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SENATE BILL 5045

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State of Washington                      60th Legislature                      2007 Regular Session

By Senators Weinstein, Fairley, Oemig, Franklin, Regala, Fraser, Kauffman, Pridemore, Haugen, Keiser, Spanel, Jacobsen and Kohl-Welles

Read first time 01/09/2007.                      Referred to Committee on Labor, Commerce, Research & Development.

1            AN ACT Relating to contractor licensing; amending RCW 18.27.010,  
2 18.27.020, 18.27.030, 18.27.040, 18.27.065, 18.27.070, 18.27.075,  
3 18.27.080, 18.27.090, 18.27.100, 18.27.104, 18.27.110, 18.27.114,  
4 18.27.117, 18.27.120, 18.27.130, 18.27.200, 18.27.210, 18.27.225,  
5 18.27.270, 18.27.310, 18.27.320, 18.27.340, 18.27.342, 18.27.360,  
6 18.27.370, 18.100.140, 18.106.020, 18.106.180, 18.106.250, 18.160.030,  
7 19.28.051, 19.28.191, 19.28.420, 19.158.020, 39.04.155, 39.06.010,  
8 49.26.100, 50.04.145, 50.24.130, 51.08.070, 51.08.180, 51.12.070,  
9 51.12.120, 60.04.011, 60.04.041, 70.87.220, and 70.87.240; reenacting  
10 and amending RCW 19.28.161; adding new sections to chapter 18.27 RCW;  
11 creating a new section; and providing an effective date.

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

13            **Sec. 1.** RCW 18.27.010 and 2001 c 159 s 1 are each amended to read  
14 as follows:

15            Unless the context clearly requires otherwise, the definitions in  
16 this section apply throughout this chapter.

17            (1) "Board" means the state construction contractors advisory  
18 board.

1       (2) "Contractor" means any person, firm, or corporation who or  
2 which, in the pursuit of an independent business undertakes to, or  
3 offers to undertake, or submits a bid to, construct, alter, repair, add  
4 to, subtract from, improve, move, wreck or demolish, for another, any  
5 building, highway, road, railroad, excavation or other structure,  
6 project, development, or improvement attached to real estate or to do  
7 any part thereof including the installation of carpeting or other floor  
8 covering, the erection of scaffolding or other structures or works in  
9 connection therewith or who installs or repairs roofing or siding; or,  
10 who, to do similar work upon his or her own property, employs members  
11 of more than one trade upon a single job or project or under a single  
12 building permit except as otherwise provided herein. "Contractor"  
13 includes any person, firm, corporation, or other entity covered by this  
14 subsection, whether or not (~~registered~~) licensed as required under  
15 this chapter.

16       (~~(+2)~~) (3) "Department" means the department of labor and  
17 industries.

18       (~~(+3)~~) (4) "Director" means the director of the department of  
19 labor and industries or a designated representative employed by the  
20 department.

21       (~~(+4)~~) (5) "General contractor" means a contractor whose business  
22 operations require the use of more than two unrelated building trades  
23 or crafts whose work the contractor shall superintend or do in whole or  
24 in part. "General contractor" shall not include an individual who does  
25 all work personally without employees or other "specialty contractors"  
26 as defined in this section. The terms "general contractor" and  
27 "builder" are synonymous.

28       (~~(+5)~~) (6) "License cancellation" means a written notice from the  
29 department that a contractor's action is in violation of this chapter  
30 and that the contractor's license has been revoked.

31       (7) "License suspension" means a written notice from the department  
32 that a contractor's action is a violation of this chapter and that the  
33 contractor's license has been suspended for a specified time, or until  
34 the contractor shows evidence of compliance with this chapter.

35       (8) "Partnership" means a business formed under Title 25 RCW.

36       (~~(+6)~~) ~~"Registration cancellation" means a written notice from the~~  
37 ~~department that a contractor's action is in violation of this chapter~~  
38 ~~and that the contractor's registration has been revoked.~~

1       ~~(7) "Registration suspension" means a written notice from the~~  
2 ~~department that a contractor's action is a violation of this chapter~~  
3 ~~and that the contractor's registration has been suspended for a~~  
4 ~~specified time, or until the contractor shows evidence of compliance~~  
5 ~~with this chapter.~~

6       ~~(8))~~ (9) "Residential homeowner" means an individual person or  
7 persons owning or leasing real property:

8       (a) Upon which one single-family residence is to be built and in  
9 which the owner or lessee intends to reside upon completion of any  
10 construction; or

11       (b) Upon which there is a single-family residence to which  
12 improvements are to be made and in which the owner or lessee intends to  
13 reside upon completion of any construction.

14       ~~((9))~~ (10) "Specialty contractor" means a contractor whose  
15 operations do not fall within the definition of "general contractor".

16       ~~((10) "Unregistered"))~~ (11) "Unlicensed contractor" means a person,  
17 firm, corporation, or other entity doing work as a contractor without  
18 being ~~((registered))~~ licensed in compliance with this chapter.

19 "~~((Unregistered))~~ Unlicensed contractor" includes contractors whose  
20 ~~((registration))~~ license is expired, revoked, or suspended.

21 "~~((Unregistered))~~ Unlicensed contractor" does not include a contractor  
22 who has maintained a valid bond and the insurance or assigned account  
23 required by RCW 18.27.050, and whose ~~((registration))~~ license has  
24 lapsed for thirty or fewer days.

25       ~~((11))~~ (12) "Unsatisfied final judgment" means a judgment that  
26 has not been satisfied either through payment, court approved  
27 settlement, discharge in bankruptcy, or assignment under RCW 19.72.070.

28       ~~((12))~~ (13) "Verification" means the receipt and duplication by  
29 the city, town, or county of a contractor ~~((registration))~~ license card  
30 that is current on its face, checking the department's contractor  
31 ~~((registration))~~ license data base, or calling the department to  
32 confirm that the contractor is ~~((registered))~~ licensed.

33       **Sec. 2.** RCW 18.27.020 and 1997 c 314 s 3 are each amended to read  
34 as follows:

35       (1) Every contractor shall ~~((register with))~~ be licensed by the  
36 department.

37       (2) It is a misdemeanor for any contractor to:

1 (a) Advertise, offer to do work, submit a bid, or perform any work  
2 as a contractor without being ((~~registered~~)) licensed as required by  
3 this chapter;

4 (b) Advertise, offer to do work, submit a bid, or perform any work  
5 as a contractor when the contractor's ((~~registration~~)) license is  
6 suspended or revoked;

7 (c) Use a false or expired ((~~registration~~)) license number in  
8 purchasing or offering to purchase an advertisement for which a  
9 contractor's ((~~registration~~)) license number is required; or

10 (d) Transfer a valid ((~~registration~~)) license to an  
11 ((~~unregistered~~)) unlicensed contractor or allow an ((~~unregistered~~))  
12 unlicensed contractor to work under a ((~~registration~~)) license issued  
13 to another contractor.

14 (3) It is not unlawful for a general contractor to employ an  
15 ((~~unregistered~~)) unlicensed contractor who was ((~~registered~~)) licensed  
16 at the time he or she entered into a contract with the general  
17 contractor, unless the general contractor or his or her representative  
18 has been notified in writing by the department of labor and industries  
19 that the contractor has become ((~~unregistered~~)) unlicensed.

20 (4) All misdemeanor actions under this chapter shall be prosecuted  
21 in the county where the infraction occurs.

22 (5) A person is guilty of a separate misdemeanor for each day  
23 worked if, after the person receives a citation from the department,  
24 the person works while ((~~unregistered~~)) unlicensed, or while his or her  
25 ((~~registration~~)) license is suspended or revoked, or works under a  
26 ((~~registration~~)) license issued to another contractor. A person is  
27 guilty of a separate misdemeanor for each worksite on which he or she  
28 violates subsection (2) of this section. Nothing in this subsection  
29 applies to a ((~~registered~~)) licensed contractor.

