

SSB 6740 - S AMD 140
By Senator Fraser

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds that the vast
4 majority of contractors engaged in the business of constructing or
5 remodeling owner-occupied single-family homes are both technically
6 proficient in their trade and able to manage their business dealings in
7 accordance with the highest standards. The legislature also finds,
8 however, that in those relatively few, but all-too-frequent, instances
9 where prime contractors on such construction or remodeling projects
10 intentionally, negligently, or unintentionally divert payments received
11 from homeowners that are intended for subcontractors, suppliers, and
12 others, existing provisions are inadequate to protect homeowners.
13 Additionally, the toll on an individual homeowner's personal economic
14 and emotional condition that such financial mismanagement by this small
15 fraction of prime contractors is not adequately balanced against the
16 responsibilities, obligations, and possible penalties that contractors
17 bear for such mismanagement. Consequently, the legislature finds that
18 it is necessary to (1) raise awareness about the harm that can be
19 caused when those relatively few unscrupulous contractors divert
20 homeowner payments that are intended to pay subcontractors and
21 suppliers; (2) increase awareness by homeowners to the potential for
22 liens against their residence if contractors fail to pay suppliers and
23 subcontractors as promised; and (3) increase opportunities for
24 homeowners to become better educated about ways to protect themselves
25 from financial mismanagement by those few contractors who are unable or
26 unwilling to meet the financial management standards set by the vast
27 majority of residential contractors in this state.

28 **Sec. 2.** RCW 60.04.091 and 1992 c 126 s 7 are each amended to read
29 as follows:

1 Every person claiming a lien under RCW 60.04.021 shall file for
2 recording, in the county where the subject property is located, a
3 notice of claim of lien not later than ninety days after the person has
4 ceased to furnish labor, professional services, materials, or equipment
5 or the last date on which employee benefit contributions were due.

6 (1) The notice of claim of lien(~~(+~~
7 ~~1)~~) shall state in substance and effect:

8 (a) The name, (~~(phone)~~) telephone number, and address of the
9 claimant;

10 (b) The first (~~(and)~~) date on which the claimant began to perform
11 labor, provide professional services, or supply material or equipment
12 or the first date on which employee benefits became due;

13 (c) The last date on which the labor, professional services,
14 materials, or equipment was furnished or employee benefit contributions
15 were due;

16 (~~(+e)~~) (d) The name of the person indebted to the claimant;

17 (~~(+d)~~) (e) The street address, legal description, or other
18 description reasonably calculated to identify, for a person familiar
19 with the area, the location of the real property to be charged with the
20 lien;

21 (~~(+e)~~) (f) The name of the owner or reputed owner of the property,
22 if known, and, if not known, that fact shall be stated; (~~(and~~

23 ~~(+f)~~) (g) The principal amount for which the lien is claimed,
24 excluding any interest, late fees, costs, attorneys' fees, or similar
25 charges; and

26 (h) Whether the claimant is the assignee of the claim.

27 (2) The notice of claim of lien shall be signed by the claimant or
28 some person authorized to act on his or her behalf who shall
29 affirmatively state they have read or heard and understand the notice
30 of claim of lien ((and)), believe the ((notice of claim of lien))
31 contents to be true and correct, and the lien is not frivolous and is
32 not clearly excessive, under penalty of perjury, and shall be
33 acknowledged as set forth in the form below, or pursuant to chapter
34 64.08 RCW. If the lien has been assigned, the name of the assignee
35 shall be stated. Where an action to foreclose the lien has been
36 commenced such notice of claim of lien may be amended as pleadings may
37 be by order of the court insofar as the interests of third parties are

1 not adversely affected by such amendment. A claim of lien
2 substantially in the following form shall be sufficient:

3 CLAIM OF LIEN

4, claimant, vs, name of person indebted
5 to claimant:

6 Notice is hereby given that the person named below claims a
7 lien pursuant to chapter ((64.04)) 60.04 RCW. In support of
8 this lien the following information is submitted:

- 9 1. NAME OF LIEN CLAIMANT:
- 10 TELEPHONE NUMBER:
- 11 ADDRESS:

12 2. DATE ON WHICH THE CLAIMANT BEGAN TO PERFORM LABOR,
13 PROVIDE PROFESSIONAL SERVICES, SUPPLY MATERIAL OR EQUIPMENT OR
14 THE DATE ON WHICH EMPLOYEE BENEFIT CONTRIBUTIONS BECAME DUE:

15 3. NAME OF PERSON INDEBTED TO THE CLAIMANT:
16

17 4. DESCRIPTION OF THE PROPERTY AGAINST WHICH A LIEN IS
18 CLAIMED (Street address, legal description or other information
19 that will reasonably describe the property):
20
21
22

23 5. NAME OF THE OWNER OR REPUTED OWNER (If not known
24 state "unknown"):

25 6. THE LAST DATE ON WHICH LABOR WAS PERFORMED;
26 PROFESSIONAL SERVICES WERE FURNISHED; CONTRIBUTIONS TO AN
27 EMPLOYEE BENEFIT PLAN WERE DUE; OR MATERIAL, OR EQUIPMENT WAS
28 FURNISHED:
29

30 7. PRINCIPAL AMOUNT FOR WHICH THE LIEN IS CLAIMED IS:

31 8. IF THE CLAIMANT IS THE ASSIGNEE OF THIS CLAIM SO
32 STATE HERE:
33

1 , Claimant
2
3
4 (Phone number, address, city, and
5 state of claimant)

6 STATE OF WASHINGTON, COUNTY OF
7 , ss.

8 , being sworn, says: I am the claimant (or attorney of
9 the claimant, or administrator, representative, or agent of the
10 trustees of an employee benefit plan) above named; I have read or heard
11 and understand the foregoing claim, read and know the contents thereof,
12 and believe the same to be true and correct and that the claim of lien
13 is not frivolous and is made with reasonable cause, and is not clearly
14 excessive under penalty of perjury.

15
16 Subscribed and sworn to before me this day of
17

18 ADVISORY NOTICE TO PARTY RECEIVING THIS LIEN CLAIM

19 1. You are advised to consult with an attorney immediately and
20 before making any payment to the lien claimant in order to help
21 determine the validity of the claim.

22 2. One of the things you should discuss with your attorney is
23 whether the claim was filed in time. As a general rule, a lien claim
24 filed more than ninety days after the lien claimant stopped working on
25 your project cannot be enforced under state law, RCW 60.04.091.

