

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1503 Session of
2009

INTRODUCED BY GALLOWAY, METCALFE, BELFANTI, GERGELY, BOYLE,
BEYER, BRENNAN, CARROLL, D. COSTA, FABRIZIO, GOODMAN,
HARKINS, HORNAMAN, W. KELLER, LONGIETTI, MARSHALL, MENSCH,
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K. SMITH, KULA, MELIO, PARKER, HENNESSEY, GRUCELA, QUINN,
BURNS, SEIP, MURPHY, GEIST, PAYNE, KORTZ, DEASY, BRIGGS,
SANTARSIERO, CONKLIN AND MUSTIO, JUNE 2, 2009

AS RE-REPORTED FROM COMMITTEE ON APPROPRIATIONS, HOUSE OF
REPRESENTATIVES, AS AMENDED, APRIL 19, 2010

AN ACT

1 Requiring construction industry employers to verify the Social
2 Security numbers of all employees for purposes of wage
3 reporting and employment eligibility; providing for the
4 powers and duties of the Department of Labor and Industry;
5 prescribing sanctions; and establishing good faith immunity
6 under certain circumstances.

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

9 Section 1. Short title.

10 This act shall be known and may be cited as the Construction
11 Industry Employment Verification Act.

12 Section 2. Definitions.

13 The following words and phrases when used in this act shall
14 have the meanings given to them in this section unless the
15 context clearly states otherwise:

16 "Construction." Erection, reconstruction, demolition,

1 alteration, modification, custom fabrication, building,
2 assembling, site preparation and repair work or maintenance work
3 done on any real property or premises under contract, whether or
4 not the work is for a public body or paid for from public funds.

5 "Construction industry employer." An individual,
6 partnership, association, joint stock company, corporation,
7 business trust or any other business entity, person or group of
8 persons that acts directly or indirectly to employ persons to
9 provide or perform services in the construction industry for
10 remuneration.

11 "Employee." An individual for whom a construction industry
12 employer is required by law to file a Form W-2 with the Internal
13 Revenue Service.

14 "EVP." The E-Verify Program operated by the Department of
15 Homeland Security.

16 "INA." The Immigration and Nationality Act (66 Stat. 163, 8
17 U.S.C. § 1101 et seq.).

18 "NVS." The Social Security Number Verification Service
19 operated by the Social Security Administration.

20 "Secretary." The Secretary of Labor and Industry of the
21 Commonwealth.

22 "Willful." Action or conduct undertaken intentionally or
23 with reckless disregard for or deliberate ignorance of the
24 requirements and obligations established by this act.

25 Section 3. Verification.

26 (a) Duty of construction industry employers.--

27 (1) Except as set forth in paragraph (2), a construction
28 industry employer shall participate in NVS and EVP and shall
29 do the following, subject to the requirements of Federal law
30 governing the use of NVS and EVP:

1 (i) within 60 days following the effective date of
2 this section, use NVS to verify, for wage reporting
3 purposes, the Social Security numbers of its employees in
4 existence on the effective date of this section; and

5 (ii) within three days following the first day of
6 employment of a new employee, use EVP to verify for
7 employment eligibility purposes the Social Security
8 number of the new employee.

9 (2) This subsection does not apply to an employee who is
10 authorized to work under Federal law in the United States
11 without a Social Security number.

12 (b) Verification statements.--A construction industry
13 employer shall submit a verification statement annually to the
14 Department of Revenue with its State income tax return. The
15 statement shall be on a form prescribed by the Department of
16 Revenue and shall comply with the following requirements:

17 (1) The statement shall represent that the construction
18 industry employer has verified the Social Security numbers of
19 its employees through NVS or EVP, as appropriate, as required
20 by subsection (a).

21 (2) The statement shall include a certification that the
22 information in the statement is true and correct and that the
23 person signing the statement understands that the submission
24 of false or misleading information in connection with the
25 verification shall subject the person and the construction
26 industry employer to sanctions provided by law.

27 (3) The statement shall be signed by a representative of
28 the construction industry employer who has sufficient
29 knowledge and authority to make the representation and
30 certifications contained in the statement.