30 (6) The director by rule shall establish a two-year audit and  
31 monitoring program for a contractor not ((~~registered~~)) licensed under  
32 this chapter who becomes ((~~registered~~)) licensed after receiving an  
33 infraction or conviction under this chapter as an ((~~unregistered~~))  
34 unlicensed contractor. The director shall notify the departments of  
35 revenue and employment security of the infractions or convictions and  
36 shall cooperate with these departments to determine whether any taxes  
37 or ((~~registration~~,~~7~~)) license((~~7~~)) or other fees or penalties are owed  
38 the state.

1       **Sec. 3.** RCW 18.27.030 and 2001 c 159 s 2 are each amended to read  
2 as follows:

3       (1) An applicant for (~~registration~~) licensure as a contractor  
4 shall submit an application under oath upon a form to be prescribed by  
5 the director and which shall include the following information  
6 pertaining to the applicant:

7       (a) Employer social security number.

8       (b) Unified business identifier number, if required by the  
9 department of revenue.

10       (c) Evidence of workers' compensation coverage for the applicant's  
11 employees working in Washington, as follows:

12       (i) The applicant's industrial insurance account number issued by  
13 the department;

14       (ii) The applicant's self-insurer number issued by the department;  
15 or

16       (iii) For applicants domiciled in a state or province of Canada  
17 subject to an agreement entered into under RCW 51.12.120(7), as  
18 permitted by the agreement, filing a certificate of coverage issued by  
19 the agency that administers the workers' compensation law in the  
20 applicant's state or province of domicile certifying that the applicant  
21 has secured the payment of compensation under the other state's or  
22 province's workers' compensation law.

23       (d) Employment security department number.

24       (e) State excise tax registration number.

25       (f) Unified business identifier (UBI) account number may be  
26 substituted for the information required by (c) of this subsection if  
27 the applicant will not employ employees in Washington, and by (d) and  
28 (e) of this subsection.

29       (g) Type of contracting activity, whether a general or a specialty  
30 contractor and if the latter, the type of specialty.

31       (h) The name and address of each partner if the applicant is a firm  
32 or partnership, or the name and address of the owner if the applicant  
33 is an individual proprietorship, or the name and address of the  
34 corporate officers and statutory agent, if any, if the applicant is a  
35 corporation or the name and address of all members of other business  
36 entities. The information contained in such application is a matter of  
37 public record and open to public inspection.

1 (2) The department may verify the workers' compensation coverage  
2 information provided by the applicant under subsection (1)(c) of this  
3 section, including but not limited to information regarding the  
4 coverage of an individual employee of the applicant. If coverage is  
5 provided under the laws of another state, the department may notify the  
6 other state that the applicant is employing employees in Washington.

7 (3)(a) The department shall deny an application for  
8 (~~registration~~) licensure if: (i) The applicant has been previously  
9 performing work subject to this chapter as a sole proprietor,  
10 partnership, corporation, or other entity and the department has notice  
11 that the applicant has an unsatisfied final judgment against him or her  
12 in an action based on this chapter or the applicant owes the department  
13 money for penalties assessed or fees due under this chapter as a result  
14 of a final judgment; (ii) the applicant was a principal or officer of  
15 a partnership, corporation, or other entity that either has an  
16 unsatisfied final judgment against it in an action that was incurred  
17 for work performed subject to this chapter or owes the department money  
18 for penalties assessed or fees due under this chapter as a result of a  
19 final judgment; or (iii) the applicant does not have a valid unified  
20 business identifier number, if required by the department of revenue.

21 (b) The department shall suspend an active (~~registration~~) license  
22 if (i) the department has notice that the (~~registrant~~) licensee is a  
23 sole proprietor or a principal or officer of a (~~registered~~) licensed  
24 contractor that has an unsatisfied final judgment against it for work  
25 within the scope of this chapter; or (ii) the applicant does not  
26 maintain a valid unified business identifier number, if required by the  
27 department of revenue.

28 (4) The department shall not deny an application or suspend a  
29 (~~registration~~) license because of an unsatisfied final judgment if  
30 the applicant's or (~~registrant's~~) licensee's unsatisfied final  
31 judgment was determined by the director to be the result of the fraud  
32 or negligence of another party.

33 NEW SECTION. Sec. 4. A new section is added to chapter 18.27 RCW  
34 to read as follows:

35 (1) The state construction contractors advisory board is  
36 established, consisting of nine members appointed by the governor. The  
37 members of the board shall be selected and appointed as follows: Two

1 members shall be contractors who primarily work on residential  
2 structures; one member shall be a contractor engaged primarily in the  
3 business of residential remodeling; two members shall represent the  
4 public; two members shall be elected representatives of governing  
5 bodies of local government, one shall represent the governing body of  
6 a county; and two members shall be general contractors who primarily  
7 work on nonresidential structures.

8 (2) The members shall serve four-year terms. Of the initial  
9 members, two must be appointed for a one-year term, three must be  
10 appointed for a two-year term, three must be appointed for a three-year  
11 term, and the remainder must be appointed for a four-year term.  
12 Thereafter, members must be appointed for four-year terms. A member is  
13 eligible for reappointment. If there is a vacancy for any cause, the  
14 governor shall make an appointment immediately effective for the  
15 unexpired term.

16 (3) To be eligible for board membership, the contractor members of  
17 the board shall be licensed under this chapter and shall maintain their  
18 licenses in good standing during their terms on the board.

19 (4) The board at its first meeting shall select from its membership  
20 a chair and a vice-chair with such duties and powers necessary for the  
21 performance of their duties as the board determines.

22 (5) Meetings of the board shall be held at least quarterly in  
23 accordance with a schedule established by the board. A majority of the  
24 members of the board constitutes a quorum for the transaction of  
25 business. Each member of the board shall receive compensation in  
26 accordance with RCW 43.03.240 and shall be reimbursed for travel  
27 expenses in accordance with RCW 43.03.050 and 43.03.060 which shall be  
28 paid out of the construction contractor's license account, upon forms  
29 approved by the director.

30 (6) The department shall provide administrative and clerical  
31 assistance to the board.

32 (7) The board shall carry out all functions and duties enumerated  
33 in this chapter, as well as generally advise the department on all  
34 matters relative to this chapter.

35 NEW SECTION. **Sec. 5.** A new section is added to chapter 18.27 RCW  
36 to read as follows:

37 (1) The department, with the assistance of the board, shall prepare

1 a written examination to be administered to applicants for a license  
2 under this chapter. The examination shall be constructed to determine  
3 whether the applicant:

4 (a) Possesses the varied general knowledge of the technical  
5 information and practical procedures that are identified with the  
6 construction contractor's trade; and

7 (b) Is familiar with the applicable state and local building codes  
8 and the administrative rules of the department pertaining to  
9 construction contractors.

10 (2) The department shall administer the examination to all eligible  
11 persons. All applicants shall, before taking the examination, pay a  
12 fee to the department.

13 (3) The department shall certify the results of the examination,  
14 and shall notify the applicant in writing whether he or she has passed  
15 or failed. Any applicant who has failed the examination may retake the  
16 examination, upon the terms and after a period of time that the  
17 director shall set by rule. The director may not limit the number of  
18 times a person may take the examination.

19 (4) The department, with the assistance of the board, shall, by  
20 rule, impose training requirements for individuals and businesses  
21 seeking to be licensed under this chapter. The training required by  
22 the department must relate to business practices and laws affecting  
23 construction contractors. The board shall adopt standards for programs  
24 that provide training that meet the requirements of this section.

25 (5) To renew a license under this chapter, the department shall, by  
26 rule, require that contractors provide evidence of completion of up to  
27 twelve hours of continuing education in subjects addressing the varied  
28 general knowledge of the technical information and practical procedures  
29 that are identified with the construction contractor's trade.

30 (6) The department, with assistance of the board, may enter into a  
31 contract with a professional testing agency to develop, administer, and  
32 score the examinations. The fee for the examination may be set by the  
33 department in its contract with the professional testing agency. The  
34 department may direct that the applicant pay the fee to the  
35 professional testing agency. The fee shall cover but not exceed the  
36 costs of preparing and administering the examination.



