

HOUSE BILL REPORT

HB 1207

*As Reported By House Committee on:
Commerce & Labor*

Title: An act relating to contractor registration requirements.

Brief Description: Revising information requirements for contractor registration.

Sponsor(s): Representatives Cole, Fuhrman, Jones, R. King and Winsley; by request of Department of Labor & Industries.

Brief History:

Reported by House Committee on:
Commerce & Labor, March 6, 1991, DPS.

**HOUSE COMMITTEE ON
COMMERCE & LABOR**

Majority Report: *That Substitute House Bill No. 1207 be substituted therefor, and the substitute bill do pass.*
Signed by 11 members: Representatives Heavey, Chair; Cole, Vice Chair; Fuhrman, Ranking Minority Member; Lisk, Assistant Ranking Minority Member; Franklin; Jones; R. King; O'Brien; Prentice; Vance; and Wilson.

Staff: Chris Cordes (786-7117).

Background: All persons or firms engaging in the contracting business in Washington are required to register with the Department of Labor and Industries. Contractors may register as general contractors or specialty contractors. There is no requirement that the contractor indicate whether he or she will perform residential construction.

The contractor registration law does not require an examination or other indicator of performance from the contractor before registration is issued.

Summary of Substitute Bill: Persons registering with the Department of Labor and Industries as contractors for the first time, or after a lapse of two years or more, may be required to attend an informational seminar on the laws and practices applicable to the business of contracting in

Washington. Failure to attend the seminar within six months is grounds for revocation of a contractor's registration.

Substitute Bill Compared to Original Bill: The proposed substitute bill deletes the provision that would have required a contractor registering with the Department of Labor and Industries to state whether the contractor will engage in residential contracting, and deletes the definition of residential contracting.

Fiscal Note: Requested March 4, 1991.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: Adding a requirement that contractors identify whether they will perform residential construction is intended to help the Department of Labor and Industries establish a homeowner consumer protection program. Many complaints received by the department involve residential construction. There are many compliance issues that could be addressed by requiring new contractors to attend training seminars.

Testimony Against: Although the requirement for training may be helpful in providing consumer protection, the requirement for identifying residential construction contractors will not work. Many contractors change their business frequently. It is not clear what the impact will be on a contractor's registration if the contractor changes to residential construction after registering.

Witnesses: Mark Tullis (in favor); Doug Bohlke, Contractors Bonding and Insurance Company/Sheet Metal Contractors (in favor of substitute bill); Joe Brewer, Department of Labor and Industries (in favor); and Gene Krause, Independent Business Association (opposed to original bill).