



House of Representatives *State of Utah*

UTAH STATE CAPITOL COMPLEX • 350 STATE CAPITOL
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February 2, 2011

Madam Speaker:

The Business and Labor Committee reports a favorable recommendation on **1st Sub. S.B. 35**, CONSTRUCTION LICENSEES RELATED AMENDMENTS, by Senator K. Mayne, with the following amendments and, due to fiscal impact, recommends it be referred to the Rules Committee for prioritization:

1. *Page 3, Line 64:*

64 be the employer of each ~~{-member-of}~~ individual who, directly or indirectly, holds an ownership interest in the unincorporated entity.

2. *Page 3, Lines 67 through 77:*

67 under Subsection (2)(a) for ~~{-a member}~~ an individual by establishing by clear and convincing evidence that the

68 ~~{-member}~~ individual :

69 (i) is an active manager of the unincorporated entity;

70 (ii) directly or indirectly holds at least a ~~{-20%-}~~ 8% ownership interest in the unincorporated

71 entity; or

72 (iii) is not subject to supervision or control in the performance of work by:

73 (A) the unincorporated entity; or

74 (B) a person with whom the unincorporated entity contracts.

75 (c) As part of the rules made under Subsection (2)(b), the commission may define:

76 (i) "active manager";

77 (ii) "directly or indirectly holds at least a ~~{-20%-}~~ 8% ownership interest";

and

3. *Page 12, Line 352:*

352 be the employer of each ~~{-member-of}~~ individual who, directly or indirectly, holds an ownership interest in the unincorporated entity.

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4. Page 12, Lines 355 through 365:

355 under Subsection (2)(a) for ~~{a member}~~ an individual by establishing by clear
and convincing evidence that the
356 ~~{member}~~ individual :
357 (i) is an active manager of the unincorporated entity;
358 (ii) directly or indirectly holds at least a ~~{20%}~~ 8% ownership interest in
the unincorporated
359 entity; or
360 (iii) is not subject to supervision or control in the performance of work by:
361 (A) the unincorporated entity; or
362 (B) a person with whom the unincorporated entity contracts.
363 (c) As part of the rules made under Subsection (2)(b), the commission may define:
364 (i) "active manager";
365 (ii) "directly or indirectly holds at least a ~~{20%}~~ 8% ownership interest";
and

5. Page 14, Line 419:

419 be the employer of each ~~{member of}~~ individual who, directly or indirectly,
holds an ownership interest in the unincorporated entity.

6. Page 14, Line 422 through Page 15, Line 432:

422 under Subsection (2)(a) for ~~{a member}~~ an individual by establishing by clear
and convincing evidence that the
423 ~~{member}~~ individual :
424 (i) is an active manager of the unincorporated entity;
425 (ii) directly or indirectly holds at least a ~~{20%}~~ 8% ownership interest in
the unincorporated
426 entity; or
427 (iii) is not subject to supervision or control in the performance of work by:
428 (A) the unincorporated entity; or
429 (B) a person with whom the unincorporated entity contracts.

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430 (c) As part of the rules made under Subsection (2)(b), the commission may define:
431 (i) "active manager";
432 (ii) "directly or indirectly holds at least a ~~{20%}~~ 8% ownership interest";
and

7. *Page 32, Lines 968 through 972:*

968 (10) (a) A licensee that is an unincorporated entity shall file an ownership status
report
969 with the division every 90 days after the day on which the license is issued if the licensee
has as
970 an owner an individual who:
971 (i) owns an interest in the contractor that is an unincorporated entity;
972 (ii) owns, directly or indirectly, less than a ~~{20%}~~ 8% interest in the
unincorporated entity, as

8. *Page 37, Lines 1118 through 1121:*

1118 (b) unemployment compensation in accordance with Title 35A, Chapter 4,
1119 Employment Security Act, for an individual who owns, directly or indirectly, less than a
~~{20}~~ 8 %
1120 interest in the unincorporated entity, as defined by rule made by the division in accordance
with
1121 Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

9. *Page 38, Lines 1165 through 1167:*

1165 (8) an unincorporated entity licensed under this chapter through a pattern of
negligence having an individual who owns
1166 an interest in the unincorporated entity engage in a construction trade in Utah while not
1167 lawfully present in the United States; or

10. *Page 38, Line 1172 through Page 39, Line 1175:*

1172 (b) unemployment compensation in accordance with Title 35A, Chapter 4,

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- 1173 Employment Security Act, for an individual who owns, directly or indirectly, less than a
{-20} **8** %
1174 interest in the unincorporated entity, as defined by rule made by the division in accordance
with
1175 Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

11. Page 42, Lines 1273 through 1277:

- 1273 (j) In addition to any other licensure sanction or fine imposed under this section, the
1274 division shall revoke the license of a licensee that violates Subsection 58-55-501(24) or
(25)
1275 two or more times within a 12-month period {~~3~~} - , unless, with respect to a
violation of Subsection 58-55-501 (24), the licensee can demonstrate that the licensee
successfully verified the federal legal working status of the individual who was the
subject of the violation using a status verification system, as defined in Section
13-47-102. -
1276 (k) For purposes of this Subsection (4), a violation of Subsection 58-55-501(24) or
(25)
1277 for each individual is considered a separate violation.

Respectfully,

James A. Dunnigan
Committee Chair

Voting: 14-0-0

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