1       **Sec. 6.** RCW 18.27.040 and 2001 c 159 s 3 are each amended to read  
2 as follows:

3       (1) Each applicant shall file with the department a surety bond  
4 issued by a surety insurer who meets the requirements of chapter 48.28  
5 RCW in the sum of twelve thousand dollars if the applicant is a general  
6 contractor and six thousand dollars if the applicant is a specialty  
7 contractor. If no valid bond is already on file with the department at  
8 the time the application is filed, a bond must accompany the  
9 (~~registration~~) license application. The bond shall have the state of  
10 Washington named as obligee with good and sufficient surety in a form  
11 to be approved by the department. The bond shall be continuous and may  
12 be canceled by the surety upon the surety giving written notice to the  
13 director. A cancellation or revocation of the bond or withdrawal of  
14 the surety from the bond automatically suspends the (~~registration~~)  
15 license issued to the (~~registrant~~) licensee until a new bond or  
16 reinstatement notice has been filed and approved as provided in this  
17 section. The bond shall be conditioned that the applicant will pay all  
18 persons performing labor, including employee benefits, for the  
19 contractor, will pay all taxes and contributions due to the state of  
20 Washington, and will pay all persons furnishing labor or material or  
21 renting or supplying equipment to the contractor and will pay all  
22 amounts that may be adjudged against the contractor by reason of breach  
23 of contract including negligent or improper work in the conduct of the  
24 contracting business. A change in the name of a business or a change  
25 in the type of business entity shall not impair a bond for the purposes  
26 of this section so long as one of the original applicants for such bond  
27 maintains partial ownership in the business covered by the bond.

28       (2) At the time of initial (~~registration~~) licensure or renewal,  
29 the contractor shall provide a bond or other security deposit as  
30 required by this chapter and comply with all of the other provisions of  
31 this chapter before the department shall issue or renew the  
32 contractor's (~~certificate of registration~~) license. Any contractor  
33 registered as of July 1, 2001, who maintains that registration in  
34 accordance with this chapter, until June 30, 2008, is in compliance  
35 with this chapter until the next renewal of the contractor's  
36 (~~certificate of registration~~) license.

37       (3) Any person, firm, or corporation having a claim against the  
38 contractor for any of the items referred to in this section may bring

1 suit upon the bond or deposit in the superior court of the county in  
2 which the work was done or of any county in which jurisdiction of the  
3 contractor may be had. The surety issuing the bond shall be named as  
4 a party to any suit upon the bond. Action upon the bond or deposit  
5 brought by a residential homeowner for breach of contract by a party to  
6 the construction contract shall be commenced by filing the summons and  
7 complaint with the clerk of the appropriate superior court within two  
8 years from the date the claimed contract work was substantially  
9 completed or abandoned. Action upon the bond or deposit brought by any  
10 other authorized party shall be commenced by filing the summons and  
11 complaint with the clerk of the appropriate superior court within one  
12 year from the date the claimed labor was performed and benefits  
13 accrued, taxes and contributions owing the state of Washington became  
14 due, materials and equipment were furnished, or the claimed contract  
15 work was substantially completed or abandoned. Service of process in  
16 an action against the contractor, the contractor's bond, or the deposit  
17 shall be exclusively by service upon the department. Three copies of  
18 the summons and complaint and a fee adopted by rule of not less than  
19 twenty dollars to cover the costs shall be served by registered or  
20 certified mail, or other delivery service requiring notice of receipt,  
21 upon the department at the time suit is started and the department  
22 shall maintain a record, available for public inspection, of all suits  
23 so commenced. Service is not complete until the department receives  
24 the fee and three copies of the summons and complaint. The service  
25 shall constitute service on the ((~~registrant~~)) licensee and the surety  
26 for suit upon the bond or deposit and the department shall transmit the  
27 summons and complaint or a copy thereof to the ((~~registrant~~)) licensee  
28 at the address listed in the ((~~registrant's~~)) licensee's application  
29 and to the surety within two days after it shall have been received.

30 (4) The surety upon the bond shall not be liable in an aggregate  
31 amount in excess of the amount named in the bond nor for any monetary  
32 penalty assessed pursuant to this chapter for an infraction. The  
33 liability of the surety shall not cumulate where the bond has been  
34 renewed, continued, reinstated, reissued, or otherwise extended. The  
35 surety upon the bond may, upon notice to the department and the  
36 parties, tender to the clerk of the court having jurisdiction of the  
37 action an amount equal to the claims thereunder or the amount of the  
38 bond less the amount of judgments, if any, previously satisfied

1 therefrom and to the extent of such tender the surety upon the bond  
2 shall be exonerated but if the actions commenced and pending at any one  
3 time exceed the amount of the bond then unimpaired, claims shall be  
4 satisfied from the bond in the following order:

5 (a) Employee labor and claims of laborers, including employee  
6 benefits;

7 (b) Claims for breach of contract by a party to the construction  
8 contract;

9 (c) Registered or licensed subcontractors, material, and equipment;

10 (d) Taxes and contributions due the state of Washington;

11 (e) Any court costs, interest, and (~~attorney's~~ [attorneys'])  
12 attorneys' fees plaintiff may be entitled to recover. The surety is  
13 not liable for any amount in excess of the penal limit of its bond.

14 A payment made by the surety in good faith exonerates the bond to  
15 the extent of any payment made by the surety.

16 (5) The total amount paid from a bond or deposit required of a  
17 general contractor by this section to claimants other than residential  
18 homeowners must not exceed one-half of the bond amount. The total  
19 amount paid from a bond or deposit required of a specialty contractor  
20 by this section to claimants other than residential homeowners must not  
21 exceed one-half of the bond amount or four thousand dollars, whichever  
22 is greater.

23 (6) The prevailing party in an action filed under this section  
24 against the contractor and contractor's bond or deposit, for breach of  
25 contract by a party to a construction contract, is entitled to costs,  
26 interest, and reasonable attorneys' fees. The surety upon the bond is  
27 not liable in an aggregate amount in excess of the amount named in the  
28 bond nor for any monetary penalty assessed pursuant to this chapter for  
29 an infraction.

30 (7) If a final judgment impairs the liability of the surety upon  
31 the bond so furnished that there is not in effect a bond in the full  
32 amount prescribed in this section, the (~~registration~~) license of the  
33 contractor is automatically suspended until the bond liability in the  
34 required amount unimpaired by unsatisfied judgment claims is furnished.

35 (8) In lieu of the surety bond required by this section the  
36 contractor may file with the department a deposit consisting of cash or  
37 other security acceptable to the department.

1 (9) Any person having filed and served a summons and complaint as  
2 required by this section having an unsatisfied final judgment against  
3 the ((registrant)) licensee for any items referred to in this section  
4 may execute upon the security held by the department by serving a  
5 certified copy of the unsatisfied final judgment by registered or  
6 certified mail upon the department within one year of the date of entry  
7 of such judgment. Upon the receipt of service of such certified copy  
8 the department shall pay or order paid from the deposit, through the  
9 registry of the superior court which rendered judgment, towards the  
10 amount of the unsatisfied judgment. The priority of payment by the  
11 department shall be the order of receipt by the department, but the  
12 department shall have no liability for payment in excess of the amount  
13 of the deposit.

14 (10) The director may require an applicant applying to renew or  
15 reinstate a ((registration)) license or applying for a new  
16 ((registration)) license to file a bond of up to three times the  
17 normally required amount, if the director determines that an applicant,  
18 or a previous ((registration)) license of a corporate officer, owner,  
19 or partner of a current applicant, has had in the past five years a  
20 total of six final judgments in actions under this chapter involving a  
21 residential single-family dwelling on two or more different structures.

22 (11) The director may adopt rules necessary for the proper  
23 administration of the security.

24 **Sec. 7.** RCW 18.27.065 and 1983 1st ex.s. c 2 s 16 are each amended  
25 to read as follows:

26 A partnership or joint venture shall be deemed ((registered))  
27 licensed under this chapter if any one of the general partners or  
28 venturers whose name appears in the name under which the partnership or  
29 venture does business is ((registered)) licensed.

