

---

**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 interests, as well as monetary and  
14 nonmonetary sanctions under RCW 39.12.050 and 39.12.065.

15            (3) An entity is 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. In determining whether an entity is a successor entity,  
2 the department may consider factors including, but 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.

--- END ---