

# SENATE BILL REPORT

## 2SHB 3349

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As Reported By Senate Committee On:  
Labor, Commerce, Research & Development, February 28, 2008  
Ways & Means, March 03, 2008

**Title:** An act relating to a sunrise review of the need for single-family residential contractor licensing.

**Brief Description:** Providing a review of the need for residential contractor licensing.

**Sponsors:** House Committee on Appropriations (originally sponsored by Representatives Ericks, Eddy, Kelley, Conway, Springer and Rolfes).

**Brief History:** Passed House: 2/15/08, 93-1.

**Committee Activity:** Labor, Commerce, Research & Development: 2/26/08, 2/28/08 [DP-WM].

Ways & Means: 3/3/08 [DP].

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### SENATE COMMITTEE ON LABOR, COMMERCE, RESEARCH & DEVELOPMENT

**Majority Report:** Do pass and be referred to Committee on Ways & Means.

Signed by Senators Kohl-Welles, Chair; Keiser, Vice Chair; Holmquist, Ranking Minority Member; Franklin, King, Murray and Prentice.

**Staff:** Ingrid Mungia (786-7423)

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Pridemore, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Fairley, Hatfield, Hobbs, Honeyford, Keiser, Oemig, Parlette, Rasmussen, Regala, Rockefeller, Schoesler and Tom.

**Staff:** Maria Hovde (786-7710)

**Background:** The Contractor Registration Act (Act) requires contractors to register with the Department of Labor and Industries. "Contractor" is defined as including any person who undertakes to construct, alter, repair, add to, subtract from, improve, develop, move, wreck, or demolish any building or other structure.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

An applicant for registration must submit a form that contains certain information, including the applicant's Unified Business Identifier (UBI) number. The applicant must also file a surety bond and furnish proof of liability insurance.

An applicant is not required to have work experience, take classes, pass an examination, or otherwise demonstrate competence in the construction trade or knowledge of the applicable laws to register. (Applicants seeking to register as electrical and plumbing contractors, however, must meet additional requirements.)

**Summary of Bill:** The Department of Licensing (DOL) is required to conduct a sunrise review of the need for regulation of contractors involved in the repair, alteration, or construction of single-family homes. In conducting the review, the DOL must:

- consult with representatives of and suppliers to residential contractors, consumer protection organizations and consumers, and legal authorities;
- examine regulatory and licensing programs in other states;
- conduct one or more public hearings to allow for industry and consumer testimony; and
- evaluate consumer complaints, including complaints filed with the Department of Labor and Industries and the Office of the Attorney General.

By October 1, 2008, the DOL must submit to appropriate legislative committees its recommendations regarding the need for regulation, and if regulation is recommended, the minimum qualifications that should be required.

If funding is not provided in the budget, the act is null and void.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony on Second Substitute (Labor, Commerce, Research & Development):** PRO: There were issues raised last year regarding home warranties and contractor liability. During the interim, we examined the issues, met with stakeholders, and looked for a starting place. The sunrise review would provide a thorough review and bring different options forward to address the issue of contractor regulations. This is a good opportunity to look at the complaints filed involving contractors. The study is a thoughtful way to get a broader look at contractor licensing.

**Persons Testifying (Labor, Commerce, Research & Development):** PRO: Representative Ericks, prime sponsor; Amy Brackenbury, Building Industry Association of Washington; Bill Stauffacher, Independent Insurance Agents & Brokers.

**Staff Summary of Public Testimony (Ways & Means):** PRO: I am supportive of the efforts to improve the quality of construction standards and the affordability and availability of these services. Reviewing the licensing standards in other states to determine what might be appropriate for use in this state is a good step in that direction.

**Persons Testifying (Ways & Means):** PRO: Mel Sorenson, Professional Insurance Agents Association.