30 **Sec. 8.** RCW 18.27.070 and 1997 c 314 s 7 are each amended to read  
31 as follows:

32 The department shall charge fees for issuance, renewal, and  
33 reinstatement of ((certificates of registration)) a license; and  
34 changes of name, address, or business structure. The department shall  
35 set the fees by rule.

1 The entire amount of the fees are to be used solely to cover the  
2 full cost of issuing (~~certificates~~) licenses, filing papers and  
3 notices, and administering and enforcing this chapter. The costs shall  
4 include reproduction, travel, per diem, and administrative and legal  
5 support costs.

6 **Sec. 9.** RCW 18.27.075 and 2001 c 159 s 14 are each amended to read  
7 as follows:

8 The department shall charge a fee of one hundred nine dollars and  
9 seventy cents for issuing or renewing a (~~certificate of registration~~  
10 ~~during the 2001-2003 biennium~~) license. The department shall revise  
11 this amount at least once every two years for the purpose of  
12 recognizing economic changes as reflected by the fiscal growth factor  
13 under chapter 43.135 RCW.

14 **Sec. 10.** RCW 18.27.080 and 1988 c 285 s 2 are each amended to read  
15 as follows:

16 No person engaged in the business or acting in the capacity of a  
17 contractor may bring or maintain any action in any court of this state  
18 for the collection of compensation for the performance of any work or  
19 for breach of any contract for which (~~registration~~) licensure is  
20 required under this chapter without alleging and proving that he or she  
21 was a duly (~~registered~~) licensed contractor and held a current and  
22 valid (~~certificate of registration~~) license at the time he or she  
23 contracted for the performance of such work or entered into such  
24 contract. For the purposes of this section, the court shall not find  
25 a contractor in substantial compliance with the (~~registration~~)  
26 licensing requirements of this chapter unless: (1) The department has  
27 on file the information required by RCW 18.27.030; (2) the contractor  
28 has a current bond or other security as required by RCW 18.27.040; and  
29 (3) the contractor has current insurance as required by RCW 18.27.050.  
30 In determining under this section whether a contractor is in  
31 substantial compliance with the (~~registration~~) licensing requirements  
32 of this chapter, the court shall take into consideration the length of  
33 time during which the contractor did not hold a valid (~~certificate of~~  
34 ~~registration~~) license.

1       **Sec. 11.** RCW 18.27.090 and 2003 c 399 s 401 are each amended to  
2 read as follows:

3       The ((~~registration~~)) licensing provisions of this chapter do not  
4 apply to:

5       (1) An authorized representative of the United States government,  
6 the state of Washington, or any incorporated city, town, county,  
7 township, irrigation district, reclamation district, or other municipal  
8 or political corporation or subdivision of this state;

9       (2) Officers of a court when they are acting within the scope of  
10 their office;

11       (3) Public utilities operating under the ((~~regulations~~)) rules of  
12 the utilities and transportation commission in construction,  
13 maintenance, or development work incidental to their own business;

14       (4) Any construction, repair, or operation incidental to the  
15 discovering or producing of petroleum or gas, or the drilling, testing,  
16 abandoning, or other operation of any petroleum or gas well or any  
17 surface or underground mine or mineral deposit when performed by an  
18 owner or lessee;

19       (5) The sale or installation of any finished products, materials,  
20 or articles of merchandise that are not actually fabricated into and do  
21 not become a permanent fixed part of a structure;

22       (6) Any construction, alteration, improvement, or repair of  
23 personal property performed by the registered or legal owner, or by a  
24 mobile/manufactured home retail dealer or manufacturer licensed under  
25 chapter 46.70 RCW who shall warranty service and repairs under chapter  
26 46.70 RCW;

27       (7) Any construction, alteration, improvement, or repair carried on  
28 within the limits and boundaries of any site or reservation under the  
29 legal jurisdiction of the federal government;

30       (8) Any person who only furnished materials, supplies, or equipment  
31 without fabricating them into, or consuming them in the performance of,  
32 the work of the contractor;

33       (9) Any work or operation on one undertaking or project by one or  
34 more contracts, the aggregate contract price of which for labor and  
35 materials and all other items is less than five hundred dollars, such  
36 work or operations being considered as of a casual, minor, or  
37 inconsequential nature. The exemption prescribed in this subsection  
38 does not apply in any instance where((~~in~~)) the work or construction is

1 only a part of a larger or major operation, whether undertaken by the  
2 same or a different contractor, or in which a division of the operation  
3 is made into contracts of amounts less than five hundred dollars for  
4 the purpose of evasion of this chapter or otherwise. The exemption  
5 prescribed in this subsection does not apply to a person who advertises  
6 or puts out any sign or card or other device which might indicate to  
7 the public that he or she is a contractor, or that he or she is  
8 qualified to engage in the business of contractor;

9 (10) Any construction or operation incidental to the construction  
10 and repair of irrigation and drainage ditches of regularly constituted  
11 irrigation districts or reclamation districts; or to farming, dairying,  
12 agriculture, viticulture, horticulture, or stock or poultry raising; or  
13 to clearing or other work upon land in rural districts for fire  
14 prevention purposes; except when any of the above work is performed by  
15 a (~~registered~~) licensed contractor;

16 (11) An owner who contracts for a project with a (~~registered~~)  
17 licensed contractor, except that this exemption shall not deprive the  
18 owner of the protections of this chapter against (~~registered and~~  
19 ~~unregistered~~) licensed and unlicensed contractors;

20 (12) Any person working on his or her own property, whether  
21 occupied by him or her or not, and any person working on his or her  
22 personal residence, whether owned by him or her or not but this  
23 exemption shall not apply to any person otherwise covered by this  
24 chapter who constructs an improvement on his or her own property with  
25 the intention and for the purpose of selling the improved property;

26 (13) Owners of commercial properties who use their own employees to  
27 do maintenance, repair, and alteration work in or upon their own  
28 properties;

29 (14) A licensed architect or civil or professional engineer acting  
30 solely in his or her professional capacity, an electrician licensed  
31 under the laws of the state of Washington, or a plumber licensed under  
32 the laws of the state of Washington or licensed by a political  
33 subdivision of the state of Washington while operating within the  
34 boundaries of such political subdivision. The exemption provided in  
35 this subsection is applicable only when the licensee is operating  
36 within the scope of his or her license;

37 (15) Any person who engages in the activities herein regulated as

1 an employee of a (~~registered~~) licensed contractor with wages as his  
2 or her sole compensation or as an employee with wages as his or her  
3 sole compensation;

4 (16) Contractors on highway projects who have been prequalified as  
5 required by RCW 47.28.070, with the department of transportation to  
6 perform highway construction, reconstruction, or maintenance work;

7 (17) A mobile/manufactured home dealer or manufacturer who  
8 subcontracts the installation, set-up, or repair work to actively  
9 (~~registered~~) licensed contractors. This exemption only applies to  
10 the installation, set-up, or repair of the mobile/manufactured homes  
11 that were manufactured or sold by the mobile/manufactured home dealer  
12 or manufacturer;

13 (18) An entity who holds a valid electrical contractor's license  
14 under chapter 19.28 RCW that employs a certified journeyman  
15 electrician, a certified residential specialty electrician, or an  
16 electrical trainee meeting the requirements of chapter 19.28 RCW to  
17 perform plumbing work that is incidentally, directly, and immediately  
18 appropriate to the like-in-kind replacement of a household appliance or  
19 other small household utilization equipment that requires limited  
20 electric power and limited waste and/or water connections. An  
21 electrical trainee must be supervised by a certified electrician while  
22 performing plumbing work.

23 **Sec. 12.** RCW 18.27.100 and 2001 c 159 s 8 are each amended to read  
24 as follows:

25 (1) Except as provided in RCW 18.27.065 for partnerships and joint  
26 ventures, no person who (~~has registered~~) is licensed under one name  
27 as provided in this chapter shall engage in the business, or act in the  
28 capacity, of a contractor under any other name unless such name also is  
29 (~~registered~~) licensed under this chapter.

