
HOUSE BILL 1531

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By Representatives McCune, Angel, Haler, Campbell, Hinkle, Bailey, Condotta, Shea, Crouse, Chandler, Pearson, O'Brien, Williams, Johnson, Kristiansen, and Smith

Read first time 01/22/09. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to requiring background checks for those providing
2 locksmith services; amending RCW 18.27.010 and 18.27.030; and adding a
3 new section to chapter 18.27 RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 18.27 RCW
6 to read as follows:

7 (1) The department shall require applicants for registration and
8 renewal who perform locksmith services to complete a fingerprint-based
9 background check through the Washington state patrol criminal
10 identification system and through the federal bureau of investigation.
11 If the applicant is a partnership, corporation, or other entity, all
12 owners, principals, or officers shall also complete the background
13 check. The applicant must also be required to submit background checks
14 for their employees and subcontractors. The applicant must be required
15 to pay the current federal and state fees for fingerprint-based
16 criminal history background checks. The applicant shall submit the
17 fingerprints and required fees for the background checks to the
18 department for submission to the Washington state patrol. The

1 department may consider the recent issuance of a license that required
2 a fingerprint-based national criminal information background check, in
3 order to accelerate the registration process.

4 (2) The department shall develop by rule a process for determining
5 which applicants and registrants perform locksmith services and ensure
6 all registrants performing locksmith services have a fingerprint and
7 background check done on a regular basis.

8 **Sec. 2.** RCW 18.27.010 and 2007 c 436 s 1 are each amended to read
9 as follows:

10 The definitions in this section apply throughout this chapter
11 unless the context clearly requires otherwise.

12 (1) "Contractor" includes any person, firm, corporation, or other
13 entity who or which, in the pursuit of an independent business
14 undertakes to, or offers to undertake, or submits a bid to, construct,
15 alter, repair, add to, subtract from, improve, develop, move, wreck, or
16 demolish any building, highway, road, railroad, excavation or other
17 structure, project, development, or improvement attached to real estate
18 or to do any part thereof including the installation of carpeting or
19 other floor covering, the erection of scaffolding or other structures
20 or works in connection therewith, the installation or repair of roofing
21 or siding, performing tree removal services, or cabinet or similar
22 installation; or, who, to do similar work upon his or her own property,
23 employs members of more than one trade upon a single job or project or
24 under a single building permit except as otherwise provided in this
25 chapter. "Contractor" also includes a consultant acting as a general
26 contractor. "Contractor" also includes any person, firm, corporation,
27 or other entity covered by this subsection, whether or not registered
28 as required under this chapter or who are otherwise required to be
29 registered or licensed by law, who offer to sell their property without
30 occupying or using the structures, projects, developments, or
31 improvements for more than one year from the date the structure,
32 project, development, or improvement was substantially completed or
33 abandoned.

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

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

1 (4) "Filing" means delivery of a document that is required to be
2 filed with an agency to a place designated by the agency.

3 (5) "General contractor" means a contractor whose business
4 operations require the use of more than one building trade or craft
5 upon a single job or project or under a single building permit. A
6 general contractor also includes one who superintends, or consults on,
7 in whole or in part, work falling within the definition of a
8 contractor.

9 (6) "Locksmith services" include repairing, rekeying, opening,
10 modifying, servicing, or installing any mechanical, electromechanical,
11 electronic, or electromagnetic device, or similar device, including any
12 peripheral hardware, that is designed to control access from one area
13 to another, or that is designed to control the use of a device.

14 (7) "Notice of infraction" means a form used by the department to
15 notify contractors that an infraction under this chapter has been filed
16 against them.

17 ~~((7))~~ (8) "Partnership" means a business formed under Title 25
18 RCW.

19 ~~((8))~~ (9) "Registration cancellation" means a written notice from
20 the department that a contractor's action is in violation of this
21 chapter and that the contractor's registration has been revoked.

22 ~~((9))~~ (10) "Registration suspension" means either an automatic
23 suspension as provided in this chapter, or a written notice from the
24 department that a contractor's action is a violation of this chapter
25 and that the contractor's registration has been suspended for a
26 specified time, or until the contractor shows evidence of compliance
27 with this chapter.

28 ~~((10))~~ (11) "Residential homeowner" means an individual person or
29 persons owning or leasing real property:

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

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

36 ~~((11))~~ (12) "Service," except as otherwise provided in RCW
37 18.27.225 and 18.27.370, means posting in the United States mail,
38 properly addressed, postage prepaid, return receipt requested, or

1 personal service. Service by mail is complete upon deposit in the
2 United States mail to the last known address provided to the
3 department.

4 ~~((+12+))~~ (13) "Specialty contractor" means a contractor whose
5 operations do not fall within the definition of "general contractor".
6 A specialty contractor may only subcontract work that is incidental to
7 the specialty contractor's work.

8 ~~((+13+))~~ (14) "Substantial completion" means the same as
9 "substantial completion of construction" in RCW 4.16.310.

