

**TOWN OF HIGHLAND
ORDINANCE NO. 1710**

Town of Highland, Lake County, Indiana

**An Ordinance of the Town of Highland Amending Chapter 5.20 of the
Municipal Code Entitled "Licensing of Building Contractors"**

WHEREAS, The Town Council of the Town of Highland, Lake County, Indiana, has reviewed the Municipal Code relating to Contractor's Licensing; and

WHEREAS, The Town Council of the Town of Highland, Lake County, Indiana, has determined that additions are required to the Municipal Code in order to prevent contractor tax fraud and to set forth conditions for obtaining and retaining a contractor's license; and

WHEREAS, The Town Council of the Town of Highland, Lake County, Indiana, having reviewed the relevant Municipal Code sections and all applicable laws, now finds that it is advisable, necessary, and in the best interests of the residents of the Town of Highland that an amendment be made to the Municipal Code to prevent contractor tax fraud.

**NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL
OF THE TOWN OF HIGHLAND, LAKE COUNTY, INDIANA:**

Section 1. That the Chapter 5.20 be amended by adding a new section to be styled as 5.20.053, which shall read as follows:

5.20.053. Minimum Mandatory Conditions. (A) In addition to any other conditions that may be required in connection with the issuance of contractor licenses under this Municipal Code, each contractor's license issued in connection with the construction, reconstruction, installation, demolition, maintenance, or repair of any commercial building estimated to cost \$250,000.00 or more or in connection with a residential building with five (5) or more units shall be subject to and shall include the following set of mandatory permit conditions and qualifications:

1. It is a mandatory and material requirement for the issuance and retention of a contractor's license that any construction manager, general contractor, or other lead or prime contractor, or any entity functioning in any such capacity, and any lead or prime contractor or subcontractor of any tier or other person or entity that is engaged to perform construction work on the property that is the subject of a contractor's license (hereinafter, collectively and individually referred to as "contractor") shall comply with these

qualifications and conditions at all times during their performance of work on the project;

2. The contractor shall not have been debarred or suspended from performing construction work by any federal state, or local government agency or authority in the three years immediately preceding the application for a contractor's license;
3. The contractor shall not have been found within the past three (3) years by a court or governmental agency in violation of any law relating to providing workers compensation insurance coverage misclassification of employees as independent contractors, payment of employer payroll taxes, employee income tax withholding, wage and hour laws, prompt payment law, or prevailing wage laws;
4. The contractor shall maintain appropriate worker's compensation insurance as required by I.C. § 22-3-5 et seq. and provide documentary proof of such coverage to the Building Commissioner or his/her designee to be maintained as a public record;
5. The contractor shall properly classify all employees as employees rather than independent contractors and comply with all laws accordingly for the purposes of minimum wages and overtime, worker's compensation insurance coverage, unemployment taxes, social security taxes, and federal income tax withholding;
6. The contractor shall maintain detailed payroll records and provide said records to the Building Commissioner or his/her designee within five (5) days of a request for the same;
7. The contractor shall comply with I.C. § 22-2 et seq., with respect to the payment of wages; and
8. The contractor shall pay all required contributions to the unemployment insurance benefit fund established by I.C. § 22-4-26-1.

(B) In the event any person or entity that is subject to the foregoing conditions and qualifications fails to comply with any of the qualifications and conditions with respect to the project for which the contractor's license was issued, the Permit shall be deemed, by operation of law, temporarily suspended and all construction work on the entire project

shall cease immediately upon issuance of a stop work order by the Building Commissioner and or his/her designee until further notice by him/her.

(C) The applicant for the contractor's license shall be responsible for requiring that all contractors performing construction work pursuant to the permit comply with the Minimum Mandatory Conditions required by this section for the duration of work on the project. If any person or entity that is subject to those Minimum Mandatory Conditions fails to comply with any of the qualifications and conditions with respect to work on the project and in addition to any other penalties or consequences provided by law, the Building Commissioner or his/her designee shall issue a stop work order with respect to all construction work on the entire project until the violation is corrected. Upon the Building Commissioner or his/her designee determining that the violation has been corrected, they shall withdraw the stop work order and construction on the project may proceed.

(D) In the event that a complaint is filed and/or brought to the attention of the Town of Highland, the Town shall conduct a complete investigation into compliance with the required Minimum Mandatory Conditions. Any documents requested by the Town from the contractors license holder shall be produced to the Town within five (5) business days after the request. In the event that a violation is found, the contractor license holder shall forfeit the Building Permit and all fees paid to the Town. All documents shall be recorded as public documents and shall be forwarded to local, county, and state prosecuting attorneys and government officials for future investigation and/or prosecution.

(E) In the event the person or entity holding the contractors license is found in violation of any local, state, or federal employment, wage, or tax laws or the Minimum Mandatory Conditions set forth herein, the Building Commissioner or his/her designee shall not issue a building permit or contractors license to the person or entity for a period of five (5) years from the date of the violation. Any new contractors license building permit issued thereafter shall require the mandatory reporting of all payroll documents including pay stubs for all employees, payment of minimum wage, and statutory overtime, proof of payment of all required unemployment taxes, social security taxes, and state and federal income tax withholding, and proof of current workers compensation insurance coverage for the proper amount of employees on a weekly basis. All of these reporting requirements shall be for the duration of the permit.

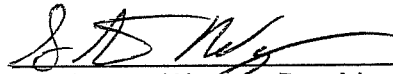
Section 2. Conflicting Ordinances. Any Ordinance or any provision of any Ordinance of the Town of Highland or of the Municipal Code of the Town of Highland in conflict with the provisions of this Ordinance is hereby repealed.

Section 3. Severability. That invalidity of any section, clause, sentence or provision of this Ordinance shall not affect the validity of any other part of this Ordinance which can be given effect without such invalid part or parts.

Introduced and Filed on the 2nd day of December 2019. Consideration on same day or at same meeting of introduction sustained a vote of 3 in favor and 1 opposed, pursuant to IC 36-5-2-9.8.

DULY ORDAINED and ADOPTED this 9th Day of December 2019, by the Town Council of the Town of Highland, Lake County, Indiana, having been passed by a vote of 5 in favor and 0 opposed.

TOWN COUNCIL of the TOWN of
HIGHLAND, INDIANA



Steven Wagner, President (IC 36-5-2-10)

Attest:



Michael W. Griffin, IAMC/MMC/CPFA/CPFIM/CMO
Clerk-Treasurer (IC 33-42-4-1; IC 36-5-6-5; IC 36-5-2-10.2)

