§ 125. Issuance of building permits. No city, town or village shall issue a building permit without obtaining from the permit applicant either:

1. proof duly subscribed that workers' compensation insurance and disability benefits coverage issued by an insurance carrier in a form satisfactory to the chair of the workers' compensation board as provided for in section fifty-seven of the workers' compensation law is effective; or

2. an affidavit that such permit applicant has not engaged an employer or any employees as those terms are defined in section two of the workers' compensation law to perform work relating to such building permit.