26 3. Another timing issue you should discuss with your attorney is
27 whether you received proper notice. Under the same state law, the lien
28 claimant cannot be awarded certain fees and costs unless you were
29 served or received this lien claim notice by certified or registered
30 mail within fourteen days of when the lien claim was filed with the
31 court.

32 (3) The period provided for recording the claim of lien is a period
33 of limitation and no action to foreclose a lien shall be maintained
34 unless the claim of lien is filed for recording within the ninety-day
35 period stated. The lien claimant shall give a copy of the claim of
36 lien to the owner or reputed owner by mailing it by certified or

1 registered mail or by personal service within fourteen days of the time
2 the claim of lien is filed for recording. Failure to do so results in
3 a forfeiture of any right the claimant may have to attorneys' fees and
4 costs against the owner under RCW 60.04.181.

5 (4) A lien claimant that, for any reason, includes any interest,
6 late fee, cost, attorneys' fees, or similar charges as part of the
7 principal amount for which the lien is claimed shall be deemed to have
8 waived any right under contract or otherwise to such charges, and shall
9 also forfeit any right the claimant may have to attorneys' fees and
10 costs against the owner under RCW 60.04.181.

11 **Sec. 3.** RCW 60.04.250 and 1990 c 81 s 1 are each amended to read
12 as follows:

13 The department of labor and industries shall prepare master
14 documents that provide informational material about:

15 (1) Construction lien laws and available safeguards against real
16 property lien claims. The material shall include methods of protection
17 against lien claims, including obtaining lien release documents,
18 performance bonds, joint payee checks, the opportunity to require
19 contractor disclosure of all potential lien claimants as a condition of
20 payment, and lender supervision under ((RCW 60.04.200 and 60.04.210))
21 this chapter. The material shall also include sources of further
22 information, including the department of labor and industries and the
23 office of the attorney general.

24 (2) The basics of lien law relating to owner-occupied residential
25 improvements and new construction projects, including a list of
26 available safeguards against real property lien claims. Before any
27 building permit may be issued for (a) the construction of a new owner-
28 occupied single-family residence; or (b) the improvement to an owner-
29 occupied single-family residence for an amount in excess of one
30 thousand dollars, if the construction will involve the services of a
31 prime residential contractor, the permit-issuing agency shall provide
32 the homeowner with a copy of the document described in this section.
33 The document shall be deemed timely provided if the permit-issuing
34 agency does any one of the following within fourteen days of receipt of
35 the permit application:

36 (i) Personally delivers the document to the homeowner;

1 (ii) Places the document in United States mail, regular postage
2 prepaid and addressed to the homeowner; or

3 (iii) Otherwise provides the document to the homeowner through an
4 agent who is not the prime residential contractor or any employee,
5 owner, or agent of the prime residential contractor.

6 Failure to timely provide the document to the homeowner does not
7 affect, alter, or delay the processing or completeness of the permit
8 application or subject the permit-issuing agency to any penalty or
9 liability. The document shall be in substantially the following form
10 and shall also include information describing the scope and limits of
11 state contractor bonding requirements, the provisions of this act, and
12 the availability of further information, including the department of
13 labor and industries and the office of the attorney general.

14 Dear Homeowner:

15 Before any permit can be issued, you must file with this agency the
16 attached document acknowledging that you have received and read this
17 form. You should also review the items below and carefully consider
18 what protection, if any, you want against potential lien claims on your
19 property as a result of the construction work for which you are
20 contracting. If your contractor fails to pay subcontractors,
21 suppliers, or laborers or neglects to make other legally required
22 payments, those who are owed money can file a lien against your
23 property for payment, even if you have paid your contractor in full.
24 Anyone filing a valid lien claim may force the sale of your property to
25 recover the unpaid amount. This is true if you have hired a contractor
26 to build a new home or are buying a newly built home. It is also true
27 when you remodel or improve your property.

28 People who supply materials or labor ordered by your contractor are
29 permitted by law to file a lien only if they do so within ninety days
30 of cessation of performance or delivery of materials. The time frame
31 is spelled out in RCW 60.04.091.

32 If you enter into a contract to buy a newly built home, you may not
33 receive a notice of a lien based on a claim by a contractor or material
34 handler. Be aware that a lien may be claimed even though you have not
35 received a notice. Before making final payment on the project, obtain
36 a completed lien release form from each contractor and material
37 supplier. A sample of this release of lien form is available from the
38 department of labor and industries, contractor registration section.

1 You have final responsibility for seeing that all bills are paid
2 even if you have paid your contractor in full.

3 If you are dealing with a lending institution, ask your loan
4 officer what precautions the lending institution takes to verify that
5 subcontractors and material suppliers are being paid when mortgage
6 money is paid to your contractor. You may want to request lender
7 supervision if your lending institution is providing interim or
8 construction financing.

9 If you receive a notice to enforce a lien, take the notice
10 seriously. Let your contractor know you have received the notice.
11 Find out what arrangements are being made to pay the sender of the
12 notice.

13 When in doubt, or if you need more details, consult your attorney.
14 When and how to pay your contractor is a decision that requires serious
15 consideration. Washington law, RCW 18.27.114, requires contractors to
16 give you this disclosure statement if your contract exceeds one
17 thousand dollars.

18 Below is a list of some alternatives about how you may want to
19 protect yourself from possible lien claims on your property, and inform
20 your contractor of your selections or discuss your selections with your
21 contractor (select one):

22 issue checks made payable jointly, naming the
23 contractor and the subcontractor or supplier as payees.

24 issue checks to the contractor and subcontractors
25 in the amounts equal to the amounts for which lien releases that
26 release all lien rights to those amounts, as provided by RCW 60.04.071,
27 have been provided to me by each lien claimant requesting payment.

28 use an escrow agent to disburse construction
29 funds and to protect my interests. (NOTE: Before making this
30 selection, find out whether the escrow agent you plan to use will
31 protect you against liens when disbursing payments. If you are
32 interested in using this alternative, consult your attorney.)

33 insist that the contractor set up a trust account
34 for all funds paid to this contractor, and the trust funds must be
35 disbursed in accordance with our construction agreement to
36 subcontractors and suppliers.

37 None of the above protections from potential lien
38 claims against my property as a result of this construction work.

