

# HOUSE BILL REPORT

## ESB 5280

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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.

**Sponsors:** Senators Hargrove, Erwin, Owen, Sutherland and Jesernig.

**Brief History:**

Reported by House Committee on:  
Commerce & Labor, April 2, 1993, DPA.

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### HOUSE COMMITTEE ON COMMERCE & LABOR

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

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

**Staff:** Jim Kelley (786-7166).

**Background:** Washington does not require any evidence of competency, experience, or training in order to become a registered contractor. In hiring a registered contractor, a customer is assured that the contractor has posted a statutory bond of \$6,000 if a general contractor, or \$4,000 if a specialty contractor, and that the contractor has met certain other legal requirements.

**Summary of Amended Bill:** The director of the Department of Labor & Industries is directed to conduct a study to determine whether there is a need for increased regulation of general and specialty contractors. The director will consult with representatives of various aspects of the construction industry, governmental officials, and the general public.

The director shall present findings and recommendations to the appropriate legislative committees no later than February 1, 1994.

The director is to be guided by the principle that increased regulation by the state is appropriate only when: (a) Unregulated practice can clearly harm the public; (b) the public needs and can be reasonably expected to benefit from an assurance of initial and continuing professional responsibility; and (c) the public cannot be effectively protected by more cost-beneficial means.

**Amended Bill Compared to Engrossed Bill:** All of the provisions of the engrossed Senate bill, which creates a voluntary contractor certification program, including an examination procedure and the establishment of an advisory committee, are stricken. Instead, the director is required to conduct a study to determine whether increased regulation of contractors is appropriate and to report its findings to the Legislature by February 1, 1994.

**Fiscal Note:** Available. New fiscal note requested for amended engrossed bill on April 2, 1993.

**Effective Date of Amended Bill:** The bill takes effect January 1, 1994.

**Testimony For:** (Engrossed Senate Bill): None.

**Testimony Against:** (Engrossed Senate Bill): The construction industry should remain open. The industry opposes testing, because contractors hire subcontractors and specialists, such as accountants. Therefore, it is difficult to ascertain what a test should cover. The bonding and insurance requirements are the most important consumer protections. The industry would welcome a study of the industry and the need, if any, for more regulation.

**Witnesses:** Bill Huyette and Dick Ducharme, Building Industry Association of Washington (opposed).