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HOUSE BILL NO. 253

Offered January 13, 2016

Prefiled December 30, 2015

A BILL to amend and reenact §§ 58.1-3714 and 58.1-3715 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 54.1-1104.1, relating to local license tax and state contractor's license; certification of workers' compensation compliance.

Patron—Minchew

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:

1. That §§ 58.1-3714 and 58.1-3715 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding a section numbered 54.1-1104.1 as follows:

§ 54.1-1104.1. Certification of workers' compensation compliance.

A. The Board shall not issue or reissue a license under this chapter to any person who (i) has not obtained or is not maintaining workers' compensation coverage for his employees and (ii) at the time of application for such issuance or reissuance is required to obtain or maintain such coverage pursuant to Chapter 8 (§ 65.2-800 et seq.) of Title 65.2.

B. 1. The Board shall require every applicant for licensure to provide written certification at the time of any application for issuance or renewal of a license that such contractor is in compliance with the provisions of Chapter 8 (§ 65.2-800 et seq.) of Title 65.2 and will remain in compliance with such provisions at all times during the effective period of any such license.

2. The Board shall forward such signed certification to the Virginia Workers' Compensation Commission, which shall conduct periodic audits of selected contractors to whom the Board has issued licenses to ensure the compliance of such licensees with the requirements of this subsection and the provisions of Chapter 8 (§ 65.2-800 et seq.) of Title 65.2.

3. Any person who knowingly presents or causes to be presented to the Board a false certificate is guilty of a Class 3 misdemeanor.

§ 58.1-3714. Contractors; bond; credits against tax; effect upon authority of towns.

A. Whenever a license tax is levied on contractors by any county, city or town, the governing body of such county, city or town may, in its discretion, require a bond from the person licensed, with such surety, penalty and conditions as it may deem proper.

~~B. 1. The governing body of any county, city or town shall not issue or reissue a business license under this chapter to any contractor who (i) has not obtained or is not maintaining workers' compensation coverage for his employees and (ii) at the time of application for such issuance or reissuance, is required to obtain or maintain such coverage pursuant to Chapter 8 (§ 65.2-800 et seq.) of Title 65.2.~~

~~2. Each such governing body shall require every contractor to provide written certification at the time of any application for issuance or reissuance of a business license that such contractor is in compliance with the provisions of Chapter 8 of Title 65.2 and will remain in compliance with such provisions at all times during the effective period of any such business license.~~

~~3. The governing body of any county, city or town shall forward such signed certification to the Virginia Workers' Compensation Commission, who shall conduct periodic audits of selected contractors to whom such body has issued business licenses to ensure the compliance of such contractors with the requirements of this subsection and the provisions of Chapter 8 of Title 65.2.~~

~~4. Any person who knowingly presents or causes to be presented to the governing body a false certificate shall be guilty of a Class 3 misdemeanor.~~

~~C.~~ *B.* If, within any county imposing a license tax on contractors, there is situated a town which imposes a similar tax upon contractors, the business, firm, corporation or individual subject to such town license tax shall be entitled, upon displaying evidence that such town license taxes have been paid, to receive a credit on the license taxes imposed by the county to the extent of the license taxes paid to such town.

~~D.~~ *C.* For the purpose of license taxation pursuant to § 58.1-3703, the term "contractor" means any person, firm or corporation:

1. Accepting or offering to accept orders or contracts for doing any work on or in any building or structure, requiring the use of paint, stone, brick, mortar, wood, cement, structural iron or steel, sheet iron, galvanized iron, metallic piping, tin, lead, or other metal or any other building material;

2. Accepting or offering to accept contracts to do any paving, curbing or other work on sidewalks,

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streets, alleys, or highways, or public or private property, using asphalt, brick, stone, cement, concrete, wood or any composition;

3. Accepting or offering to accept an order for or contract to excavate earth, rock, or other material for foundation or any other purpose or for cutting, trimming or maintaining rights-of-way;

4. Accepting or offering to accept an order or contract to construct any sewer of stone, brick, terra cotta or other material;

5. Accepting or offering to accept orders or contracts for doing any work on or in any building or premises involving the erecting, installing, altering, repairing, servicing, or maintaining electric wiring, devices or appliances permanently connected to such wiring, or the erecting, repairing or maintaining of lines for the transmission or distribution of electric light and power; or

6. Engaging in the business of plumbing and steam fitting.

§ 58.1-3715. License requirements for contractors.

A. When a contractor has paid any local license tax required by the county, city or town in which his principal office and any branch office or offices may be located, no further license or license tax shall be required by any other county, city or town for conducting any such business within the confines of this Commonwealth. However, when the amount of business done by any such contractor in any other county, city or town exceeds the sum of $25,000 in any year, such other county, city or town may require of such contractor a local license, and the amount of business done in such other county, city or town in which a license tax is paid may be deducted by the contractor from the gross revenue reported to the county, city or town in which the principal office or any branch office of the contractor is located.

B. Any contractor, as defined in § 58.1-3714 ~~D~~ *C*, conducting business in a county, city or town for less than ~~thirty~~ *30* days without a definite place of business in any county, city or town of the Commonwealth shall be subject to the license fee or license tax imposed on contractors by any county, city or town, where the amount of business done by the contractor in such county, city or town exceeds or will exceed the sum of $25,000 for the license year.

That portion of the gross receipts of a contractor subject to the license tax pursuant to this subsection shall not be subject to such tax in any other county, city or town.