1 In addition to the above selection, consider whether to insist that
2 the prime residential contractor is to disclose all potential lien
3 claimants as a condition of payment. (NOTE: A lien claimant must,
4 under RCW 60.04.091(2), mail by certified or registered mail or by
5 personal service a copy of the claim of lien to the owner within
6 fourteen days of the time the lien is recorded. While an action is
7 ongoing, the law, RCW 60.04.151, allows an owner to withhold from this
8 prime residential contractor the amount of money for which a claim is
9 recorded by a subcontractor, supplier, or laborer.)

10 More information about contractors is available by visiting the
11 department of labor and industries on the internet at
12 www.LNI.wa.gov/SCS/contractors/ or by calling the contractor
13 registration hotline at 1-800-647-0982. You may also call your local
14 department of labor and industries office. See listings under
15 "Washington, state of" in the government section or the white pages of
16 the telephone book.

17 **Sec. 4.** RCW 60.04.031 and 1992 c 126 s 2 are each amended to read
18 as follows:

19 (1) Except as otherwise provided in this section, every person
20 furnishing professional services, materials, or equipment for the
21 improvement of real property shall give the owner or reputed owner
22 notice in writing of the right to claim a lien. If the prime
23 contractor is in compliance with the requirements of RCW 19.27.095,
24 60.04.230, and 60.04.261, this notice shall also be given to the prime
25 contractor as described in this subsection unless the potential lien
26 claimant has contracted directly with the prime contractor. The notice
27 may be given at any time but only protects the right to claim a lien
28 for professional services, materials, or equipment supplied after the
29 date which is sixty days before:

30 (a) Mailing the notice by certified or registered mail to the owner
31 or reputed owner; or

32 (b) Delivering or serving the notice personally upon the owner or
33 reputed owner and obtaining evidence of delivery in the form of a
34 receipt or other (~~acknowledgement~~) acknowledgment signed by the owner
35 or reputed owner or an affidavit of service.

36 (i) In the case of new construction of a single-family residence,
37 the notice of a right to claim a lien may be given at any time but only

1 protects the right to claim a lien for professional services,
2 materials, or equipment supplied after a date which is ten days before
3 the notice is given as described in this subsection.

4 (ii) In the case of the repair, alteration, or remodel of a single-
5 family residence or garage appurtenant to a single-family residence,
6 the notice of a right to claim a lien may be given at any time but only
7 protects the right to claim a lien for professional services,
8 materials, or equipment supplied after a date which is thirty days
9 before the notice is given as described in this subsection.

10 (2) Notices of a right to claim a lien shall not be required of:

11 (a) Persons who contract directly with the owner or the owner's
12 common law agent;

13 (b) Laborers whose claim of lien is based solely on performing
14 labor; or

15 (c) Subcontractors who contract for the improvement of real
16 property directly with the prime contractor, except as provided in
17 subsection (3)((~~b~~)) (a)(ii) of this section.

18 (3)(a) Persons who furnish professional services, materials, or
19 equipment in connection with the new construction, repair, alteration,
20 or remodel of ((~~an existing owner occupied~~)) a single-family residence
21 or appurtenant garage:

22 ((~~a~~)) (i) Who contract directly with the ((~~owner occupier or~~
23 ~~their~~)) residential homeowner or the homeowner's common law agent shall
24 not be required to send a written notice of the right to claim a lien
25 and shall have a lien for the full amount due under their contract, as
26 provided in RCW 60.04.021; or

27 ((~~b~~)) (ii) Who do not contract directly with the ((~~owner occupier~~
28 ~~or their~~)) residential homeowner or the homeowner's common law agent
29 shall give notice of the right to claim a lien to the ((~~owner-~~
30 ~~occupier~~)) homeowner.

31 (b) Claims of liens of persons furnishing professional services,
32 materials, or equipment who do not contract directly with the ((owner-
33 ~~occupier~~)) homeowner or their common law agent ((~~may only be satisfied~~
34 ~~from~~)) for the construction, repair, alteration, or remodel of the
35 homeowner's residence shall be dismissed if:

36 (i) The amounts ((~~not yet~~)) paid to the prime residential
37 contractor by the owner at the time the notice described in this
38 section is received equals or otherwise satisfies all amounts owed by

1 the homeowner to all potential lien claimants, including the prime
2 residential contractor, regardless of whether amounts (~~not yet~~) paid
3 to the prime residential contractor are due; and

4 (ii) The homeowner notifies the potential lien claimant in writing
5 that the lien is subject to dismissal pursuant to this subsection, and
6 such notice is received by the potential lien claimant within thirty
7 days of receipt of the notice provided by (a)(ii) of this subsection.

8 (c) For the purposes of this subsection "received" means actual
9 receipt of notice by personal service, or registered or certified mail,
10 or three days after mailing by registered or certified mail, excluding
11 Saturdays, Sundays, or legal holidays.

12 (4) The notice of right to claim a lien described in subsection (1)
13 of this section, shall include but not be limited to the following
14 information and shall substantially be in the following form, using
15 lower-case and upper-case ten-point type where appropriate.

16 NOTICE TO OWNER

17 IMPORTANT: READ BOTH SIDES OF THIS NOTICE
18 CAREFULLY.

19 PROTECT YOURSELF FROM PAYING TWICE

20 To: Date:

21 Re: (description of property: Street address or general location.)

22 From:

23 AT THE REQUEST OF: (Name of person ordering the professional
24 services, materials, or equipment)

25 THIS IS NOT A LIEN--THIS NOTICE IS MEANT TO PROVIDE YOU WITH
26 INFORMATION NECESSARY TO PROPERLY MANAGE YOUR CONSTRUCTION PROJECT:

27 This notice is sent to you to tell you who is providing professional
28 services, materials, or equipment for the improvement of your property
29 and to advise you of the rights of these persons and your
30 responsibilities. Also take note that laborers on your project may
31 claim a lien without sending you a notice.

32 OWNER/OCCUPIER OF EXISTING
33 RESIDENTIAL PROPERTY AND/OR
34 NEW RESIDENTIAL PROPERTY

35 Under Washington law, those who furnish labor, professional services,

1 materials, or equipment for the repair, remodel, or alteration of your
2 owner-occupied principal residence and who are not paid, have a right
3 to enforce their claim for payment against your property. This claim
4 is known as a construction lien.