1 (c) Discrimination prohibited.--In conducting the Social
2 Security number verification required by this section, a
3 construction industry employer shall not discriminate against an
4 employee on the basis of race, ethnicity, color or national
5 origin.

6 Section 4. Violations.

7 It is a violation of this act for a construction industry
8 employer to:

9 (1) Employ an employee whose Social Security number has
10 not been verified by NVS or EVP as required by this act
11 except during a period of time in which the employer is
12 awaiting resolution by the Federal Government of a wage
13 reporting or employment eligibility issue or dispute
14 regarding the employee.

15 (2) Make a false statement or misrepresentation in a
16 verification statement required by this act.

17 Section 5. Enforcement and sanctions.

18 (a) General rule.--The secretary shall enforce the
19 provisions of this act.

20 (b) Investigation of complaints.--The secretary shall
21 accept, review and investigate in a timely manner any credible
22 complaint that a construction industry employer has violated a
23 provision of this act.

24 (c) Audits.--To ensure compliance with the requirements of
25 this act, the secretary shall conduct complaint-based and random
26 audits of construction industry employers in this Commonwealth.
27 In conducting such audits, the secretary shall utilize NVS and
28 EVP to verify the Social Security numbers for wage reporting
29 purposes and employment eligibility of employees in accordance
30 with Federal law governing the use of those systems.

1 (d) Sanctions.--The following sanctions shall apply to a
2 violation of section 274A of the INA (8 U.S.C. § 1324a) or of
3 this act:

4 (1) A construction industry employer that violates
5 section 274A of the INA or engages in the violation described
6 in section 4(1) may be required, at the discretion of the
7 secretary, to forfeit all licenses or certifications issued
8 by the Commonwealth that authorize the construction industry
9 employer to conduct business in this Commonwealth, including
10 corporate articles and franchises for a period of up to 90
11 days for a second violation and for a period of up to three
12 years for a subsequent violation.

13 (2) A construction industry employer that willfully
14 violates section 274A of the INA or willfully engages in the
15 violation described in section 4(1) shall be required to
16 forfeit all licenses or certifications issued by the
17 Commonwealth that authorize the construction industry
18 employer to conduct business in this Commonwealth, including
19 corporate articles and franchises, for a period of 3 years.

20 (3) The Office of Attorney General shall have the same
21 authority to revoke corporate articles and franchises under
22 this act as it has under 15 Pa.C.S. § 503 (relating to
23 actions to revoke corporate franchises).

24 (e) Notice and appeal.--Actions taken under subsection (d)
25 shall be subject to the notice, appeal and other provisions of 2
26 Pa.C.S. (relating to Administrative Law and Procedure).
27 Section 6. Protection from retaliation.

28 (a) General Rule.--It shall be unlawful for a construction
29 industry employer to discharge, threaten or otherwise retaliate
30 or discriminate against an employee regarding compensation or

1 other terms or conditions of employment because the employee:

2 (1) participates in an investigation, hearing or inquiry
3 held by the secretary or any other governmental authority
4 under this act; or

5 (2) reports or makes a complaint regarding the violation
6 of this act to a construction industry employer or
7 governmental authority.

8 (b) Actions.--

9 (1) An employee who suffers retaliation or
10 discrimination in violation of this section may bring an
11 action in a court of common pleas in accordance with
12 established civil procedures of this Commonwealth.

13 (2) The action must be brought within three years from
14 the date the employee knew of the retaliation or
15 discrimination.

16 (c) Relief.--If an employee prevails in an action commenced
17 under this section, the employee shall be entitled to the
18 following relief:

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

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

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

24 (4) Any other legal and equitable relief as the court
25 deems appropriate.

26 Section 7. Good faith immunity.

27 A construction industry employer that relies in good faith on
28 NVS and EVP procedures to verify the Social Security number of
29 employees shall be immune from the sanctions authorized under
30 section 5 and shall have no liability to an individual who is

1 not hired or who is discharged from employment in the event that
2 incorrect information has been provided to the construction
3 industry employer.

4 Section 8. Effective date.

5 This act shall take effect ~~in 60 days~~ JULY 1, 2011.

