
SENATE BILL 6575

State of Washington 61st Legislature 2010 Regular Session

By Senators Kohl-Welles, Keiser, Kline, Franklin, and McDermott

Read first time 01/18/10. Referred to Committee on Labor, Commerce & Consumer Protection.

1 AN ACT Relating to recommendations of the joint legislative task
2 force on the underground economy; amending RCW 18.27.340 and 18.27.070;
3 reenacting and amending RCW 60.28.040; adding new sections to chapter
4 18.27 RCW; prescribing penalties; and providing an effective date.

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

6 **Sec. 1.** RCW 18.27.340 and 1997 c 314 s 17 are each amended to read
7 as follows:

8 (1) Except as otherwise provided in subsection (3) of this section,
9 a contractor found to have committed an infraction under RCW 18.27.200
10 shall be assessed a monetary penalty of not less than two hundred
11 dollars and not more than five thousand dollars.

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

14 (3) A contractor found to have committed an infraction under RCW
15 18.27.200 for failure to register shall be assessed a fine of not less
16 than one thousand dollars, nor more than five thousand dollars. For a
17 first offense, the director may reduce the penalty for failure to
18 register, but in no case below five hundred dollars, if the person:
19 Becomes registered within ten days of receiving a notice of infraction

1 (~~and the notice of infraction is for a first offense~~); and registers
2 for a department-approved contractor training class under section 2 of
3 this act within ten days of receiving a notice of infraction, completes
4 the class within one hundred twenty days of receiving the notice of
5 infraction, and pays any required class fees upon class registration.

6 (4) Until July 1, 2011, monetary penalties collected under this
7 chapter shall be deposited in the general fund. Beginning July 1,
8 2011, monetary penalties and class fees collected under this chapter
9 shall be deposited in the contractor registration account.

10 NEW SECTION. Sec. 2. A new section is added to chapter 18.27 RCW
11 to read as follows:

12 The department may approve or conduct contractor training classes
13 and charge a fee, payable upon class registration, that covers the
14 costs of administering the class. The department may adopt rules
15 relating to the number of classes to be offered by the department, the
16 locations of these classes, class fees, and curriculum.

17 **Sec. 3.** RCW 18.27.070 and 1997 c 314 s 7 are each amended to read
18 as follows:

19 (1) The department shall charge fees for issuance, renewal, and
20 reinstatement of certificates of registration; and changes of name,
21 address, or business structure. The department shall set the fees by
22 rule.

23 (2) The entire amount of the fees are to be used solely to cover
24 the full cost of issuing certificates, filing papers and notices, and
25 administering and enforcing this chapter. The costs shall include
26 reproduction, travel, per diem, and administrative and legal support
27 costs.

28 (3) The department shall deposit all fees in the contractor
29 registration account.

30 NEW SECTION. Sec. 4. A new section is added to chapter 18.27 RCW
31 to read as follows:

32 The contractor registration account is created in the state
33 treasury. The department shall deposit in the account all moneys from
34 registrations, renewals, or civil penalties assessed and collected
35 under this chapter. Appropriations from the account, not including

1 moneys transferred to the general fund pursuant to RCW 18.27.070, may
2 be made only for the purposes of administration of the chapter,
3 including conducting contractor training classes under section 2 of
4 this act.

5 **Sec. 5.** RCW 60.28.040 and 2009 c 432 s 7 and 2009 c 219 s 7 are
6 each reenacted and amended to read as follows:

7 (1) Subject to subsection (5) of this section, the amount of all
8 taxes, increases, and penalties due or to become due under Title 82
9 RCW, from a contractor or the contractor's successors or assignees with
10 respect to a public improvement contract wherein the contract price is
11 thirty-five thousand dollars or more, shall be a lien prior to all
12 other liens upon the amount of the retained percentage withheld by the
13 disbursing officer under such contract.

14 (2) Subject to subsection (5) of this section, after payment of all
15 taxes, increases, and penalties due or to become due under Title 82
16 RCW, from a contractor or the contractor's successors or assignees with
17 respect to a public improvement contract wherein the contract price is
18 (~~twenty~~) thirty-five thousand dollars or more, the amount of all
19 other taxes, increases, and penalties under Title 82 RCW, due and owing
20 from the contractor, shall be a lien prior to all other liens upon the
21 amount of the retained percentage withheld by the disbursing officer
22 under such contract.

23 (3) Subject to subsection (5) of this section, after payment of all
24 taxes, increases, and penalties due or to become due under Title 82
25 RCW, the amount of all taxes, increases, and penalties due or to become
26 due under Titles 50 and 51 RCW from the contractor or the contractor's
27 successors or assignees with respect to a public improvement contract
28 wherein the contract price is (~~twenty~~) thirty-five thousand dollars
29 or more, shall be a lien prior to all other liens upon the amount of
30 the retained percentage withheld by the disbursing officer under such
31 contract.

32 (4) Subject to subsection (5) of this section, the amount of all
33 other taxes, increases, and penalties due and owing from the contractor
34 shall be a lien upon the balance of such retained percentage remaining
35 in the possession of the disbursing officer after all other statutory
36 lien claims have been paid.

1 (5) The employees of a contractor or the contractor's successors or
2 assignees who have not been paid the prevailing wage under such a
3 public improvement contract shall have a first priority lien against
4 the bond or retainage prior to all other liens.

5 NEW SECTION. **Sec. 6.** Sections 3 and 4 of this act take effect
6 July 1, 2011.

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