

HOUSE BILL REPORT

HB 2396

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

Title: An act relating to electrical contractors.

Brief Description: Revising provisions regulating electrical contractors.

Sponsor(s): Representatives Scott, R. King, Heavey, G. Cole, Wilson and Orr.

Brief History:

Reported by House Committee on:
Commerce & Labor, February 7, 1992, DPS.

**HOUSE COMMITTEE ON
COMMERCE & LABOR**

Majority Report: *The substitute bill be substituted therefor and the substitute bill do pass.* Signed by 11 members: Representatives Heavey, Chair; G. 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:

Persons who engage in the business of installing or maintaining electrical wires or related electrical equipment are required to be licensed by the Department of Labor and Industries. The licensing law does not specifically prohibit an unlicensed electrical contractor from advertising or submitting bids for electrical work, or prohibit a licensed contractor from transferring a license to another contractor. Under the construction contractors' registration law, a contractor may not: (1) advertise, offer to work, submit a bid, or perform work as a contractor if the contractor is unregistered; or (2) transfer a valid registration to an unregistered contractor or allow an unregistered contractor to work under a registration issued to another contractor.

The civil penalty for violating the electrical licensing requirements is a minimum penalty of \$50 and a maximum penalty of \$10,000.

Summary of Substitute Bill:

It is unlawful for an electrical contractor: (1) who is unlicensed, to advertise, offer to work, or submit bids on jobs involving the business of installing or maintaining electrical wires or related electrical equipment; or (2) to transfer an electrical contractor license to an unlicensed contractor or to allow a contractor to perform work with a license issued to another electrical contractor. Electrical utilities are exempt from the licensure requirements when advertising, offering to work, or submitting a bid on electrical work if the utility is using its own employees to perform the work.

Electrical contractors must include their license number in advertising and on contracts, correspondence, and other documents used to solicit business from customers. Signs on motor vehicles and on premises signs are not advertising. A falsified license number may not be used in solicitations or for identification.

The minimum penalty for violations of the electrical contractor licensing provisions is increased from \$50 to \$200.

Substitute Bill Compared to Original Bill: The substitute bill: (1) exempts electrical utilities from the requirement for having an electrical contractor's license when advertising, offering to work, or submitting a bid on electrical work if the utility is using its own employees to perform the work; (2) requires electrical contractors to include their license number in advertising and on contracts, correspondence, and other documents used to solicit business from customers. Signs on motor vehicles and on premises signs are not advertising. A falsified license number may not be used in solicitations or for identification; and (3) reduces the proposed minimum penalty for violations of the electrical contractor licensing law from \$1,000 to \$200.

Fiscal Note: Requested February 1, 1992.

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

Testimony For: Construction contractors may not advertise for work unless they are registered and the registration number appears in the ad. These requirements should also be

applied to electrical contractors. It gives the Department of Labor and Industries another enforcement tool to protect the public from unsafe contractors.

Testimony Against: The amount of the penalty increase is too high. If utilities are going to be given an exemption, it should only apply to work performed on their own equipment and facilities.

Witnesses: Doug Bohlke, Electrical Contractors (in support of concept, with concerns); Joe Brewer, Department of Labor and Industries (in favor of original bill); John Morrison, Independent Electrical Contractors (in favor); and Gary Smith, Independent Business Association (in support of concept, with concerns).