
ENGROSSED SUBSTITUTE HOUSE BILL 2669

State of Washington

62nd Legislature

2012 Regular Session

By House Labor & Workforce Development (originally sponsored by Representatives Ormsby and Moscoso)

READ FIRST TIME 01/31/12.

1 AN ACT Relating to enforcing the payment of prevailing wages; and
2 adding a new section to chapter 39.12 RCW.

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

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

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

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

15 (3) An entity may be a successor entity under this section if the
16 contractor or subcontractor directly or indirectly sells or otherwise
17 conveys in bulk and not in the ordinary course of business a
18 substantial portion of its assets, whether tangible or intangible, to

1 the entity. Factors that may be considered in determining whether an
2 entity is a successor entity include, but are not limited to, the
3 following:

- 4 (a) Substantial continuity of the same business operation;
- 5 (b) Use of the same machinery or equipment;
- 6 (c) Similarity of jobs and working conditions;
- 7 (d) Continuity of supervisors;
- 8 (e) Use of the substantially same workforce; and
- 9 (f) Similarity of products or services.

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