 717 Session of
2019

INTRODUCED BY MULLERY, MURT, HILL-EVANS, McNEILL, T. DAVIS,
MILLARD, CALTAGIRONE, SCHLOSSBERG, ISAACSON, FREEMAN, DALEY,
NEILSON, CIRESI, GALLOWAY, GAINNEY AND D. MILLER,
APRIL 5, 2019

REFERRED TO COMMITTEE ON LABOR AND INDUSTRY, APRIL 5, 2019

AN ACT

1 Amending the act of October 13, 2010 (P.L.506, No.72), entitled
2 "An act providing for the criteria for independent
3 contractors in the construction industry and for the powers
4 and duties of the Department of Labor and Industry and the
5 Secretary of Labor and Industry; and imposing penalties,"
6 further providing for administrative penalties, for stop-work
7 orders, for certain agreement prohibited and for use of
8 penalty funds.

9 The General Assembly of the Commonwealth of Pennsylvania
10 hereby enacts as follows:

11 Section 1. Sections 6, 7(c), 9 and 12 of the act of October
12 13, 2010 (P.L.506, No.72), known as the Construction Workplace
13 Misclassification Act, are amended to read:

14 Section 6. Administrative penalties.

15 (a) General rule.--When the secretary finds that a person
16 has violated this act, the secretary may assess and collect
17 civil penalties of not more than [~~\$1,000~~] \$2,500 for the first
18 violation, and not more than [~~\$2,500~~] \$5,000 for each subsequent
19 violation.

20 (b) Factors to be considered.--When determining the amount

1 of the penalty to be imposed, the secretary shall consider
2 factors including, but not limited to:

- 3 (1) The history of previous violations by the employer.
- 4 (2) The seriousness of the violation.
- 5 (3) The good faith of the employer.
- 6 (4) The size of the employer's business.

7 Section 7. Stop-work orders.

8 * * *

9 (c) Penalty.--The court shall assess a penalty of [~~\$1,000~~]
10 \$2,500 per day against an employer for each day that the
11 employer conducts business operations that are in violation of a
12 stop-work order issued under this section.

13 Section 9. Certain agreement prohibited.

14 (a) Violation.--No person shall require or demand that an
15 individual enter into an agreement or sign a document which
16 results in the improper classification of that individual as an
17 independent contractor.

18 (b) Penalty.--A violation of subsection (a) shall be
19 punishable by an administrative fine of not less than [~~\$1,000~~]
20 \$2,500 and not more than [~~\$2,500~~] \$5,000. Each violation shall
21 be considered a separate offense under this section.

22 Section 12. Use of penalty funds.

23 Any sum collected as a penalty under:

24 (1) Sections 6, 7 and 9 for a violation of section 4(a)
25 (1) shall be [~~paid into~~] divided equally between the Workers'
26 Compensation Administration Fund and the department for costs
27 related to enforcement.

28 (2) Sections 6, 7 and 9 for a violation of section 4(a)
29 (2) shall be [~~paid into~~] divided equally between the Special
30 Administration Fund created under section 601.1 of the

1 Unemployment Compensation Law and the department for costs
2 related to enforcement.

3 (3) Section 9 for a violation of any other provision of
4 this act shall be divided equally between the Workers'
5 Compensation Administration Fund [and], the Special
6 Administration Fund and the department for costs related to
7 enforcement.

8 Section 2. This act shall take effect in 60 days.