

Stop Work Orders in Selected States

State	Reasons for issuing stop work order against an employer	When does the stop work order take effect? How is service accomplished?	Penalties for violating the stop work order	Scope of stop work order	Other information
California ¹	Failure to pay workers' compensation for employees.	Immediately upon service.	An employer or employee who fails to observe a stop order is subject to a misdemeanor punishable by up to 60 days in jail or a fine of up to \$10,000 or both.	The order prohibits the use of employee labor by the employer until he or she comes into compliance.	Employees who are affected by the work stoppage must be paid by the employer for up to ten days of time lost.
Connecticut ²	Misrepresenting his or her employees as independent contractors or providing false information regarding the amount of employees to obtain a lower premium rate.	Immediately upon service. Service can be accomplished by posting a copy of the stop work order in a conspicuous location at the place of business or employment.	A person who violates a stop work order is subject to a penalty of \$1,000 for each day of the violation.	All business operations of the employer must cease. The order applies only against the employer found to be in violation and only to the specific place of business or employment for which the violation exists. It remains in effect until the employer comes into compliance.	Stop work orders issued against a business are effective against any successor entity that has one or more of the same principals or officers as the business and are engaged in the same or equivalent trade or activity.
Florida ³	Failure to secure workers' compensation by understating payroll, misstating employee duties to avoid proper classification for premium calculations, or materially concealing information relating to the computation and application of an experience rating modification factor.	Immediately upon service. Service can be accomplished by posting a copy of the stop work order in a conspicuous location at the worksite, and it must be made on the employer.	Employers who violate the stop work order are subject to a \$1,000 penalty for each day not in compliance.	After service is made on the employer, the order is effective upon all employer worksites in the state for which the employer is not in compliance. The order remains in effect until the employer comes into compliance.	The employer may receive an order of conditional release from the stop work order if he or she has complied with the coverage requirements and agreed to pay penalties through a payment schedule. If the terms of the schedule are not met, the stop work order will be reinstated and the unpaid balance of the penalty will become due.

¹ California Labor Code, Section 3710

² Connecticut Public Act No. 07-89

³ Florida Statutes Title XXXI, 440.107

Prepared for: Joint Legislative Task Force of the Underground Economy in the Construction Industry

Prepared by: Kathleen Buchli, Counsel, Senate Labor, Commerce, Research and Development Committee

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					<p>The employer may be required to file reports demonstrating compliance during a two year probationary period.</p> <p>Stop work orders issued against a business are effective against any successor entity that has one or more of the same principals or officers as the business and are engaged in the same or equivalent trade or activity.</p>
Massachusetts ⁴	Failure to provide workers' compensation payments to his or her employees.	Immediately upon service on the employer unless the employer provides evidence of securing insurance and pays a civil penalty of \$100 a day for each day of noncompliance.	None specified.	All business operations at the place of employment or job site must cease.	<p>The stop work order is not in effect during an appeal and will be rescinded if the employer is found to be in compliance. If the employer is not found to be in compliance, the stop work order is reinstated until he or she proves compliance and pays a penalty of \$250 a day for each day of noncompliance.</p> <p>An employee affected by the stop work order must be paid for the first ten days lost due to the order.</p>
New Jersey ⁵	A second or subsequent violation of failing to properly classify an employee.	Immediately upon service on the employer or worksite.	An employer who violates the stop work order is subject to a penalty of up to \$5,000 a day for each day of the violation.	The first stop work order (second violation) requires the cessation of all business operations at every site at which the violation occurred.	<p>The employer may be required to file reports demonstrating compliance during a two year probationary period.</p> <p>Stop work orders issued against a business are effective against any</p>

⁴ Massachusetts General Laws c. 152, §25C

⁵ New Jersey Statutes c.34:20

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				<p>The second and subsequent stop work orders (third or subsequent violations) require the cessation of all business operations of the employer.</p> <p>The order remains in effect until the employer properly classifies his or her employees and pays any penalties.</p>	<p>successor entity that has one or more of the same principals or officers as the business and are engaged in the same or equivalent trade or activity.</p>
New York ⁶	Failure to secure workers' compensation for his or her employees.	<p>Immediately upon service.</p> <p>Service can be made at a worksite or to the employer. Service at the worksite is accomplished by posting the order in a conspicuous location at the worksite.</p>	None specified.	<p>When served on a worksite, the order is effective to that worksite. When served on the employer, the order is effective to all employer worksites for which the employer is not in compliance. The order remains in effect until the employer comes into compliance and pays any penalties.</p>	<p>The employer may receive an order of conditional release from the stop work order if he or she has complied with the coverage requirements and agreed to pay penalties through a payment schedule. If the terms of the schedule are not met, the stop work order will be reinstated and the unpaid balance of the penalty will become due.</p> <p>The employer may be required to file reports demonstrating compliance during a two year probationary period.</p> <p>A stop work order is in effect against any noncompliant substantially-owned affiliated entity.</p>

⁶ New York Assembly Bill Text A06163

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