5 The law limits the amount that a lien claimant can claim against your
6 property. (~~Claims may only be made against that portion of the~~
7 ~~contract price you have not yet paid to your prime contractor as of the~~
8 ~~time this notice was given to you or three days after this notice was~~
9 ~~mailed to you.)) If the improvement to your property is new
10 construction of a single-family residence or its appurtenant garage, a
11 lien may be claimed for some or all professional services, materials,
12 or equipment furnished after a date that is ten days before this notice
13 was given to you or mailed to you. If the improvement to your property
14 is the repair, alteration, or remodel of a single-family residence or
15 its appurtenant garage, a lien may be claimed for some or all
16 professional services, materials, or equipment furnished after a date
17 that is thirty days before this notice was given to you or mailed to
18 you. Review the back of this notice for more information and ways to
19 avoid lien claims.~~

20 COMMERCIAL (~~AND/OR NEW~~
21 RESIDENTIAL)) PROPERTY

22 We have or will be providing professional services, materials, or
23 equipment for the improvement of your commercial (~~or new residential~~)
24 project. In the event you or your contractor fail to pay us, we may
25 file a lien against your property. A lien may be claimed for all
26 professional services, materials, or equipment furnished after a date
27 that is sixty days before this notice was given to you or mailed to
28 you(~~, unless the improvement to your property is the construction of~~
29 ~~a new single family residence, then ten days before this notice was~~
30 ~~given to you or mailed to you)).~~

31 Sender:
32 Address:
33 Telephone:

34 Brief description of professional services, materials, or equipment
35 provided or to be provided:

36 IMPORTANT INFORMATION

1 ON REVERSE SIDE

2 IMPORTANT INFORMATION
3 FOR YOUR PROTECTION

4 This notice is sent to inform you that we have or will provide
5 professional services, materials, or equipment for the improvement of
6 your property. We expect to be paid by the person who ordered our
7 services, but if we are not paid, we have the right to enforce our
8 claim by filing a construction lien against your property.

9 LEARN more about the lien laws and the meaning of this notice by
10 discussing them with your contractor, suppliers, Department of Labor
11 and Industries, the firm sending you this notice, your lender, or your
12 attorney.

13 COMMON METHODS TO AVOID CONSTRUCTION LIENS: There are several methods
14 available to protect your property from construction liens. The
15 following are two of the more commonly used methods.

16 DUAL PAYCHECKS (Joint Checks): When paying your contractor for
17 services or materials, you may make checks payable jointly to
18 the contractor and the firms furnishing you this notice.

19 LIEN RELEASES: You may require your contractor to provide lien
20 releases signed by all the suppliers and subcontractors from
21 whom you have received this notice. If they cannot obtain lien
22 releases because you have not paid them, you may use the dual
23 payee check method to protect yourself.

24 YOU SHOULD TAKE APPROPRIATE STEPS TO PROTECT YOUR PROPERTY FROM LIENS.
25 YOUR PRIME CONTRACTOR AND YOUR CONSTRUCTION LENDER ARE REQUIRED BY LAW
26 TO GIVE YOU WRITTEN INFORMATION ABOUT LIEN CLAIMS. IF YOU HAVE NOT
27 RECEIVED IT, ASK THEM FOR IT.

28 * * * * *

29 (5) Every potential lien claimant providing professional services
30 where no improvement as defined in RCW 60.04.011(5) (a) or (b) has been
31 commenced, and the professional services provided are not visible from
32 an inspection of the real property may record in the real property
33 records of the county where the property is located a notice which
34 shall contain the professional service provider's name, address,
35 telephone number, legal description of the property, the owner or

1 reputed owner's name, and the general nature of the professional
2 services provided. If such notice is not recorded, the lien claimed
3 shall be subordinate to the interest of any subsequent mortgagee and
4 invalid as to the interest of any subsequent purchaser if the mortgagee
5 or purchaser acts in good faith and for a valuable consideration
6 acquires an interest in the property prior to the commencement of an
7 improvement as defined in RCW 60.04.011(5) (a) or (b) without notice of
8 the professional services being provided. The notice described in this
9 subsection shall be substantially in the following form:

10 NOTICE OF FURNISHING
11 PROFESSIONAL SERVICES

12 That on the ____ (day) ____ day of ____ (month and year) ____, ____ (name of
13 provider) ____ began providing professional services upon or for the
14 improvement of real property legally described as follows:

15 [Legal Description
16 is mandatory]

17 The general nature of the professional services provided is . . .
18 The owner or reputed owner of the real property is
19

20
21

22 (Signature)

23

24 (Name of Claimant)

25

26 (Street Address)

27

28 (City, State, Zip Code)

29

30 (Phone Number)

31 (6) A lien authorized by this chapter shall not be enforced unless
32 the lien claimant has complied with the applicable provisions of this
33 section.

1 **Sec. 5.** RCW 60.04.011 and 1992 c 126 s 1 are each amended to read
2 as follows:

3 Unless the context requires otherwise, the definitions in this
4 section apply throughout this chapter.

5 (1) "Construction agent" means any registered or licensed
6 contractor, registered or licensed subcontractor, architect, engineer,
7 or other person having charge of any improvement to real property, who
8 shall be deemed the agent of the owner for the limited purpose of
9 establishing the lien created by this chapter.

10 (2) "Contract price" means the amount, including overhead and
11 profit, agreed upon by the contracting parties, or if no amount is
12 agreed upon, then the customary and reasonable charge therefor, but in
13 no case shall contract price include any amount payable under the
14 contract, or otherwise, in the event of nonpayment or late payment.

15 (3) "Draws" means periodic disbursements of interim or construction
16 financing by a lender.

17 (4) "Furnishing labor, professional services, materials, or
18 equipment" means the performance of any labor or professional services,
19 the contribution owed to any employee benefit plan on account of any
20 labor, the provision of any supplies or materials, and the renting,
21 leasing, or otherwise supplying of equipment for the improvement of
22 real property.

23 (5) "Improvement" means: (a) Constructing, altering, repairing,
24 remodeling, demolishing, clearing, grading, or filling in, of, to, or
25 upon any real property or street or road in front of or adjoining the
26 same; (b) planting of trees, vines, shrubs, plants, hedges, or lawns,
27 or providing other landscaping materials on any real property; and (c)
28 providing professional services upon real property or in preparation
29 for or in conjunction with the intended activities in (a) or (b) of
30 this subsection.

