

ESHB 2669 - S COMM AMD

By Committee on Labor, Commerce & Consumer Protection

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

3 "NEW SECTION. **Sec. 1.** A new section is added to chapter 39.12 RCW
4 to read as follows:

5 (1) When a contractor or subcontractor quits business, sells out,
6 exchanges, or otherwise disposes of the contractor or subcontractor's
7 business, a successor entity is liable for a violation of this chapter
8 by the contractor or subcontractor if the successor entity had actual
9 notice of the violation at the time of the sale or conveyance.

10 (2) The successor liability under this section includes liability
11 for unpaid prevailing wages and interest, as well as monetary and
12 nonmonetary sanctions under RCW 39.12.050 and 39.12.065.

13 (3) An entity may be a successor entity under this section if the
14 contractor or subcontractor directly or indirectly sells or otherwise
15 conveys in bulk and not in the ordinary course of business a
16 substantial portion of its assets for appreciably less than fair market
17 value, whether tangible or intangible, to the entity. Factors that may
18 be considered in determining whether an entity is a successor entity
19 include, but are not limited to, the following:

- 20 (a) Substantial continuity of the same business operation;
- 21 (b) Use of the same machinery or equipment;
- 22 (c) Similarity of jobs and working conditions;
- 23 (d) Continuity of supervisors;
- 24 (e) Use of the substantially same workforce;
- 25 (f) Similarity of products or services; and
- 26 (g) The extent to which the sale of assets was not an arms length
27 transaction."

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1 On page 1, line 1 of the title, after "wages;" strike the remainder
2 of the title and insert "and adding a new section to chapter 39.12
3 RCW."

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