

FINAL BILL REPORT

ESHB 1505

C 454 L 93
Synopsis as Enacted

Brief Description: Requiring verification of registration of contractors.

By House Committee on Commerce & Labor (originally sponsored by Representatives Heavey, Kremen, King, Lisk, G. Cole, Linville, Springer, Vance and R. Johnson).

House Committee on Commerce & Labor
Senate Committee on Labor & Commerce

Background: Persons who engage in the construction business are required to register as contractors with the Department of Labor and Industries. Construction contractors are not permitted to advertise, offer to work, submit a bid, or perform work as a contractor unless they are registered.

Construction contractors must include their registration number in certain advertising. Contractors who violate this requirement are subject to a civil penalty of up to \$5,000. If a violation of the advertising requirements occurs, the department or administrative law judge must hold the person who purchased the advertising responsible for the violation.

When cities and counties issue building permits, the permitting agencies are required to verify that the contractor is registered. The statute does not specify a process for verifying the registration number.

Some persons who engage in construction are not required to be registered. The exemptions include persons performing projects of less than \$500, persons working on their own property or on their own residence unless the improvement is made with the intention of selling the improved property, owners of commercial property when the work is performed by the employees of the property owner, and persons licensed under other laws as architects, engineers, electricians, or plumbers, when acting within the scope of the license.

It is a misdemeanor for a contractor who has knowledge of the registration requirements to advertise, offer to do work, submit a bid, or perform work without being registered or with a suspended registration, or to transfer a valid registration to an unregistered contractor. If an unregistered contractor offers to do work, submits a bid, or

works as a contractor, it is an infraction subject to civil penalty.

Summary: The Department of Labor and Industries and the Department of Revenue are encouraged to coordinate to identify unregistered construction contractors.

Contractors are subject to a civil penalty of up to \$5,000 for using a false or expired registration number in purchasing or offering to purchase an advertisement for which a registration number is required.

Persons selling advertisements should not accept an advertisement that is required to include a contractor registration number if the contractor fails to provide the number.

Cities or counties that issue construction building permits and that fail to verify the contractor registration number are subject to a civil penalty of up to \$5,000. The permitting agency is also responsible for printing the contractor registration number on the building permit and for providing the permit applicant with a written notice informing him or her of the potential risk of using an unregistered contractor.

Verification of a registration number means receiving and duplicating a contractor registration card that is current on its face.

If a building permit is obtained by an applicant who falsifies information to obtain an exemption from contractor registration requirements, the permit is forfeited.

The requirement that a contractor know of the registration requirements before he or she may be found guilty of a misdemeanor for failing to register is changed to delete the "knowledge" requirement. A provision is added making it a misdemeanor for a contractor to use a false or expired registration number in purchasing or offering to purchase an advertisement for which a registration number is required. The violations under the civil infraction authority of the department are amended to include, as infractions, advertising by a contractor without being registered or with a suspended registration, transferring a valid registration to an unregistered contractor or allowing an unregistered contractor to work under another contractor's registration.

Votes on Final Passage:

House	95	0	
Senate	30	9	(Senate amended)

House (House refused to concur)
Senate 36 9 (Senate receded)

Effective: July 25, 1993