

# SENATE BILL REPORT

## SB 5066

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As Reported by Senate Committee On:  
Labor, Commerce & Consumer Protection, January 24, 2011

**Title:** An act relating to streamlining contractor appeals.

**Brief Description:** Regarding the streamlining of contractor appeals.

**Sponsors:** Senators Conway, Kohl-Welles and Kline; by request of Department of Labor & Industries.

**Brief History:**

**Committee Activity:** Labor, Commerce & Consumer Protection: 1/20/11, 1/24/11 [DPS].

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### SENATE COMMITTEE ON LABOR, COMMERCE & CONSUMER PROTECTION

**Majority Report:** That Substitute Senate Bill No. 5066 be substituted therefor, and the substitute bill do pass.

Signed by Senators Kohl-Welles, Chair; Conway, Vice Chair; Holmquist Newbry, Ranking Minority Member; King, Assistant Ranking Minority Member; Hewitt, Keiser and Kline.

**Staff:** Edith Rice (786-7444)

**Background:** The Contractor Registration Act (Act) requires contractors to register with the Department of Labor and Industries (Department). Contractors must comply with requirements relating to advertising, bonds and insurance, and other matters.

The Department may issue a notice of infraction to an unregistered contractor for failure to register and to registered contractors for specified violations. Monetary penalties are set forth. A contractor 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. Penalties must generally be paid within 30 days of a final determination by the ALJ.

If an unregistered contractor defaults in a 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

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set forth for filing a warrant in superior court and for enforcing the warrant in the same manner as a judgment.

**Summary of Bill (Recommended Substitute):** The 30-day time period for an unregistered contractor to appeal a notice of assessment is replaced by a notice of infraction for both unregistered contractor and registered contractor violations. If a contractor, individual, or business 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.

**EFFECT OF CHANGES MADE BY LABOR, COMMERCE & CONSUMER PROTECTION COMMITTEE (Recommended Substitute):** The 20-day appeal time period for both the infraction and penalty amount to be appealed is increased to 30 days.

**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 Original Bill:** PRO: This agency request bill will streamline the process for contractors as well as the agency and may save some staff time.

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