30 (2) All advertising and all contracts, correspondence, cards,  
31 signs, posters, papers, and documents which show a contractor's name or  
32 address shall show the contractor's name or address as (~~registered~~)  
33 licensed under this chapter.

34 (3)(a) All advertising that shows the contractor's name or address  
35 shall show the contractor's current (~~registration~~) license number.  
36 The (~~registration~~) license number may be omitted in an alphabetized  
37 listing of (~~registered~~) licensed contractors stating only the name,



1 address, and telephone number(~~(:—PROVIDED, That))~~). Signs on motor  
2 vehicles subject to RCW 46.16.010 and on-premise signs shall not  
3 constitute advertising as provided in this section. All materials used  
4 to directly solicit business from retail customers who are not  
5 businesses shall show the contractor's current (~~(registration))~~ license  
6 number. A contractor shall not use a false or expired (~~(registration))~~  
7 license number in purchasing or offering to purchase an advertisement  
8 for which a contractor (~~(registration))~~ license number is required.  
9 Advertising by airwave transmission shall not be subject to this  
10 subsection (3)(a).

11 (b) The director may issue a subpoena to any person or entity  
12 selling any advertising subject to this section for the name, address,  
13 and telephone number provided to the seller of the advertising by the  
14 purchaser of the advertising. The subpoena must have enclosed a  
15 stamped, self-addressed envelope and blank form to be filled out by the  
16 seller of the advertising. If the seller of the advertising has the  
17 information on file, the seller shall, within a reasonable time, return  
18 the completed form to the department. The subpoena must be issued no  
19 more than two days after the expiration of the issue or publication  
20 containing the advertising or after the broadcast of the advertising.  
21 The good-faith compliance by a seller of advertising with a written  
22 request of the department for information concerning the purchaser of  
23 advertising shall constitute a complete defense to any civil or  
24 criminal action brought against the seller of advertising arising from  
25 such compliance. Advertising by airwave or electronic transmission is  
26 subject to this subsection (3)(b).

27 (4) No contractor shall advertise that he or she is bonded and  
28 insured because of the bond required to be filed and sufficiency of  
29 insurance as provided in this chapter.

30 (5) A contractor shall not falsify a (~~(registration))~~ license  
31 number and use it, or use an expired (~~(registration))~~ license number,  
32 in connection with any solicitation or identification as a contractor.  
33 All individual contractors and all partners, associates, agents,  
34 salesmen, solicitors, officers, and employees of contractors shall use  
35 their true names and addresses at all times while engaged in the  
36 business or capacity of a contractor or related activities (~~(related~~  
37 ~~thereto))~~).

1 (6) Any advertising by a person, firm, or corporation soliciting  
2 work as a contractor when that person, firm, or corporation is not  
3 (~~registered pursuant to~~) licensed under this chapter is a violation  
4 of this chapter.

5 (7)(a) The finding of a violation of this section by the director  
6 at a hearing held in accordance with the administrative procedure act,  
7 chapter 34.05 RCW, shall subject the person committing the violation to  
8 a penalty of not more than ten thousand dollars as determined by the  
9 director.

10 (b) Penalties under this section shall not apply to a violation  
11 determined to be an inadvertent error.

12 **Sec. 13.** RCW 18.27.104 and 1997 c 314 s 10 are each amended to  
13 read as follows:

14 (1) If, upon investigation, the director or the director's designee  
15 has probable cause to believe that a person holding a (~~registration~~)  
16 license, an applicant for (~~registration~~) a license, or a person  
17 acting in the capacity of a contractor who is not otherwise exempted  
18 from this chapter, has violated RCW 18.27.100 by unlawfully advertising  
19 for work covered by this chapter, the department may issue a citation  
20 containing an order of correction. Such order shall require the  
21 violator to cease the unlawful advertising.

22 (2) If the person to whom a citation is issued under subsection (1)  
23 of this section notifies the department in writing that he or she  
24 contests the citation, the department shall afford an opportunity for  
25 an adjudicative proceeding under chapter 34.05 RCW within thirty days  
26 after receiving the notification.

27 **Sec. 14.** RCW 18.27.110 and 1997 c 314 s 11 are each amended to  
28 read as follows:

29 (1) No city, town or county shall issue a construction building  
30 permit for work which is to be done by any contractor required to be  
31 (~~registered~~) licensed under this chapter without verification that  
32 such contractor is currently (~~registered~~) licensed as required by  
33 law. When such verification is made, nothing contained in this section  
34 is intended to be, nor shall be construed to create, or form the basis  
35 for any liability under this chapter on the part of any city, town, or  
36 county, or its officers, employees, or agents. However, failure to

1 verify the contractor ((~~registration~~)) license number results in  
2 liability to the city, town, or county to a penalty to be imposed  
3 according to RCW 18.27.100(7)(a).

4 (2) At the time of issuing the building permit, all cities, towns,  
5 or counties are responsible for:

6 (a) Printing the contractor ((~~registration~~)) license number on the  
7 building permit; and

8 (b) Providing a written notice to the building permit applicant  
9 informing them of contractor ((~~registration~~)) license laws and the  
10 potential risk and monetary liability to the homeowner for using an  
11 ((~~unregistered~~)) unlicensed contractor.

12 (3) If a building permit is obtained by an applicant or contractor  
13 who falsifies information to obtain an exemption provided under RCW  
14 18.27.090, the building permit shall be forfeited.

15 **Sec. 15.** RCW 18.27.114 and 2001 c 159 s 9 are each amended to read  
16 as follows:

17 (1) Any contractor agreeing to perform any contracting project:

18 (a) For the repair, alteration, or construction of four or fewer  
19 residential units or accessory structures on such residential property  
20 when the bid or contract price totals one thousand dollars or more; or

21 (b) for the repair, alteration, or construction of a commercial  
22 building when the bid or contract price totals one thousand dollars or  
23 more but less than sixty thousand dollars, must provide the customer  
24 with the following disclosure statement in substantially the following  
25 form using lower case and upper case twelve-point and bold type where  
26 appropriate, prior to starting work on the project:

27 "NOTICE TO CUSTOMER

28 This contractor is ((~~registered~~)) licensed with the state of  
29 Washington, ((~~registration~~)) license no. . . . , and has posted  
30 with the state a bond or deposit of . . . . . for the purpose  
31 of satisfying claims against the contractor for breach of  
32 contract including negligent or improper work in the conduct of  
33 the contractor's business. The expiration date of this  
34 contractor's ((~~registration~~)) license is . . . . .

35 **THIS BOND OR DEPOSIT MIGHT NOT BE SUFFICIENT TO COVER A CLAIM**  
36 **THAT MIGHT ARISE FROM THE WORK DONE UNDER YOUR CONTRACT.**

1 This bond or deposit is not for your exclusive use because it  
2 covers all work performed by this contractor. The bond or  
3 deposit is intended to pay valid claims up to . . . . that  
4 you and other customers, suppliers, subcontractors, or taxing  
5 authorities may have.

6 **FOR GREATER PROTECTION YOU MAY WITHHOLD A PERCENTAGE OF YOUR**  
7 **CONTRACT.**

8 You may withhold a contractually defined percentage of your  
9 construction contract as retainage for a stated period of time  
10 to provide protection to you and help insure that your project  
11 will be completed as required by your contract.

12 **YOUR PROPERTY MAY BE LIENED.**

13 If a supplier of materials used in your construction project or  
14 an employee or subcontractor of your contractor or  
15 subcontractors is not paid, your property may be liened to  
16 force payment and you could pay twice for the same work.

17 **FOR ADDITIONAL PROTECTION, YOU MAY REQUEST THE CONTRACTOR TO**  
18 **PROVIDE YOU WITH ORIGINAL "LIEN RELEASE" DOCUMENTS FROM EACH**  
19 **SUPPLIER OR SUBCONTRACTOR ON YOUR PROJECT.**

20 The contractor is required to provide you with further  
21 information about lien release documents if you request it.  
22 General information is also available from the state Department  
23 of Labor and Industries."

