

**SENATE BILL REPORT**

**EHB 2171**

**AS REPORTED BY COMMITTEE ON LABOR & COMMERCE, FEBRUARY 25, 1994**

**Brief Description:** Regulating electrical contractors.

**SPONSORS:** Representatives G. Cole, King and Scott

**HOUSE COMMITTEE ON COMMERCE & LABOR**

**SENATE COMMITTEE ON LABOR & COMMERCE**

**Majority Report:** Do pass as amended.

Signed by Senators Moore, Chairman; Prentice, Vice Chairman; Fraser, McAuliffe, Pelz, Sutherland, Vognild and Wojahn.

**Staff:** Traci Ratzliff (786-7452)

**Hearing Dates:** February 23, 1994; February 25, 1994

**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:**

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.

**SUMMARY OF PROPOSED COMMITTEE AMENDMENT:**

An electrical contractor's license number must only be included in display advertisements in telephone books or other directories and not in all telephone or directory listings.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** requested

**TESTIMONY FOR:**

This bill establishes a fair, competitive environment for all individuals engaged in electrical contracting and will close loopholes that exist in current law which provides unlicensed electrical contractors advantages over licensed contractors.

**TESTIMONY AGAINST:**

The association opposes requiring electrical contractors to place their license numbers in advertisements, on letterhead, business cards, etc. The general contractors are required to

comply with a similar mandate. The provision does not work for the general contractors. Therefore, you should not require electrical contractors to comply with this ineffective mandate.

**TESTIFIED:** PRO: Representative Grace Cole, prime sponsor; William Kline, Washington Sign Council; Dale Vincent, U.S. West; CON: Larry Stevens, United Subcontractors Association