

336.250 Violations -- Penalties.

- (1) A person shall not knowingly:
 - (a) After July 15, 2024, offer or provide professional employer services or use the names professional employer organization, PEO, staff leasing, employee leasing, administrative employer, or other title representing professional employer services without first becoming registered under KRS 336.230 to 336.250; or
 - (b) Provide false or fraudulent information to the Department of Workers' Claims in conjunction with any registration, renewal, or in any report required under KRS 336.230 to 336.250.
- (2) Action may be taken by the Department of Workers' Claims against:
 - (a) Any person for violation of subsection (1) of this section;
 - (b) A professional employer organization or the controlling person of a professional employer organization upon the conviction of a professional employer organization or the controlling person of a professional employer organization of a crime that relates to the operation of the professional employer organization or the ability of the registrant or the controlling person of the registrant to operate the professional employer organization;
 - (c) A professional employer organization or the controlling person of a professional employer organization for knowingly making a material misrepresentation to the Department of Workers' Claims or any other state agency; or
 - (d) A professional employer organization or the controlling person of a professional employer organization for a willful violation of KRS 336.230 to 336.250 or any order or administrative regulation issued by the Department of Workers' Claims under KRS 336.230 to 336.250.
- (3) Upon finding that a professional employer organization or the controlling person of a professional employer organization has violated any provision of KRS 336.230 to 336.250, the Department of Workers' Claims may:
 - (a) Deny an application for a registration;
 - (b) Revoke, restrict, or refuse a registration;
 - (c) Impose a civil penalty not to exceed one thousand dollars (\$1,000) for each violation;
 - (d) Place a registration on probation and subject to conditions specified by the Department of Workers' Claims; or
 - (e) Issue a cease and desist order.

Effective: January 6, 2023

History: Amended 2023 Ky. Acts ch. 1, sec. 3, effective January 6, 2023. -- Created 2022 Ky. Acts ch. 50, sec. 11, effective July 14, 2022.

Legislative Research Commission Note (1/6/2023). 2023 Ky. Acts ch. 1, sec. 5, reads as follows: "For the period beginning July 14, 2022, and continuing until the effective date of this Act [January 6, 2023], the Education and Labor Cabinet shall not require reporting or payment of required contributions to the unemployment insurance fund using the state employer identification number and contribution rate

of the professional employer organization or take enforcement action against the professional employer organization pursuant to KRS 336.250 regarding professional employer organization contributions related to KRS 336.248(2)."