

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2234 Session of
1993

INTRODUCED BY GERLACH, NOVEMBER 24, 1993

REFERRED TO COMMITTEE ON LABOR RELATIONS, NOVEMBER 24, 1993

AN ACT

1 Amending the act of June 2, 1915 (P.L.736, No.338), entitled, as
2 reenacted and amended, "An act defining the liability of an
3 employer to pay damages for injuries received by an employe
4 in the course of employment; establishing an elective
5 schedule of compensation; providing procedure for the
6 determination of liability and compensation thereunder; and
7 prescribing penalties," further providing for contractors.

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

10 Section 1. Section 302(e) of the act of June 2, 1915
11 (P.L.736, No.338), known as The Pennsylvania Workmen's
12 Compensation Act, reenacted and amended June 21, 1939 (P.L.520,
13 No.281) and amended July 2, 1993 (P.L.190, No.44), is amended to
14 read:

15 Section 302. * * *

16 [(e) (1) Prior to issuing a building permit to a
17 contractor, a municipality shall require the contractor to
18 present proof of workers' compensation insurance or an affidavit
19 that the contractor does not employ other individuals and is not
20 required to carry workers' compensation insurance.

1 (2) Every building permit issued by a municipality to a
2 contractor shall clearly set forth the name and workers'
3 compensation policy and the contractor's Federal or State
4 Employer Identification Number. This information shall be in
5 addition to any information required by municipal ordinance. If
6 the building permit is issued to an applicant which affirms it
7 is not obligated to maintain workers' compensation insurance
8 under this act, the permit shall clearly set forth the
9 contractor's Federal or State Employer Identification Number and
10 the substance of the affirmation and that the applicant is not
11 permitted to employ any individual to perform work pursuant to
12 the building permit.

13 (3) Every municipality issuing a building permit shall be
14 named as a workers' compensation policy certificate holder of a
15 contractor-issued building permit. This certificate shall be
16 filed with the municipality's copy of the building permit. An
17 insurer issuing a policy which names a municipality as a
18 workers' compensation policy certificate holder pursuant to this
19 section shall be required to notify that municipality of the
20 expiration or cancellation of any such policy of insurance or
21 policy certificate within three working days of such
22 cancellation or expiration.

23 (4) A municipality shall issue a stop-work order to a
24 contractor who is performing work pursuant to a building permit,
25 upon receiving actual notice that the contractor's workers'
26 compensation insurance or State-approved self-insured status has
27 been cancelled. Also, if the municipality receives actual notice
28 that a permittee, having filed an affidavit of exemption from
29 workers' compensation insurance, has hired persons to perform
30 work pursuant to a building permit and does not maintain

1 required workers' compensation insurance, the municipality shall
2 issue a stop-work order. This order shall remain in effect until
3 proper workers' compensation coverage is obtained for all work
4 performed pursuant to the building permit.]

5 (e) (1) Any contractor wishing to do work in this
6 Commonwealth must obtain a numbered certificate from the Bureau
7 of Workers' Compensation which shall be issued upon presentation
8 of proof of workers' compensation insurance, a permit
9 authorizing self-insurance or an affidavit that the contractor
10 does not employ other individuals and is not required to carry
11 workers' compensation insurance.

12 (2) Prior to the issuance of a building permit by a
13 municipality, the certificate must be presented. Thereafter, and
14 until the construction project is completed, the numbered
15 certificate must be prominently posted at the construction site.

16 (3) The certificate is only valid so long as the presented
17 proof is valid. Failure to comply with the requirements of this
18 subsection carries a penalty of one thousand dollars (\$1,000)
19 for each day of a violation.

20 (4) The Department of Labor and Industry may require the
21 posting of a bond in an amount equal to the premium for workers'
22 compensation insurance for the term of the policy, based upon
23 the projected payroll for the construction project.

24 (5) The department is authorized to promulgate regulations
25 to carry out the provisions of this clause.

26 * * *

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