

SENATE BILL 812

By Finney L

AN ACT to amend Tennessee Code Annotated, Title 4;
Title 12; Title 50 and Title 62, relative to
contractors.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 12, Chapter 4, Part 1, is amended by adding the following language as a new, appropriately designated section:

(a) All contractors submitting a bid on a public construction project offered for bid in this state shall upon written request by the commissioner of revenue or the chief procurement officer, show proof of registration with the department of revenue as required by § 12-4-120, and keep a copy of such registration in the contractor's possession during the duration of the public construction project.

(b) Any contractor that fails to provide proof as required in subsection (a), or any contractor that performs work in this state without registering as required by § 12-4-120, shall be fined by the department of revenue 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 department of revenue 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, including but not limited to any penalties in title 50, chapter 6, part 9.

(d) The department of revenue, the chief procurement officer, and the department of labor and workforce development shall share information and coordinate investigative and enforcement efforts for the purpose of detecting those contractors in violation of this section. 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 2. This act shall take effect July 1, 2013, the public welfare requiring it.