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HOUSE BILL 1505

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State of Washington                      53rd Legislature                      1993 Regular Session

By Representatives Heavey, Kremen, King, Lisk, G. Cole, Linville, Springer, Vance and R. Johnson

Read first time 01/29/93. Referred to Committee on Commerce & Labor.

1            AN ACT Relating to registration of contractors; amending RCW  
2 18.27.010, 18.27.100, 18.27.102, and 18.27.110; and creating a new  
3 section.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5            NEW SECTION.    **Sec. 1.**    The legislature finds that unregistered  
6 contractors are a serious threat to the general public and are costing  
7 the state millions of dollars each year in lost revenue. To assist in  
8 solving this problem, the department of labor and industries and the  
9 department of revenue should coordinate and communicate with each other  
10 to identify unregistered contractors.

11            **Sec. 2.**    RCW 18.27.010 and 1973 1st ex.s. c 153 s 1 are each  
12 amended to read as follows:

13            ((A)) Unless the context clearly requires otherwise, the  
14 definitions in this section apply throughout this chapter.

15            (1) "Contractor" (~~as used in this chapter is~~) means any person,  
16 firm or corporation who or which, in the pursuit of an independent  
17 business undertakes to, or offers to undertake, or submits a bid to,  
18 construct, alter, repair, add to, subtract from, improve, move, wreck

1 or demolish, for another, any building, highway, road, railroad,  
2 excavation or other structure, project, development, or improvement  
3 attached to real estate or to do any part thereof including the  
4 installation of carpeting or other floor covering, the erection of  
5 scaffolding or other structures or works in connection therewith or who  
6 installs or repairs roofing or siding; or, who, to do similar work upon  
7 his own property, employs members of more than one trade upon a single  
8 job or project or under a single building permit except as otherwise  
9 provided herein.

10 ((A)) (2) "General contractor" ((is)) means a contractor whose  
11 business operations require the use of more than two unrelated building  
12 trades or crafts whose work the contractor shall superintend or do in  
13 whole or in part(~~(; the term)~~). "General contractor" shall not include  
14 an individual who does all work personally without employees or other  
15 "specialty contractors" as defined herein. The terms "general  
16 contractor" and "builder" are synonymous.

17 ((A)) (3) "Specialty contractor" ((is)) means a contractor whose  
18 operations as such do not fall within the foregoing definition of  
19 "general contractor".

20 (4) "Department" (~~(as used in this chapter)~~) means the department  
21 of labor and industries.

22 (5) "Director" (~~(as used in this chapter)~~) means the director of  
23 the department of labor and industries.

24 (6) "Verification" means the receipt and duplication by the city,  
25 town, county, or advertiser of a contractor registration card that is  
26 current on its face.

27 **Sec. 3.** RCW 18.27.100 and 1990 c 46 s 1 are each amended to read  
28 as follows:

29 (1) Except as provided in RCW 18.27.065 for partnerships and joint  
30 ventures, no person who has registered under one name as provided in  
31 this chapter shall engage in the business, or act in the capacity, of  
32 a contractor under any other name unless such name also is registered  
33 under this chapter.

34 (2) All advertising and all contracts, correspondence, cards,  
35 signs, posters, papers, and documents which show a contractor's name or  
36 address shall show the contractor's name or address as registered under  
37 this chapter.

1       (3)(a) The alphabetized listing of contractors appearing in the  
2 advertising section of telephone books or other directories and all  
3 advertising that shows the contractor's name or address shall show the  
4 contractor's current registration number: PROVIDED, That signs on  
5 motor vehicles subject to RCW 46.16.010 and on-premise signs shall not  
6 constitute advertising as provided in this section. All materials used  
7 to directly solicit business from retail customers who are not  
8 businesses shall show the contractor's current registration number.  
9 Advertising by airwave transmission shall not be subject to this  
10 subsection if the person selling the advertisement obtains the  
11 contractor's current registration number from the contractor.

12       (~~(3)~~) (b) An advertiser shall not accept advertisements for which  
13 the contractor registration number is required under (a) of this  
14 subsection without verification of the contractor registration number.  
15 Failure to verify the contractor registration number results in  
16 liability to the advertiser in the same amount as is imposed on a  
17 surety under RCW 18.27.040.

18       (4) No contractor shall advertise that he or she is bonded and  
19 insured because of the bond required to be filed and sufficiency of  
20 insurance as provided in this chapter.

21       (~~(4)~~) (5) A contractor shall not falsify a registration number  
22 and use it in connection with any solicitation or identification as a  
23 contractor. All individual contractors and all partners, associates,  
24 agents, salesmen, solicitors, officers, and employees of contractors  
25 shall use their true names and addresses at all times while engaged in  
26 the business or capacity of a contractor or activities related thereto.

27       (~~(5)~~) (6) Any person who is found to be in violation of this  
28 section by the director at a hearing held in accordance with the  
29 administrative procedure act, chapter 34.05 RCW, shall be required to  
30 pay a penalty of not more than five thousand dollars as determined by  
31 the director. However, the penalty under this section shall not apply  
32 to a violation determined to be an inadvertent error.

33       **Sec. 4.** RCW 18.27.102 and 1987 c 362 s 4 are each amended to read  
34 as follows:

35       When determining a violation of RCW 18.27.100, the director and  
36 administrative law judge shall hold responsible the person who  
37 purchased the advertising and the advertiser who failed to verify the  
38 contractor registration number.

1       **Sec. 5.** RCW 18.27.110 and 1986 c 197 s 14 are each amended to read  
2 as follows:

3       (1) No city, town or county shall issue a construction building  
4 permit for work which is to be done by any contractor required to be  
5 registered under this chapter ((77, Laws of 1963 and chapter 18.27  
6 RCW)) without verification that such contractor is currently registered  
7 as required by law. When such verification is made, nothing contained  
8 in this section is intended to be, nor shall be construed to create, or  
9 form the basis for any liability under this chapter on the part of any  
10 city, town or county, or its officers, employees or agents. However,  
11 failure to verify the contractor registration number results in  
12 liability to the city, town, or county in the same amount as is imposed  
13 on a surety under RCW 18.27.040.

14       (2) At the time of issuing the building permit, all cities, towns,  
15 or counties are responsible for:

16       (a) Printing the contractor registration number on the building  
17 permit; and

18       (b) Providing a written notice to the building permit applicant  
19 informing them of contractor registration laws and the potential risk  
20 and monetary liability to the homeowner for using an unregistered  
21 contractor.

22       (3) If a building permit is obtained by an applicant or contractor  
23 who falsifies information to obtain an exemption provided under RCW  
24 18.27.090, the building permit shall be forfeited.

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