31 (6) "Interim or construction financing" means that portion of money
32 secured by a mortgage, deed of trust, or other encumbrance to finance
33 improvement of, or to real property, but does not include:

34 (a) Funds to acquire real property;

35 (b) Funds to pay interest, insurance premiums, lease deposits,
36 taxes, assessments, or prior encumbrances;

37 (c) Funds to pay loan, commitment, title, legal, closing,
38 recording, or appraisal fees;

1 (d) Funds to pay other customary fees, which pursuant to agreement
2 with the owner or borrower are to be paid by the lender from time to
3 time;

4 (e) Funds to acquire personal property for which the potential lien
5 claimant may not claim a lien pursuant to this chapter.

6 (7) "Labor" means exertion of the powers of body or mind performed
7 at the site for compensation. "Labor" includes amounts due and owed to
8 any employee benefit plan on account of such labor performed.

9 (8) "Mortgagee" means a person who has a valid mortgage of record
10 or deed of trust of record securing a loan.

11 (9) "Owner-occupied" means a single-family residence occupied by
12 the owner as his or her principal residence.

13 (10) "Payment bond" means a surety bond issued by a surety licensed
14 to issue surety bonds in the state of Washington that confers upon
15 potential claimants the rights of third party beneficiaries.

16 (11) "Potential lien claimant" means any person or entity entitled
17 to assert lien rights under this chapter who has otherwise complied
18 with the provisions of this chapter and is registered or licensed if
19 required to be licensed or registered by the provisions of the laws of
20 the state of Washington.

21 (12) "Prime contractor" includes all contractors, general
22 contractors, and specialty contractors, as defined by chapter 18.27 or
23 19.28 RCW, or who are otherwise required to be registered or licensed
24 by law, who contract directly with a property owner or their common law
25 agent to assume primary responsibility for the creation of an
26 improvement to real property, and includes property owners or their
27 common law agents who are contractors, general contractors, or
28 specialty contractors as defined in chapter 18.27 or 19.28 RCW, or who
29 are otherwise required to be registered or licensed by law, who offer
30 to sell their property without occupying or using the structures,
31 projects, developments, or improvements for more than one year.

32 (13) "Professional services" means surveying, establishing or
33 marking the boundaries of, preparing maps, plans, or specifications
34 for, or inspecting, testing, or otherwise performing any other
35 architectural or engineering services for the improvement of real
36 property.

37 (14) "Real property lender" means a bank, savings bank, savings and

1 loan association, credit union, mortgage company, or other corporation,
2 association, partnership, trust, or individual that makes loans secured
3 by real property located in the state of Washington.

4 (15) "Residential homeowner" or "homeowner" means the same as the
5 term is defined by RCW 18.27.010.

6 (16) "Site" means the real property which is or is to be improved.

7 ((+16+)) (17) "Subcontractor" means a general contractor or
8 specialty contractor as defined by chapter 18.27 or 19.28 RCW, or who
9 is otherwise required to be registered or licensed by law, who
10 contracts for the improvement of real property with someone other than
11 the owner of the property or their common law agent.

12 **Sec. 6.** RCW 18.27.010 and 2001 c 159 s 1 are each amended to read
13 as follows:

14 Unless the context clearly requires otherwise, the definitions in
15 this section apply throughout this chapter.

16 (1)(a) "Contractor" means any person, firm, or corporation who or
17 which, in the pursuit of an independent business undertakes to, or
18 offers to undertake, or submits a bid to, construct, alter, repair, add
19 to, subtract from, provide construction consultation or management
20 services, except as a licensed architect, for, develop, improve, move,
21 wreck or demolish, for another, any building, highway, road, railroad,
22 excavation or other structure, project, development, or improvement
23 attached to real estate or to do any part thereof including the
24 installation of doors, windows, carpeting or other floor covering,
25 kitchen and bathroom cabinetry, fixtures, and built-in appliances, the
26 erection of scaffolding or other structures or works in connection
27 therewith or who installs or repairs roofing or siding, or who provides
28 tree removal or trimming services; or, who, to do similar work upon his
29 or her own property, employs members of more than one trade upon a
30 single job or project or under a single building permit except as
31 otherwise provided herein.

32 (b) "Contractor" includes any person, firm, corporation, or other
33 entity covered by this subsection, whether or not registered as
34 required under this chapter.

35 (c) A "contractor" is presumed to be a developer and prime
36 residential contractor in business for another, and is not eligible for
37 the exemption provided in RCW 18.27.090 (11) or (12), when the

1 contractor owns and constructs, alters, repairs, or remodels one or
2 more residential structures, and offers for sale or lease (i) more than
3 two such structures in any twenty-four month period, or (ii) any such
4 structure without occupying or using it for more than one year.

5 (d) Solely for the purposes of RCW 18.27.200 (2) and (3) and
6 18.27.340(3)(b), "contractor" includes any party that, in the pursuit
7 of an independent business retains, for or on behalf of a residential
8 homeowner, the services of a general contractor or specialty contractor
9 to alter, repair, or improve an existing residential structure owned
10 and occupied by the homeowner that has been damaged by an accident,
11 fire, or weather-related or other natural event.

12 (2) "Department" means the department of labor and industries.

13 (3) "Director" means the director of the department of labor and
14 industries or designated representative employed by the department.

15 (4) "General contractor" means a contractor whose business
16 operations (~~(require)~~) involve the use or supervision of more than
17 (~~(two unrelated)~~) one building (~~(trades or crafts)~~) trade, craft, or
18 contractor whose work the general contractor (~~(shall)~~) superintends or
19 (~~(do)~~) does in whole or in part. "General contractor" (~~(shall)~~) does
20 not include an individual who does all work personally without
21 employees or other "specialty contractors" as defined in this section.
22 The terms "general contractor," "developer," and "builder" are
23 synonymous.

24 (5) "Partnership" means a business formed under Title 25 RCW.

25 (6) "Prime residential contractor" means a prime contractor, as
26 defined in RCW 60.04.011, that is engaged in the business of
27 constructing, altering, repairing, or remodeling single-family homes
28 for residential homeowners.

29 (7) "Registration cancellation" means a written notice from the
30 department that a contractor's action is in violation of this chapter
31 and that the contractor's registration has been revoked.

32 (~~(+7)~~) (8) "Registration suspension" means a written notice from
33 the department that a contractor's action is a violation of this
34 chapter and that the contractor's registration has been suspended for
35 a specified time, or until the contractor shows evidence of compliance
36 with this chapter.