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

18 ~~((+15+))~~ (16) "Unsatisfied final judgment" means a judgment or
19 final tax warrant that has not been satisfied either through payment,
20 court approved settlement, discharge in bankruptcy, or assignment under
21 RCW 19.72.070.

22 ~~((+16+))~~ (17) "Verification" means the receipt and duplication by
23 the city, town, or county of a contractor registration card that is
24 current on its face, checking the department's contractor registration
25 database, or calling the department to confirm that the contractor is
26 registered.

27 **Sec. 3.** RCW 18.27.030 and 2008 c 120 s 1 are each amended to read
28 as follows:

29 (1) An applicant for registration as a contractor shall submit an
30 application under oath upon a form to be prescribed by the director and
31 which shall include the following information pertaining to the
32 applicant:

- 33 (a) Employer social security number.
- 34 (b) Unified business identifier number.
- 35 (c) Evidence of workers' compensation coverage for the applicant's
36 employees working in Washington, as follows:

1 (i) The applicant's industrial insurance account number issued by
2 the department;

3 (ii) The applicant's self-insurer number issued by the department;
4 or

5 (iii) For applicants domiciled in a state or province of Canada
6 subject to an agreement entered into under RCW 51.12.120(7), as
7 permitted by the agreement, filing a certificate of coverage issued by
8 the agency that administers the workers' compensation law in the
9 applicant's state or province of domicile certifying that the applicant
10 has secured the payment of compensation under the other state's or
11 province's workers' compensation law.

12 (d) Employment security department number.

13 (e) Unified business identifier (UBI) account number may be
14 substituted for the information required by (c) and (d) of this
15 subsection if the applicant will not employ employees in Washington.

16 (f) Type of contracting activity, whether a general or a specialty
17 contractor and if the latter, the type of specialty.

18 (g) The name and address of each partner if the applicant is a firm
19 or partnership, or the name and address of the owner if the applicant
20 is an individual proprietorship, or the name and address of the
21 corporate officers and statutory agent, if any, if the applicant is a
22 corporation or the name and address of all members of other business
23 entities. The information contained in such application is a matter of
24 public record and open to public inspection.

25 (2) The department may verify the workers' compensation coverage
26 information provided by the applicant under subsection (1)(c) of this
27 section, including but not limited to information regarding the
28 coverage of an individual employee of the applicant. If coverage is
29 provided under the laws of another state, the department may notify the
30 other state that the applicant is employing employees in Washington.

31 (3)(a) The department shall deny an application for registration
32 if: (i) The applicant has been previously performing work subject to
33 this chapter as a sole proprietor, partnership, corporation, or other
34 entity and the department has notice that the applicant has an
35 unsatisfied final judgment against him or her in an action based on
36 work performed subject to this chapter or the applicant owes the
37 department money for penalties assessed or fees due under this chapter
38 as a result of a final judgment; (ii) the applicant was an owner,

1 principal, or officer of a partnership, corporation, or other entity
2 that either has an unsatisfied final judgment against it in an action
3 that was incurred for work performed subject to this chapter or owes
4 the department money for penalties assessed or fees due under this
5 chapter as a result of a final judgment; (iii) the applicant does not
6 have a valid unified business identifier number; (iv) the department
7 determines that the applicant has falsified information on the
8 application, unless the error was inadvertent; (~~(v)~~) (v) the applicant
9 does not have an active and valid certificate of registration with the
10 department of revenue; or (vi) the applicant is engaged in locksmith
11 services and any owner, principal, officer, or employee of the
12 applicant's business entity has been convicted in this state or
13 elsewhere of: (A) A violent offense or sex offense as defined in RCW
14 9.94A.030; (B) a felony involving a schedule I or II controlled
15 substance; (C) a felony involving a motor vehicle under chapter 9A.56
16 RCW; or (D) a crime under chapter 9A.52 RCW.

17 (b) The department shall suspend an active registration if (i) the
18 department has determined that the registrant has an unsatisfied final
19 judgment against it for work within the scope of this chapter; (ii) the
20 department has determined that the registrant is a sole proprietor or
21 an owner, principal, or officer of a registered contractor that has an
22 unsatisfied final judgment against it for work within the scope of this
23 chapter; (iii) the registrant does not maintain a valid unified
24 business identifier number; (iv) the department has determined that the
25 registrant falsified information on the application, unless the error
26 was inadvertent; (~~(v)~~) (v) the registrant does not have an active and
27 valid certificate of registration with the department of revenue; or
28 (vi) the registrant is engaged in locksmith services and any owner,
29 principal, officer, or employee of the registrant's business entity has
30 been convicted in this state or elsewhere of: (A) A violent offense or
31 sex offense as defined in RCW 9.94A.030; (B) a felony involving a
32 schedule I or II controlled substance; (C) a felony involving a motor
33 vehicle under chapter 9A.56 RCW; or (D) a crime under chapter 9A.52
34 RCW.

35 (c) The department may suspend an active registration if the
36 department has determined that an owner, principal, partner, or officer
37 of the registrant was an owner, principal, or officer of a previous

1 partnership, corporation, or other entity that has an unsatisfied final
2 judgment against it.

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

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