

FINAL BILL REPORT

HB 1694

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Synopsis as Enacted

Brief Description: Reenacting provisions relating to the crime of unlicensed practice of a profession or business.

Sponsors: By Representatives Boldt, Carrell and Hurst.

House Committee on Judiciary

Senate Committee on Labor, Commerce & Financial Institutions

Background:

In 1995 the Legislature included several provisions related to various criminal laws in a bill entitled "An Act Relating to insurance fraud." In December 2000, Division II of the Washington Court of Appeals held that the inclusion of one of those provisions violated the state constitution. That decision, *State v. Thomas*, overturned a conviction under the state's anti-profiteering law.

In 1984 the Legislature had enacted the Washington State Racketeering Act, which was to take effect July 1, 1985. The 1985 Legislature, however, substantially amended the act before it took effect. One of the changes was to rename the act the Criminal Profiteering Act. The 1985 legislation also put a 10-year "sunset clause" on the entire act. The sunset clause called for the act to expire on July 1, 1995, unless the Legislature enacted another bill before then to extend the life of the act.

In 1995 the Legislature repealed the sunset clause on the Criminal Profiteering Act. The repeal of the sunset clause was intended to prevent the act from expiring that July, and to extend the life of the act indefinitely. However, the repeal was enacted as part of E2SHB 1557, which was a bill entitled "An Act Relating to insurance fraud." E2SHB 1557 became Chapter 285, Laws of 1995.

Division II of the Washington Court of Appeals held that this 1995 act "relating to insurance fraud" was invalid because it violated Article II, Section 19, of the state constitution. Article II, Section 19, requires that a bill contain only one subject, and that the subject be expressed in the title of the bill. The court found that the subject of "criminal profiteering" was not related to the subject of "insurance fraud," and therefore the bill violated the single subject requirement. Likewise, the court found that the subject of criminal profiteering was not "expressed" in the title of the bill, and therefore the bill violated the "subject-in-the-title" requirement. As a result, the attempted repeal of the sunset clause in 1995 was ineffective, and the court held that the criminal profiteering

law had in fact expired on July 1, 1995.

The attempted repeal of the profiteering act's sunset clause was the subject of the court's decision in *State v. Thomas*. However, there were several other provisions in that same 1995 act that very likely could be found unconstitutional as well. Some of these provisions had to do with the crime of practicing a profession or business without a license. These provisions, if challenged, might also be found to be a second subject, not related to "insurance fraud," or to be a subject not expressed in the title.

Persons practicing certain professions in the health industry are required to be licensed by the Department of Health or various boards and commissions having jurisdiction over those professions. Professions included in the category are naturopaths, midwives, dental hygienists, nursing assistants, chemical dependency professionals, and adult family home providers. The unlicensed practice of a profession or business is a gross misdemeanor. The 1995 bill made a subsequent violation a class C felony and added the crime to the list of crimes that may constitute criminal profiteering.

Summary:

Relevant provisions regarding the unlicensed practice of a business or profession are reenacted, without making any changes, to respond to the court decision that may have invalidated those provisions.

Votes on Final Passage:

House 98 0
Senate 47 0 (Senate amended)
House 94 0 (House concurred)

Effective: May 7, 2001