

**176.085 Compliance with workers' compensation insurance and unemployment insurance laws required -- Foreign entity to obtain certificate of authority -- Penalty.**

- (1) (a) No contract for building, construction, reconstruction, renovation, demolition, or other type work on any state road, waterway, or aviation-related work, shall be awarded by any agency, department, or office of the Commonwealth of Kentucky or any political subdivision of the Commonwealth of Kentucky to any person until that person assures, by affidavit, that all contractors and subcontractors employed, or that will be employed, under the provisions of the contract shall be in compliance with Kentucky requirements for workers' compensation insurance according to KRS Chapter 342 and unemployment insurance according to KRS Chapter 341.
- (b) An agency, department, office, or political subdivision of the Commonwealth of Kentucky shall not award a contract to a person that is a foreign entity unless that foreign entity, on the records of the Secretary of State, holds a certificate of authority or a statement of foreign qualification.
- (2) Any person who fails to comply with the requirements of subsection (1) of this section during the term of the state contract, upon such finding by a court of competent jurisdiction, shall be fined an amount not to exceed four thousand dollars (\$4,000), or an amount equal to the sum of uninsured and unsatisfied claims brought under the provisions of KRS Chapter 342 and unemployment insurance claims for which no wages were reported as required by KRS Chapter 341, whichever is greater.
- (3) The penalty imposed in subsection (2) of this section shall be enforced by the county attorney for the county in which the violation occurred.

**Effective:** July 12, 2012

**History:** Amended 2012 Ky. Acts ch. 81, sec. 87, effective July 12, 2012. -- Amended 2011 Ky. Acts ch. 80, sec. 3, effective June 8, 2011. -- Created 1990 Ky. Acts ch. 174, sec. 3, effective July 13, 1990.