

## CONTRACTOR PENALTIES

House Bill 6239 (Substitute H-2)  
Sponsor: Rep. Randy Richardville  
Committee: Criminal Justice

Complete to 9-17-02

### A SUMMARY OF HOUSE BILL 6239 (SUBSTITUTE H-2)

House Bill 6239 would amend the Michigan Penal Code to make it a misdemeanor offense for a contractor to knowingly coerce or assist a person earning wages to falsely declare himself or herself to be an independent contractor with intent to evade any applicable state or federal law. A violation would be punishable by imprisonment for not more than 93 days or a fine of not more than \$10,000, or both. The bill's provision would be independent and cumulative of any other remedies or penalties provided by law.

The terms "contractor" and "wages" would mean those terms as defined in the Construction Lien Act (MCL 570.1103 and 570.1106, respectively). That act defines "contractor" as a person who, pursuant to a contract with the owner or lessee of real property, provides an improvement to real property. "Wages" means all earnings of an employee whether determined on the basis of time, task, piece, commission, or other method of calculation for labor or services except those defined as fringe benefits and withholdings.

The bill would take effect April 1, 2003.

(Note: A criminal violation for which the maximum possible penalty exceeds 92 days imprisonment triggers certain fingerprinting and retention requirements. Under Public Act 289 of 1925, such an offense requires that the state retain one set of fingerprints and send another to the FBI for inclusion in the national fingerprint database.)

MCL 750.353b

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