37 (~~(+8)~~) (9) "Residential homeowner" for the purposes of this

1 chapter and chapter 64.04 RCW means an individual person or persons
2 owning or leasing real property:

3 (a) Upon which one single-family residence is to be built and in
4 which the owner or lessee intends to reside upon completion of any
5 construction; or

6 (b) Upon which there is a single-family residence to which
7 improvements are to be made and in which the owner or lessee intends to
8 reside upon completion of any construction.

9 ~~((+9+))~~ (10) "Specialty contractor" means a contractor whose
10 operations do not (a) require or involve the use of any unrelated
11 building trade, craft, or contractor; nor (b) fall within the
12 definition of "general contractor".

13 ~~((+10+))~~ (11) "Unregistered contractor" means a person, firm,
14 corporation, or other entity doing work as a contractor without being
15 registered in compliance with this chapter. "Unregistered contractor"
16 includes contractors whose registration is expired, revoked, or
17 suspended. "Unregistered contractor" does not include a contractor who
18 has maintained a valid bond and the insurance or assigned account
19 required by RCW 18.27.050, and whose registration has lapsed for thirty
20 or fewer days.

21 ~~((+11+))~~ (12) "Unsatisfied final judgment" means a judgment that
22 has not been satisfied either through payment, court approved
23 settlement, discharge in bankruptcy, or assignment under RCW 19.72.070.

24 ~~((+12+))~~ (13) "Verification" means the receipt and duplication by
25 the city, town, or county of a contractor registration card that is
26 current on its face, checking the department's contractor registration
27 data base, or calling the department to confirm that the contractor is
28 registered.

29 **Sec. 7.** RCW 18.27.020 and 1997 c 314 s 3 are each amended to read
30 as follows:

31 (1) Every contractor shall register with the department.

32 (2) It is a gross misdemeanor for any contractor to:

33 (a) Advertise, offer to do work, submit a bid, or perform any work
34 as a contractor without being registered as required by this chapter;

35 (b) Advertise, offer to do work, submit a bid, or perform any work
36 as a contractor when the contractor's registration is suspended or
37 revoked;

1 (c) Use a false or expired registration number in purchasing or
2 offering to purchase an advertisement for which a contractor
3 registration number is required; (~~(e)~~)

4 (d) Transfer a valid registration to an unregistered contractor or
5 allow an unregistered contractor to work under a registration issued to
6 another contractor; or

7 (e) Subcontract work to or employ an unregistered contractor.

8 (3) It is not unlawful for a general contractor to employ an
9 unregistered contractor who was registered at the time he or she
10 entered into a contract with the general contractor, unless the general
11 contractor or his or her representative has been notified in writing by
12 the department of labor and industries that the contractor has become
13 unregistered.

14 (4) All (~~misdemeanor~~) actions under this chapter shall be
15 prosecuted in the county where the infraction occurs.

16 (5) A person is guilty of a separate gross misdemeanor for each day
17 worked if, after the person receives a citation from the department,
18 the person works while unregistered, or while his or her registration
19 is suspended or revoked, or works under a registration issued to
20 another contractor. A person is guilty of a separate gross misdemeanor
21 for each worksite on which he or she violates subsection (2) of this
22 section. Nothing in this subsection applies to a registered
23 contractor.

24 (6) The director by rule shall establish a two-year audit and
25 monitoring program for a contractor not registered under this chapter
26 who becomes registered after receiving an infraction or conviction
27 under this chapter as an unregistered contractor. The director shall
28 notify the departments of revenue and employment security of the
29 infractions or convictions and shall cooperate with these departments
30 to determine whether any taxes or registration, license, or other fees
31 or penalties are owed the state.

32 **Sec. 8.** RCW 18.27.030 and 2001 c 159 s 2 are each amended to read
33 as follows:

34 (1) An applicant for registration as a contractor shall submit an
35 application under oath upon a form to be prescribed by the director and
36 which shall include the following information pertaining to the
37 applicant:

- 1 (a) Employer social security number.
- 2 (b) Unified business identifier number, if required by the
3 department of revenue.
- 4 (c) Evidence of workers' compensation coverage for the applicant's
5 employees working in Washington, as follows:
- 6 (i) The applicant's industrial insurance account number issued by
7 the department;
- 8 (ii) The applicant's self-insurer number issued by the department;
9 or
- 10 (iii) For applicants domiciled in a state or province of Canada
11 subject to an agreement entered into under RCW 51.12.120(7), as
12 permitted by the agreement, filing a certificate of coverage issued by
13 the agency that administers the workers' compensation law in the
14 applicant's state or province of domicile certifying that the applicant
15 has secured the payment of compensation under the other state's or
16 province's workers' compensation law.
- 17 (d) Employment security department number.
- 18 (e) State excise tax registration number.
- 19 (f) Unified business identifier (UBI) account number may be
20 substituted for the information required by (c) of this subsection if
21 the applicant will not employ employees in Washington, and by (d) and
22 (e) of this subsection.
- 23 (g) Type of contracting activity, whether a general or a specialty
24 contractor and if the latter, the type of specialty, and whether the
25 contractor engages or intends to engage in the new construction,
26 repair, alteration, or remodel of the single-family residence or
27 appurtenant garage of any residential homeowner.
- 28 (h) The name and address of each partner if the applicant is a firm
29 or partnership, or the name and address of the owner if the applicant
30 is an individual proprietorship, or the name and address of the
31 corporate officers and statutory agent, if any, if the applicant is a
32 corporation or the name and address of all members of other business
33 entities.
- 34 (i) The information contained in such application is a matter of
35 public record and open to public inspection.
- 36 (2) The department may verify the workers' compensation coverage
37 information provided by the applicant under subsection (1)(c) of this
38 section, including but not limited to information regarding the

1 coverage of an individual employee of the applicant. If coverage is
2 provided under the laws of another state, the department may notify the
3 other state that the applicant is employing employees in Washington.

4 (3)(a) The department shall deny an application for registration
5 if: (i) The applicant has been previously performing work subject to
6 this chapter as a sole proprietor, partnership, corporation, or other
7 entity and the department has notice that the applicant has an
8 unsatisfied final judgment against him or her in an action based on
9 this chapter or the applicant owes the department money for penalties
10 assessed or fees due under this chapter as a result of a final
11 judgment; (ii) the applicant was a principal or officer of a
12 partnership, corporation, or other entity that either has an
13 unsatisfied final judgment against it in an action that was incurred
14 for work performed subject to this chapter or owes the department money
15 for penalties assessed or fees due under this chapter as a result of a
16 final judgment; or (iii) the applicant does not have a valid unified
17 business identifier number, if required by the department of revenue.

