

HOUSE BILL REPORT

ESHB 1055

As Passed House:
March 5, 2011

Title: An act relating to streamlining contractor appeals.

Brief Description: Regarding the streamlining of contractor appeals.

Sponsors: House Committee on Labor & Workforce Development (originally sponsored by Representatives Hudgins, Green, McCoy, Eddy, Kenney and Reykdal; by request of Department of Labor & Industries).

Brief History:

Committee Activity:

Labor & Workforce Development: 1/12/11, 1/19/11 [DPS].

Floor Activity:

Passed House: 3/5/11, 97-0.

Brief Summary of Engrossed Substitute Bill

- Changes the time period to appeal contractor infractions from 20 to 30 days.
- Eliminates the separate appeal period for the penalty.

HOUSE COMMITTEE ON LABOR & WORKFORCE DEVELOPMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives Sells, Chair; Reykdal, Vice Chair; Condotta, Ranking Minority Member; Shea, Assistant Ranking Minority Member; Fagan, Green, Kenney, Miloscia, Moeller, Ormsby, Roberts, Taylor and Warnick.

Staff: Joan Elgee (786-7106).

Background:

The Contractor Registration Act requires general and specialty contractors to register with the Department of Labor and Industries (Department). In addition to registering, contractors must follow requirements relating to advertising, bonds and insurance, and other matters.

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.

The Department may issue a notice of infraction to an entity for failure to register and to registered contractors for specified violations. Monetary penalties are set forth. A party has 20 days to contest a notice of infraction by filing a notice of appeal with the Department. Appeals are heard by an administrative law judge (ALJ) with the Office of Administrative Hearings. Generally, penalties must be paid within 30 days of a final determination by the ALJ.

If an unregistered contractor defaults in payment of a penalty, the Director of the Department may issue a notice of assessment. An unregistered contractor has 30 days to contest the penalty by requesting reconsideration or filing an appeal in court. Procedures are set forth for filing a warrant in the amount of the assessment in superior court and for enforcing the warrant in the same manner as a judgment.

Summary of Engrossed Substitute Bill:

The time period to appeal contractor infractions is changed from 20 to 30 days. The separate 30-day time period for an unregistered contractor to appeal a notice of assessment by requesting reconsideration or filing an appeal in court is eliminated. Instead, the notice of infraction serves as the notice of assessment for both unregistered and registered contractor violations. If a contractor does not appeal a notice of infraction within the 30-day appeal time period, the notice becomes final.

The procedures for filing and enforcing a warrant in court are made applicable to all penalties, not limited to penalties for unregistered contractors.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This bill is one of several Department of Labor and Industries' requested bills to clean things up that are not quite right. The 20-day period is how appeals were handled before 2001. The second appeal period process has had inadvertent consequences. It is misleading since the infraction cannot be changed. Businesses have asked that the law be more clear.

(Opposed) None.

Persons Testifying: Tamara Jones, Department of Labor and Industries.

Persons Signed In To Testify But Not Testifying: None.