24 (2) A contractor subject to this section shall notify any consumer  
25 to whom notice is required under subsection (1) of this section if the  
26 contractor's (~~registration~~) license has expired or is revoked or  
27 suspended by the department prior to completion or other termination of  
28 the contract with the consumer.

29 (3) No contractor subject to this section may bring or maintain any  
30 lien claim under chapter 60.04 RCW based on any contract to which this  
31 section applies without alleging and proving that the contractor has  
32 provided the customer with a copy of the disclosure statement as  
33 required in subsection (1) of this section.

34 (4) This section does not apply to contracts authorized under  
35 chapter 39.04 RCW or to contractors contracting with other contractors.

1 (5) Failure to comply with this section shall constitute an  
2 infraction under the provisions of this chapter.

3 (6) The department shall produce model disclosure statements, and  
4 public service announcements detailing the information needed to assist  
5 contractors and contractors' customers to comply under this section.  
6 As necessary, the department shall periodically update these education  
7 materials.

8 **Sec. 16.** RCW 18.27.117 and 1997 c 314 s 13 are each amended to  
9 read as follows:

10 The legislature finds that setting up and siting  
11 mobile/manufactured homes must be done properly for the health, safety,  
12 and enjoyment of the occupants. Therefore, when any of the following  
13 cause a health and safety risk to the occupants of a  
14 mobile/manufactured home, or severely hinder the use and enjoyment of  
15 the mobile/manufactured home, a violation of RCW 19.86.020 shall have  
16 occurred:

17 (1) The mobile/manufactured home has been improperly installed by  
18 a contractor (~~((registered))~~) licensed under this chapter (~~((18.27-RCW))~~),  
19 or a mobile/manufactured dealer or manufacturer licensed under chapter  
20 46.70 RCW;

21 (2) A warranty given under this chapter (~~((18.27-RCW))~~) or chapter  
22 46.70 RCW has not been fulfilled by the person or business giving the  
23 warranty; and

24 (3) A bonding company that issues a bond under this chapter (~~((18.27-RCW))~~) or chapter 46.70 RCW does not reasonably and professionally  
25 investigate and resolve claims made by injured parties.  
26

27 **Sec. 17.** RCW 18.27.120 and 2005 c 274 s 221 are each amended to  
28 read as follows:

29 (1) The department shall compile a list of all contractors  
30 (~~((registered))~~) licensed under this chapter and update the list at least  
31 bimonthly. The list shall be considered as public record information  
32 and shall be available to the public upon request(~~((:PROVIDED, That))~~).  
33 The department may charge a reasonable fee under RCW 42.56.120.

34 (2) The department shall inform any person, firm, or corporation,  
35 if a contractor is (~~((registered))~~) licensed, and if a contractor is

1 bonded or insured, without charge except for a reasonable fee under RCW  
2 42.56.120 for copies made.

3 **Sec. 18.** RCW 18.27.130 and 1972 ex.s. c 118 s 4 are each amended  
4 to read as follows:

5 The provisions of this chapter relating to the (~~registration or~~)  
6 licensing of any person, firm, or corporation, including the  
7 requirement of a bond with the state of Washington named as obligee  
8 (~~therein~~) and the collection of a fee (~~therefor~~) for the bond,  
9 shall be exclusive and no political subdivision of the state of  
10 Washington shall require or issue any (~~registrations,~~) licenses(~~,~~)  
11 or bonds nor charge any fee for the same or a similar purpose(~~(~~  
12 ~~PROVIDED, That~~). Nothing (~~herein shall~~) in this section limits or  
13 abridges the authority of any city or town to levy and collect a  
14 general and nondiscriminatory license fee levied upon all businesses,  
15 or to levy a tax based upon gross business conducted by any firm within  
16 (~~said~~) the city(~~(~~  
17 ~~PROVIDED, FURTHER, That nothing herein shall~~).  
18 This section does not limit the authority of any city or town with  
19 respect to contractors not required to be (~~registered~~) licensed under  
this chapter.

20 **Sec. 19.** RCW 18.27.200 and 2002 c 82 s 6 are each amended to read  
21 as follows:

22 (1) It is a violation of this chapter and an infraction for any  
23 contractor to:

24 (a) Advertise, offer to do work, submit a bid, or perform any work  
25 as a contractor without being (~~registered~~) licensed as required by  
26 this chapter;

27 (b) Advertise, offer to do work, submit a bid, or perform any work  
28 as a contractor when the contractor's (~~registration~~) license is  
29 suspended or revoked;

30 (c) Transfer a valid (~~registration~~) license to an  
31 (~~unregistered~~) unlicensed contractor or allow an (~~unregistered~~)  
32 unlicensed contractor to work under a (~~registration~~) license issued  
33 to another contractor; or

34 (d) If the contractor is a contractor as defined in RCW 18.106.010,  
35 violate RCW 18.106.320.

1           (2) Each day that a contractor works without being (~~registered~~)  
2 licensed as required by this chapter, works while the contractor's  
3 (~~registration~~) license is suspended or revoked, or works under a  
4 (~~registration~~) license issued to another contractor is a separate  
5 infraction. Each worksite at which a contractor works without being  
6 (~~registered~~) licensed as required by this chapter, works while the  
7 contractor's (~~registration~~) license is suspended or revoked, or works  
8 under a (~~registration~~) license issued to another contractor is a  
9 separate infraction.

10           **Sec. 20.** RCW 18.27.210 and 1993 c 454 s 8 are each amended to read  
11 as follows:

12           (1) The director shall appoint compliance inspectors to investigate  
13 alleged or apparent violations of this chapter. The director, or  
14 authorized compliance inspector, upon presentation of appropriate  
15 credentials, may inspect and investigate job sites at which a  
16 contractor had bid or presently is working to determine whether the  
17 contractor is (~~registered~~) licensed in accordance with this chapter  
18 or the rules adopted under this chapter or whether there is a violation  
19 of RCW 18.27.200. Upon request of the compliance inspector of the  
20 department, a contractor or an employee of the contractor shall provide  
21 information identifying the contractor.

22           (2) If the employee of an (~~unregistered~~) unlicensed contractor is  
23 cited by a compliance inspector, that employee is cited as the agent of  
24 the employer-contractor, and issuance of the infraction to the employee  
25 is notice to the employer-contractor that the contractor is in  
26 violation of this chapter. An employee who is cited by a compliance  
27 inspector shall not be liable for any of the alleged violations  
28 contained in the citation unless the employee is also the contractor.

29           **Sec. 21.** RCW 18.27.225 and 1987 c 419 s 3 are each amended to read  
30 as follows:

31           (1) If, upon inspection or investigation, the director or  
32 authorized compliance inspector reasonably believes that a contractor  
33 has failed to (~~register~~) obtain a license in accordance with this  
34 chapter or the rules adopted under this chapter, the director shall  
35 issue an order immediately restraining further construction work at the  
36 job site by the contractor. The order shall describe the specific

1 violation that necessitated issuance of the restraining order. The  
2 contractor or representative to whom the restraining order is directed  
3 may request a hearing before an administrative law judge, such hearing  
4 to be conducted pursuant to chapter 34.05 RCW. A request for hearing  
5 shall not stay the effect of the restraining order.

6 (2) In addition to and after having invoked the powers of restraint  
7 vested in the director as provided in subsection (1) of this section,  
8 the director, through the attorney general, may petition the superior  
9 court of the state of Washington to enjoin any activity in violation of  
10 this chapter. A prima facie case for issuance of an injunction shall  
11 be established by affidavits and supporting documentation demonstrating  
12 that a restraining order was served upon the contractor and that the  
13 contractor continued to work after service of the order. Upon the  
14 filing of the petition, the superior court shall have jurisdiction to  
15 grant injunctive or other appropriate relief, pending the outcome of  
16 enforcement proceedings under this chapter, or to enforce restraining  
17 orders issued by the director. If the contractor fails to comply with  
18 any court order, the director shall request the attorney general to  
19 petition the superior court for an order holding the contractor in  
20 contempt of court and for any other appropriate relief.