18 (b) The department shall suspend an active registration if (i) the
19 department has notice that the registrant is a contractor or sole
20 proprietor or a principal or officer of a registered contractor that
21 has an unsatisfied final judgment against it for work within the scope
22 of this chapter; or (ii) the applicant does not maintain a valid
23 unified business identifier number, if required by the department of
24 revenue.

25 (4) The department shall not deny an application or suspend a
26 registration because of an unsatisfied final judgment if the
27 applicant's or registrant's unsatisfied final judgment was determined
28 by the director to be the result of the fraud or negligence of another
29 party.

30 **Sec. 9.** RCW 18.27.040 and 2001 c 159 s 3 are each amended to read
31 as follows:

32 (1) Each applicant shall file with the department a surety bond
33 issued by a surety insurer who meets the requirements of chapter 48.28
34 RCW in the sum of twelve thousand dollars if the applicant is a general
35 contractor and six thousand dollars if the applicant is a specialty
36 contractor. If no valid bond is already on file with the department at
37 the time the application is filed, a bond must accompany the

1 registration application. The bond shall have the state of Washington
2 named as obligee with good and sufficient surety in a form to be
3 approved by the department. The bond shall be continuous and may be
4 canceled by the surety upon the surety giving written notice to the
5 director. A cancellation or revocation of the bond or withdrawal of
6 the surety from the bond automatically suspends the registration issued
7 to the registrant until a new bond or reinstatement notice has been
8 filed and approved as provided in this section. The bond shall be
9 conditioned that the applicant will pay all persons performing labor,
10 including employee benefits, for the contractor, will pay all taxes and
11 contributions due to the state of Washington, and will pay all persons
12 furnishing labor or material or renting or supplying equipment to the
13 contractor and will pay all amounts that may be adjudged against the
14 contractor by reason of breach of contract including negligent or
15 improper work in the conduct of the contracting business. A change in
16 the name of a business or a change in the type of business entity shall
17 not impair a bond for the purposes of this section so long as one of
18 the original applicants for such bond maintains partial ownership in
19 the business covered by the bond.

20 (2) At the time of initial registration or renewal, the contractor
21 shall provide a bond or other security deposit as required by this
22 chapter and comply with all of the other provisions of this chapter
23 before the department shall issue or renew the contractor's certificate
24 of registration. Any contractor registered as of July 1, 2001, who
25 maintains that registration in accordance with this chapter is in
26 compliance with this chapter until the next renewal of the contractor's
27 certificate of registration.

28 (3) Any person, firm, or corporation having a claim against the
29 contractor for any of the items referred to in this section may bring
30 suit upon the bond or deposit in the superior court of the county in
31 which the work was done or of any county in which jurisdiction of the
32 contractor may be had. The surety issuing the bond shall be named as
33 a party to any suit upon the bond. Action upon the bond or deposit
34 brought by a residential homeowner for breach of contract by a party to
35 the construction contract shall be commenced by filing the summons and
36 complaint with the clerk of the appropriate superior court within two
37 years from the date the claimed contract work was substantially
38 completed or abandoned. Action upon the bond or deposit brought by any

1 other authorized party shall be commenced by filing the summons and
2 complaint with the clerk of the appropriate superior court within one
3 year from the date the claimed labor was performed and benefits
4 accrued, taxes and contributions owing the state of Washington became
5 due, materials and equipment were furnished, or the claimed contract
6 work was substantially completed or abandoned. Service of process in
7 an action against the contractor, the contractor's bond, or the deposit
8 shall be exclusively by service upon the department. Three copies of
9 the summons and complaint and a fee adopted by rule of not less than
10 twenty dollars to cover the costs shall be served by registered or
11 certified mail, or other delivery service requiring notice of receipt,
12 upon the department at the time suit is started and the department
13 shall maintain a record, available for public inspection, of all suits
14 so commenced. Service is not complete until the department receives
15 the fee and three copies of the summons and complaint. The service
16 shall constitute service on the registrant and the surety for suit upon
17 the bond or deposit and the department shall transmit the summons and
18 complaint or a copy thereof to the registrant at the address listed in
19 the registrant's application and to the surety within two days after it
20 shall have been received.

21 (4) The surety upon the bond shall not be liable in an aggregate
22 amount in excess of the amount named in the bond nor for any monetary
23 penalty assessed pursuant to this chapter for an infraction. The
24 liability of the surety shall not cumulate where the bond has been
25 renewed, continued, reinstated, reissued or otherwise extended. The
26 surety upon the bond may, upon notice to the department and the
27 parties, tender to the clerk of the court having jurisdiction of the
28 action an amount equal to the claims thereunder or the amount of the
29 bond less the amount of judgments, if any, previously satisfied
30 therefrom and to the extent of such tender the surety upon the bond
31 shall be exonerated but if the actions commenced and pending at any one
32 time exceed the amount of the bond then unimpaired, claims shall be
33 satisfied from the bond in the following order:

34 (a) Employee labor and claims of laborers, including employee
35 benefits;

36 (b) Claims for breach of contract by a party to the construction
37 contract;

38 (c) Registered or licensed subcontractors, material, and equipment;

1 (d) Taxes and contributions due the state of Washington;

2 (e) Any court costs, interest, and ((~~attorney's~~ [attorneys']))
3 attorneys' fees plaintiff may be entitled to recover. The surety is
4 not liable for any amount in excess of the penal limit of its bond.

5 A payment made by the surety in good faith exonerates the bond to
6 the extent of any payment made by the surety.

7 (5) The total amount paid from a bond or deposit required of a
8 general contractor by this section to claimants other than residential
9 homeowners must not exceed one-half of the bond amount. The total
10 amount paid from a bond or deposit required of a specialty contractor
11 by this section to claimants other than residential homeowners must not
12 exceed one-half of the bond amount or four thousand dollars, whichever
13 is greater.

14 (6) The prevailing party in an action filed under this section
15 against the contractor and contractor's bond or deposit, for breach of
16 contract by a party to ((a)) the construction contract involving a
17 residential homeowner, is entitled to costs, interest, and reasonable
18 attorneys' fees. The surety upon the bond is not liable in an
19 aggregate amount in excess of the amount named in the bond nor for any
20 monetary penalty assessed pursuant to this chapter for an infraction.

