



Iowa Workforce Development

For Immediate Release

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Construction Contractor Registration Law Changed

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. As of July 1st, construction contractors making \$2,000 a year or more must register and renew the registration every two years. This is a change from the previous \$1,000 a year requirement. Additionally, self-employed contractors who do not pay individuals more than \$2,000 a year may still be required to register, however may be exempt from the registration fee. "Requiring contractors to register with the State, helps to ensure they are meeting the laws, providing workers' compensation coverage and paying unemployment taxes on their employees," indicated Interim Labor Commissioner Steve Slater, "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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