21 **Sec. 22.** RCW 18.27.270 and 2000 c 171 s 9 are each amended to read  
22 as follows:

23 (1) A contractor who is issued a notice of infraction shall respond  
24 within twenty days of the date of issuance of the notice of infraction.

25 (2) If the contractor named in the notice of infraction does not  
26 elect to contest the notice of infraction, then the contractor shall  
27 pay to the department, by check or money order, the amount of the  
28 penalty prescribed for the infraction. When a response which does not  
29 contest the notice of infraction is received by the department with the  
30 appropriate penalty, the department shall make the appropriate entry in  
31 its records.

32 (3) If the contractor named in the notice of infraction elects to  
33 contest the notice of infraction, the contractor shall respond by  
34 filing an answer of protest with the department specifying the grounds  
35 of protest.

36 (4) If any contractor issued a notice of infraction fails to



1 respond within the prescribed response period, the contractor shall be  
2 guilty of a misdemeanor and prosecuted in the county where the  
3 infraction occurred.

4 (5) After final determination by an administrative law judge that  
5 an infraction has been committed, a contractor who fails to pay a  
6 monetary penalty within thirty days, that is not waived pursuant to RCW  
7 18.27.340(2), and who fails to file an appeal pursuant to RCW  
8 18.27.310(4), shall be guilty of a misdemeanor and be prosecuted in the  
9 county where the infraction occurred.

10 (6) A contractor who fails to pay a monetary penalty within thirty  
11 days after exhausting appellate remedies pursuant to RCW 18.27.310(4),  
12 shall be guilty of a misdemeanor and be prosecuted in the county where  
13 the infraction occurred.

14 (7) If a contractor who is issued a notice of infraction is a  
15 contractor who has failed to (~~register~~) obtain a license as a  
16 contractor under this chapter, the contractor is subject to a monetary  
17 penalty per infraction as provided in the schedule of penalties  
18 established by the department, and each day the person works without  
19 becoming (~~registered~~) licensed is a separate infraction.

20 **Sec. 23.** RCW 18.27.310 and 2001 c 159 s 10 are each amended to  
21 read as follows:

22 (1) The administrative law judge shall conduct contractors' notice  
23 of infraction cases pursuant to chapter 34.05 RCW.

24 (2) The burden of proof is on the department to establish the  
25 commission of the infraction by a preponderance of the evidence. The  
26 notice of infraction shall be dismissed if the defendant establishes  
27 that, at the time the work was performed, the defendant was  
28 (~~registered~~) licensed by the department, without suspension, or was  
29 exempt from (~~registration~~) licensure.

30 (3) After consideration of the evidence and argument, the  
31 administrative law judge shall determine whether the infraction was  
32 committed. If it has not been established that the infraction was  
33 committed, an order dismissing the notice shall be entered in the  
34 record of the proceedings. If it has been established that the  
35 infraction was committed, the administrative law judge shall issue  
36 findings of fact and conclusions of law in its decision and order  
37 determining whether the infraction was committed.

1 (4) An appeal from the administrative law judge's determination or  
2 order shall be to the superior court. The decision of the superior  
3 court is subject only to discretionary review pursuant to Rule 2.3 of  
4 the Rules of Appellate Procedure.

5 **Sec. 24.** RCW 18.27.320 and 2001 c 159 s 11 are each amended to  
6 read as follows:

7 The administrative law judge shall dismiss the notice of infraction  
8 at any time upon written notification from the department that the  
9 contractor named in the notice of infraction was (~~registered~~)  
10 licensed, without suspension, at the time the work was performed.

11 **Sec. 25.** RCW 18.27.340 and 1997 c 314 s 17 are each amended to  
12 read as follows:

13 (1) Except as otherwise provided in subsection (3) of this section,  
14 a contractor found to have committed an infraction under RCW 18.27.200  
15 shall be assessed a monetary penalty of not less than two hundred  
16 dollars and not more than five thousand dollars.

17 (2) The director may waive collection in favor of payment of  
18 restitution to a consumer complainant.

19 (3) A contractor found to have committed an infraction under RCW  
20 18.27.200 for failure to (~~register~~) obtain a license shall be  
21 assessed a fine of not less than one thousand dollars, nor more than  
22 five thousand dollars. The director may reduce the penalty for failure  
23 to (~~register~~) obtain a license, but in no case below five hundred  
24 dollars, if the person becomes (~~registered~~) licensed within ten days  
25 of receiving a notice of infraction and the notice of infraction is for  
26 a first offense.

27 (4) Monetary penalties collected under this chapter shall be  
28 deposited in the general fund.

29 **Sec. 26.** RCW 18.27.342 and 1997 c 314 s 19 are each amended to  
30 read as follows:

31 (~~Beginning December 1, 1997,~~) The department shall report by  
32 December 1st each year to the commerce and labor committees of the  
33 senate and house of representatives and the ways and means committee of  
34 the senate and the appropriations committee of the house of

1 representatives, or successor committees, the following information for  
2 the previous three fiscal years:

3 (1) The number of contractors found to have committed an infraction  
4 for failure to (~~register~~) obtain a license;

5 (2) The number of contractors identified in subsection (1) of this  
6 section who were assessed a monetary penalty and the amount of the  
7 penalties assessed;

8 (3) The amount of the penalties reported in subsection (2) of this  
9 section that was collected; and

10 (4) The amount of the penalties reported in subsection (2) of this  
11 section that was waived.

12 **Sec. 27.** RCW 18.27.360 and 1996 c 293 s 7 are each amended to read  
13 as follows:

14 The director shall suspend the (~~certificate of registration~~)  
15 license of any person who has been certified by a lending agency and  
16 reported to the director for nonpayment or default on a federally or  
17 state-guaranteed educational loan or service-conditional scholarship.  
18 (~~Prior to the~~) Before suspension, the agency must provide the person  
19 an opportunity for a brief adjudicative proceeding under RCW 34.05.485  
20 through 34.05.494 and issue a finding of nonpayment or default on a  
21 federally or state-guaranteed educational loan or service-conditional  
22 scholarship. The person's (~~certificate of registration~~) license  
23 shall not be reissued until the person provides the director a written  
24 release issued by the lending agency stating that the person is making  
25 payments on the loan in accordance with a repayment agreement approved  
26 by the lending agency. If the person has continued to meet all other  
27 requirements for (~~certification of registration~~) licensure during the  
28 suspension, reinstatement shall be automatic upon receipt of the notice  
29 and payment of any reinstatement fee the director may impose.

30 **Sec. 28.** RCW 18.27.370 and 2001 c 159 s 6 are each amended to read  
31 as follows:

32 (1) If an (~~unregistered~~) unlicensed contractor defaults in a  
33 payment, penalty, or fine due to the department, the director or the  
34 director's designee may issue a notice of assessment certifying the  
35 amount due. The notice must be served upon the (~~unregistered~~)  
36 unlicensed contractor by mailing the notice to the (~~unregistered~~)

1 unlicensed contractor by certified mail to the ((unregistered))  
2 unlicensed contractor's last known address or served in the manner  
3 prescribed for the service of a summons in a civil action.

4 (2) A notice of assessment becomes final thirty days from the date  
5 the notice was served upon the ((unregistered)) unlicensed contractor  
6 unless a written request for reconsideration is filed with the  
7 department or an appeal is filed in a court of competent jurisdiction  
8 in the manner specified in RCW 34.05.510 through 34.05.598. The  
9 request for reconsideration must set forth with particularity the  
10 reason for the ((unregistered)) unlicensed contractor's request. The  
11 department, within thirty days after receiving a written request for  
12 reconsideration, may modify or reverse a notice of assessment, or may  
13 hold a notice of assessment in abeyance pending further investigation.  
14 If a final decision of a court in favor of the department is not  
15 appealed within the time allowed by law, then the amount of the  
16 unappealed assessment, or such amount of the assessment as is found due  
17 by the final decision of the court, is final.

