

HOUSE BILL REPORT

EHB 2171

As Passed House
February 9, 1994

Title: An act relating to electrical contractors.

Brief Description: Regulating electrical contractors.

Sponsors: Representatives G. Cole, King and Scott.

Brief History:

Reported by House Committee on:
Commerce & Labor, January 25, 1994, DPA;
Passed House, February 9, 1994, 64-30.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass as amended. Signed by 5 members:
Representatives Heavey, Chair; G. Cole, Vice Chair; Conway;
King; and Veloria.

Minority Report: Do not pass. Signed by 3 members:
Representatives Lisk, Ranking Minority Member; Chandler,
Assistant Ranking Minority Member; and Horn.

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 submitting bids for electrical work or prohibit a licensed contractor from transferring a license to another contractor. Construction contractors other than electrical contractors are not permitted to: (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. Construction contractors are also required to include their registration number in certain advertising.

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

Summary of Bill: Provisions are added to the laws governing electrical contractors to make it unlawful: (1) to submit a bid to engage in the business of electrical work without a valid electrical contractor license; (2) for an electrical contractor to transfer an electrical contractor license to an unlicensed contractor; or (3) to allow a contractor to perform work with a license issued to another electrical contractor. However, a bid may be submitted by a registered contractor who is not a licensed electrical contractor as long as the electrical work is performed as required by law.

The electrical contractor must show his or her name and address as it appears on the contractor's license on advertising, contracts, correspondence, signs, and other documents that have an electrical contractor's name and address.

The electrical contractor must include his or her license number in the alphabetized listing in the advertising section of telephone books and in all advertising that shows the contractor's name and address, except for on-premises signs. Airwave advertising is not subject to the license number requirement if the person selling the advertisement obtains the contractor's current license number. A false or expired license number cannot be used in buying or offering to buy advertisements that require a license number.

All materials used to directly solicit business from retail customers must show the electrical contractor's license number. A falsified license number may not be used in solicitations or for identification. All contractors and their agents must use their true names and addresses while engaged in contracting activities.

Penalties for violations of these advertising requirements do not apply to inadvertent errors. In determining a violation of the advertising requirements, the person who purchased the advertising will be held responsible.

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

Fiscal Note: Requested January 12, 1994.

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

Testimony For: Many unlicensed persons are advertising as electrical contractors. These advertisements should be prohibited, just as advertisements are prohibited for unregistered contractors. The only difference between the

bill and the requirements for registered contractors are related to advertisements on vehicles. Trucks need to be identified to assist the enforcement agency in finding violators.

Testimony Against: It is not clear that there is a problem with advertisements by unlicensed electrical contractors. The requirements for the advertisements may raise difficulties if the contractor operates in different locations under various addresses. Several problems have been identified with the current advertising law for registered contractors which may be the subject of another bill. This bill contains the same problems.

Witnesses: (In favor) William Kline, Washington Sign Council; and Becky Bogard, Washington State Association of Broadcasters. (Opposed) Larry Stevens, National Electrical Contractors Association.