

HOUSE BILL REPORT

HB 2608

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

Title: An act relating to certificates of competency for registered contractors.

Brief Description: Creating a certification program for contractors.

Sponsor(s): Representatives Hargrove and Heavey.

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: Construction contractors are required to register with the Department of Labor and Industries. To apply for registration, the contractor must provide information about the contractor's state tax numbers and business structure, and must have the required surety bond and liability insurance. Contractors do not have to pass an examination or be certified for competency.

Summary of Substitute Bill:

The Department of Labor and Industries is directed to establish a voluntary certificate of competency program for registered contractors by July 1, 1993. The program will include both general contractors and specialty contractors.

The program requires applicants to successfully complete an examination testing their knowledge of technical and practical information in the industry and of legal

requirements to conduct a contracting business. Applicants may retake the examination an unlimited number of times.

Applicants must be registered contractors and must show that they have completed training at a school or program approved by the department. The training requirements do not apply to applicants who, on the act's effective date, are registered contractors with two years of experience.

If an applicant passes the examination and pays the appropriate fees, he or she will be issued a certificate of competency. The certificate will be good until the birthdate of the holder, when it may be renewed for two years, and each subsequent two years. If a holder fails to renew the certificate within 90 days, he or she must retake the examination.

The holder of a certificate of competency is permitted to represent that fact to consumers and to include the information in advertising, business cards, contracts, and signs. Anyone claiming to hold a certificate when a certificate has not been lawfully issued is subject to an infraction and to suspension of his or her registration for up to two years.

An advisory committee of construction contractors is created to assist the department in developing, implementing, and enforcing the program.

The department must set fees to cover the cost of the program.

The department may take actions before the effective date to ensure that the program is implemented on time.

Substitute Bill Compared to Original Bill: The substitute bill (1) creates an advisory committee of construction contractors to assist the department in developing, implementing, and enforcing the voluntary certificate of competency program for general and specialty contractors; and (2) delays the implementation of the voluntary certification program until July 1, 1993. The Department of Labor and Industries may take actions before the effective date to ensure that the program is implemented on time.

Fiscal Note: Requested February 1, 1992.

Effective Date of Substitute Bill: The bill takes effect January 1, 1993.

Testimony For: It is too easy to get a contractor's license in this state. Consumers are given a false sense of

security. Without any competency requirements for contractors, consumers cannot know whether a contractor can perform the contract adequately. This program would permit the good contractors to advertise their competency. The bill should include an advisory committee to assist in developing the examination and rules for the program.

Testimony Against: None.

Witnesses: (In favor) Representative Jim Hargrove, prime sponsor. (Not opposed with amendment) Duke Schaub, Associated General Contractors. (Neutral) Joe Brewer, Department of Labor and Industries.