

# SENATE BILL REPORT

## SHB 1749

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As Reported by Senate Committee On:  
Commerce & Labor, March 27, 2015

**Title:** An act relating to contractor registration requirements for owners of property.

**Brief Description:** Concerning contractor registration requirements for owners of property.

**Sponsors:** House Committee on Labor (originally sponsored by Representatives MacEwen, Manweller and Condotta).

**Brief History:** Passed House: 3/06/15, 98-0.

**Committee Activity:** Commerce & Labor: 3/20/15, 3/27/15 [DP].

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### SENATE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** Do pass.

Signed by Senators Braun, Vice Chair; Hasegawa, Ranking Minority Member; Conway, Keiser, King and Warnick.

**Staff:** Susan Jones (786-7404)

**Background:** The Contractor Registration Act requires general and specialty contractors to register with the Department of Labor and Industries. Applicants must obtain a bond and insurance to register.

Contractor generally means anyone who, in the pursuit of an independent business, undertakes to, or submits a bid to construct, improve, develop, or take specified other actions with respect to a building, development, or other structure. Installation of carpeting or other floor covering is specifically included. A contractor also includes a person or entity who, to do similar work on the person's own property, employs members of more than one trade upon a single job or under a single building permit. Also included in the definition is an owner who offers to sell property without occupying or using the structure, project, development, or improvement for more than one year after it was substantially completed or abandoned.

The exemptions from registration include an owner who contracts with a registered contractor. However, this exemption does not apply to a person who performs the activities of a contractor for the purpose of leasing or selling improved property the person has owned for less than 12 months.

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*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.*

**Summary of Bill:** The provision including an owner in the contractor definition if the owner offers to sell improved property without occupying or using it for more than one year is modified. An owner is not a contractor under this provision if the owner contracts with a registered general contractor and does not superintend the work.

**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:** PRO: If you own property that is an investment property, you should not have to get licensed and bonded to do work on the property. This is of real interest to the realtors. These laws came about through working on the underground economy. However, as well intentioned as it was, it became a little overreaching. At this point, individual owners who are working with registered contractors should not have to also be registered as contractors to work on their own properties. We need to work on some internal inconsistencies of the existing bill. This bill is a little bit different than the Senate bill. This clarifies the law that if a person flips a house and they are not a general contractor, it is okay if they hire a general contractor to the work. That should satisfy the law.

**Persons Testifying:** PRO: Representative MacEwen, prime sponsor; Bob Mitchell, WA REALTORS; Tom Kwieciak, Building Industry Assn. of WA.

**Persons Signed in to Testify But Not Testifying:** No one.