

NEWS RELEASE

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Iowa Workforce Development

For Immediate Release

Date: March 27, 2006

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Construction Contractor Registration: It's The Law

DES MOINES – The size and scope of the project doesn't matter, hiring a construction contractor can be a daunting task. Hiring an unregistered contractor can lead to problems. "Iowa law requires all construction contractors making \$1,000 a year or more to register, and renew their registration every two years," indicates Iowa's Labor Commissioner, Dave Neil. "Iowans have the option of searching the registration database to ensure their chosen contractor is meeting the requirements of the law."

Beyond providing information on Iowa's construction contractors in the database, the registration process provides a number of additional benefits to the state of Iowa. When contractors submit their registration information, the process seamlessly verifies that the individual contractor or business has properly secured workers' compensation insurance on their employees and has paid the required unemployment insurance taxes. Employers who circumvent the system by not providing workers' compensation insurance and by not paying the required taxes cost pass the costs onto other Iowa businesses.

Additionally, the contractor registration process ensures that out-of-state contractors follow the required bonding procedures to work in the state. This levels the playing field for Iowa companies, ensuring that an out-of-state contractor does not side-step the law in order to low-bid a contract.

All contractors who do not register are subject to a citation up to \$500 and contractors who repeatedly fail to register are subject to a citation up to \$5,000.

For more information on Iowa's Contractor Registration requirements, call (515) 242-5871 or access www.iowaworkforce.org/labor/contractor.htm.

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