

## Delaware's Contractor Registration Act – 19 DEL. C. CHAPTER 36

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### EFFECTIVE JULY 1, 2021

After a lengthy delay caused by the COVID-19 pandemic, the Delaware Contractor Registry will “go live” on July 1, 2021. Any Contractor who performs construction or maintenance services in Delaware must be registered before performing those services. If the services include work on any public project, the registration must be completed by August 1, 2021. Failure to become registered can result in severe penalties, some of which will effectively put the Contractor out of business.

Registration is being handled online through the Delaware One-Stop system (<https://onestop.delaware.gov>) and is currently in a testing phase with contractor volunteers. Assuming that one has all of the necessary information at their fingertips, the process appears relatively simple and painless. The annual fee is \$200 for Contractors performing only private work, \$300 for only public work, and \$500 for those who perform both. A two-year registration discount exists for Contractors who are on the registry for two years with no violations.

Most of the information necessary to register is straightforward (FEIN, NAICS Code, contact information, business, and related licenses) if also somewhat intrusive (contact information for all persons with a financial interest in the business). Proof of participation in unemployment and workers' compensation is required, as well as having an OSHA-compliant safety plan. One item likely to cause confusion and discontent is the disclosure of “labor law violations” during the prior six (6) years. The form asks if the Contractor has received “notifications” from the Department of Labor that it has incurred a violation but fails to distinguish between mere allegations and actual, proven violations.

And penalties, of course, there are penalties. They range from being denied registration or having registration revoked (and thereby the ability to work) to being required to post a surety bond to civil penalties ranging from \$5,000 to \$85,000 (no, that last one is not a typo). One unusual aspect of this statute is that while appeals to the Secretary of Labor are allowed (as with other labor law statutes), there is also a right of appeal from the Secretary's decision to the Superior Court.

Any business that performs construction services or maintenance work must register and do so quickly. For further information, go to the Department of Labor website at [CONTRACTOR REGISTRATION ACT - Delaware Department of Labor](#). This site has FAQs, a copy of the statute, a brochure and checklist of the required information, and links to the Delaware One Stop and the application.