21 (7) If a final judgment impairs the liability of the surety upon
22 the bond so furnished that there is not in effect a bond in the full
23 amount prescribed in this section, the registration of the contractor
24 is automatically suspended until the bond liability in the required
25 amount unimpaired by unsatisfied judgment claims is furnished.

26 (8) In lieu of the surety bond required by this section the
27 contractor may file with the department a deposit consisting of cash or
28 other security acceptable to the department.

29 (9) Any person having filed and served a summons and complaint as
30 required by this section having an unsatisfied final judgment against
31 the registrant for any items referred to in this section may execute
32 upon the security held by the department by serving a certified copy of
33 the unsatisfied final judgment by registered or certified mail upon the
34 department within one year of the date of entry of such judgment. Upon
35 the receipt of service of such certified copy the department shall pay
36 or order paid from the deposit, through the registry of the superior
37 court which rendered judgment, towards the amount of the unsatisfied

1 judgment. The priority of payment by the department shall be the order
2 of receipt by the department, but the department shall have no
3 liability for payment in excess of the amount of the deposit.

4 (10) The director (~~((may))~~) shall require an applicant applying to
5 renew or reinstate a registration or applying for a new registration to
6 file a bond of (~~((up to three))~~) at least two times, but not more than
7 five times, the normally required amount, if the director determines
8 that an applicant, or a previous registration of a corporate officer,
9 owner, or partner of a current applicant, has had in the past five
10 years a total of six final judgments in actions under this chapter
11 involving a residential single-family dwelling on two or more different
12 structures.

13 (11) The director may adopt rules necessary for the proper
14 administration of the security.

15 **Sec. 10.** RCW 18.27.080 and 1988 c 285 s 2 are each amended to read
16 as follows:

17 (1) No person engaged in the business or acting in the capacity of
18 a contractor may: (a) Bring or maintain any action in any court of
19 this state for the collection of compensation for the performance of
20 any work or for breach of any contract for which registration is
21 required under this chapter; or (b) commence any action to compel
22 another to comply with an arbitration or similar provision in the
23 contractor's contract, or to enforce any such arbitration ruling;
24 without alleging and proving that he was a duly registered contractor
25 and held a current and valid certificate of registration at the time he
26 contracted for the performance of such work or entered into such
27 contract.

28 (2) For the purposes of this section, the court shall not find a
29 contractor in substantial compliance with the registration requirements
30 of this chapter unless: (~~((+1))~~) (a) The department has on file the
31 information required by RCW 18.27.030; (~~((+2))~~) (b) the contractor has
32 a current bond or other security as required by RCW 18.27.040; and
33 (~~((+3))~~) (c) the contractor has current insurance as required by RCW
34 18.27.050. In determining under this section whether a contractor is
35 in substantial compliance with the registration requirements of this
36 chapter, the court shall take into consideration the length of time

1 during which the contractor did not hold a valid certificate of
2 registration.

3 **Sec. 11.** RCW 18.27.200 and 2002 c 82 s 6 are each amended to read
4 as follows:

5 (1) It is a violation of this chapter and an infraction for any
6 contractor to:

7 (a) Advertise, offer to do work, submit a bid, or perform any work
8 as a contractor without being registered as required by this chapter;

9 (b) Advertise, offer to do work, submit a bid, or perform any work
10 as a contractor when the contractor's registration is suspended or
11 revoked;

12 (c) Transfer a valid registration to an unregistered contractor or
13 allow an unregistered contractor to work under a registration issued to
14 another contractor; or

15 (d) If the contractor is a contractor as defined in RCW 18.106.010,
16 violate RCW 18.106.320.

17 (2) It is a violation of this chapter and an infraction for any
18 contractor to employ an unregistered contractor. It is not a violation
19 for a contractor to employ an unregistered contractor who was
20 registered at the time he or she entered into a contract with the
21 general contractor, unless the contractor or his or her representative
22 has been notified in writing by the department that the contractor has
23 become unregistered.

24 (3) Each day that a contractor works without being registered as
25 required by this chapter, works while the contractor's registration is
26 suspended or revoked, employs an unregistered contractor, or works
27 under a registration issued to another contractor is a separate
28 infraction. Each worksite at which a contractor works without being
29 registered as required by this chapter, works while the contractor's
30 registration is suspended or revoked, or works under a registration
31 issued to another contractor is a separate infraction.

32 **Sec. 12.** RCW 18.27.340 and 1997 c 314 s 17 are each amended to
33 read as follows:

34 (1) Except as otherwise provided in subsection (3) of this section,
35 a contractor found to have committed an infraction under RCW 18.27.200

1 shall be assessed a monetary penalty of not less than two hundred
2 dollars and not more than five thousand dollars.

3 (2) The director may waive collection in favor of payment of
4 restitution to a consumer complainant.

5 (3) A contractor found to have committed an infraction under RCW
6 18.27.200 for:

7 (a) Failure to register; or

8 (b) Employing an unregistered contractor,

9 shall be assessed a fine of not less than one thousand dollars, nor
10 more than five thousand dollars. The director may reduce the penalty
11 for failure to register, but in no case below five hundred dollars, if
12 the person becomes registered within ten days of receiving a notice of
13 infraction and the notice of infraction is for a first offense. The
14 director may reduce the penalty for employing an unregistered
15 contractor, but in no case may reduce the penalty below seven hundred
16 fifty dollars, if the notice of infraction is for a first offense for
17 employing an unregistered contractor.

18 (4) Monetary penalties collected under this chapter shall be
19 deposited in the general fund.

20 NEW SECTION. Sec. 13. This act takes effect July 1, 2007."

SSB 6740 - S AMD
By Senator

21 On page 1, line 2 of the title, after "homes;" strike the remainder
22 of the title and insert "amending RCW 60.04.091, 60.04.250, 60.04.031,
23 60.04.011, 18.27.010, 18.27.020, 18.27.030, 18.27.040, 18.27.080,
24 18.27.200, and 18.27.340; creating a new section; prescribing
25 penalties; and providing an effective date."

EFFECT: Retains existing 10-day look back period for initial lien

notices on new residential construction, and reduces existing 60-day look back period for such notices on residential remodels. Deletes all other references to changes in contractor bonding and lien rights of suppliers and subcontractors. Clarifies that architects are not considered contractors, except for the prohibition against third-party hiring of unregistered contractors.

--- END ---