18 (3) The director or the director's designee may file with the clerk  
19 of any county within the state, a warrant in the amount of the notice  
20 of assessment, plus interest, penalties, and a filing fee of twenty  
21 dollars. The clerk of the county in which the warrant is filed shall  
22 immediately designate a superior court cause number for the warrant,  
23 and the clerk shall cause to be entered in the judgment docket under  
24 the superior court cause number assigned to the warrant, the name of  
25 the ((unregistered)) unlicensed contractor mentioned in the warrant,  
26 the amount of payment, penalty, fine due on it, or filing fee, and the  
27 date when the warrant was filed. The aggregate amount of the warrant  
28 as docketed shall become a lien upon the title to, and interest in, all  
29 real and personal property of the ((unregistered)) unlicensed  
30 contractor against whom the warrant is issued, the same as a judgment  
31 in a civil case docketed in the office of the clerk. The sheriff shall  
32 proceed upon the warrant in all respects and with like effect as  
33 prescribed by law with respect to execution or other process issued  
34 against rights or property upon judgment in a court of competent  
35 jurisdiction. The warrant so docketed is sufficient to support the  
36 issuance of writs of garnishment in favor of the state in a manner  
37 provided by law in case of judgment, wholly or partially unsatisfied.  
38 The clerk of the court is entitled to a filing fee which will be added

1 to the amount of the warrant. A copy of the warrant shall be mailed to  
2 the ((unregistered)) unlicensed contractor within three days of filing  
3 with the clerk.

4 (4) The director or the director's designee may issue to any  
5 person, firm, corporation, other entity, municipal corporation,  
6 political subdivision of the state, a public corporation, or any agency  
7 of the state, a notice and order to withhold and deliver property of  
8 any kind whatsoever when he or she has reason to believe that there is  
9 in the possession of the person, firm, corporation, other entity,  
10 municipal corporation, political subdivision of the state, public  
11 corporation, or agency of the state, property that is or will become  
12 due, owing, or belonging to an ((unregistered)) unlicensed contractor  
13 upon whom a notice of assessment has been served by the department for  
14 payments, penalties, or fines due to the department. The effect of a  
15 notice and order is continuous from the date the notice and order is  
16 first made until the liability out of which the notice and order arose  
17 is satisfied or becomes unenforceable because of lapse of time. The  
18 department shall release the notice and order when the liability out of  
19 which the notice and order arose is satisfied or becomes unenforceable  
20 by reason of lapse of time and shall notify the person against whom the  
21 notice and order was made that the notice and order has been released.

22 The notice and order to withhold and deliver must be served by the  
23 sheriff of the county or by the sheriff's deputy, by certified mail,  
24 return receipt requested, or by an authorized representative of the  
25 director. A person, firm, corporation, other entity, municipal  
26 corporation, political subdivision of the state, public corporation, or  
27 agency of the state upon whom service has been made shall answer the  
28 notice within twenty days exclusive of the day of service, under oath  
29 and in writing, and shall make true answers to the matters inquired of  
30 in the notice and order. Upon service of the notice and order, if the  
31 party served possesses any property that may be subject to the claim of  
32 the department, the party shall promptly deliver the property to the  
33 director or the director's authorized representative. The director  
34 shall hold the property in trust for application on the  
35 ((unregistered)) unlicensed contractor's indebtedness to the  
36 department, or for return without interest, in accordance with a final  
37 determination of a petition for review. In the alternative, the party  
38 shall furnish a good and sufficient surety bond satisfactory to the

1 director conditioned upon final determination of liability. If a party  
2 served and named in the notice fails to answer the notice within the  
3 time prescribed in this section, the court may render judgment by  
4 default against the party for the full amount claimed by the director  
5 in the notice, together with costs. If a notice is served upon an  
6 (~~unregistered~~) unlicensed contractor and the property subject to it  
7 is wages, the (~~unregistered~~) unlicensed contractor may assert in the  
8 answer all exemptions provided for by chapter 6.27 RCW to which the  
9 wage earner is entitled.

10 (5) In addition to the procedure for collection of a payment,  
11 penalty, or fine due to the department as set forth in this section,  
12 the department may recover civil penalties imposed under this chapter  
13 in a civil action in the name of the department brought in a court of  
14 competent jurisdiction of the county where the violation is alleged to  
15 have occurred.

16 NEW SECTION. **Sec. 29.** A new section is added to chapter 18.27 RCW  
17 to read as follows:

18 The construction contractor's license account is created in the  
19 state treasury. All receipts from application fees, the issuance or  
20 renewal of contractor licenses, training, or other sources related to  
21 licensing of contractors must be deposited into the account. Moneys in  
22 the account may be spent only after appropriation. Expenditures from  
23 the account may be used only for the purposes of this chapter.

24 NEW SECTION. **Sec. 30.** A new section is added to chapter 18.27 RCW  
25 to read as follows:

26 (1) The state building code council shall, by January 1, 2008,  
27 prepare a written training course and examination to be administered,  
28 at no cost to the local government, to all local government building  
29 inspectors that inspect single or multifamily residential buildings.

30 (2) The state building code council may use an existing  
31 certification program designed to test local government building  
32 inspectors on their knowledge of the state building code.

33 (3) After June 30, 2008, a local government building inspector  
34 shall not inspect a single or multifamily residential building unless  
35 certified by the state building code council as having passed the  
36 examination.

1 (4) The state building code council shall adopt necessary rules to  
2 implement this section.

3 **Sec. 31.** RCW 18.100.140 and 1994 sp.s. c 9 s 717 are each amended  
4 to read as follows:

5 Nothing in this chapter shall authorize a director, officer,  
6 shareholder, agent or employee of a corporation organized under this  
7 chapter, or a corporation itself organized under this chapter, to do or  
8 perform any act which would be illegal, unethical or unauthorized  
9 conduct under the provisions of the following acts: (1) Physicians and  
10 surgeons, chapter 18.71 RCW; (2) anti-rebating act, chapter 19.68 RCW;  
11 (3) state bar act, chapter 2.48 RCW; (4) professional accounting act,  
12 chapter 18.04 RCW; (5) professional architects act, chapter 18.08 RCW;  
13 (6) professional auctioneers act, chapter 18.11 RCW; (7)  
14 cosmetologists, barbers, and manicurists, chapter 18.16 RCW; (8)  
15 boarding homes act, chapter 18.20 RCW; (9) podiatric medicine and  
16 surgery, chapter 18.22 RCW; (10) chiropractic act, chapter 18.25 RCW;  
17 (11) (~~registration~~) licensing of contractors, chapter 18.27 RCW; (12)  
18 debt adjusting act, chapter 18.28 RCW; (13) dental hygienist act,  
19 chapter 18.29 RCW; (14) dentistry, chapter 18.32 RCW; (15) dispensing  
20 opticians, chapter 18.34 RCW; (16) naturopathic physicians, chapter  
21 18.36A RCW; (17) embalmers and funeral directors, chapter 18.39 RCW;  
22 (18) engineers and land surveyors, chapter 18.43 RCW; (19) escrow  
23 agents registration act, chapter 18.44 RCW; (20) (~~maternity homes~~)  
24 birthing centers, chapter 18.46 RCW; (21) midwifery, chapter 18.50 RCW;  
25 (22) nursing homes, chapter 18.51 RCW; (23) optometry, chapter 18.53  
26 RCW; (24) osteopathic physicians and surgeons, chapter 18.57 RCW; (25)  
27 pharmacists, chapter 18.64 RCW; (26) physical therapy, chapter 18.74  
28 RCW; (27) registered nurses, advanced registered nurse practitioners,  
29 and practical nurses, chapter 18.79 RCW; (28) psychologists, chapter  
30 18.83 RCW; (29) real estate brokers and salesmen, chapter 18.85 RCW;  
31 (30) veterinarians, chapter 18.92 RCW.

32 **Sec. 32.** RCW 18.106.020 and 2006 c 185 s 11 are each amended to  
33 read as follows:

34 (1) No person may engage in or offer to engage in the trade of  
35 plumbing without having a journeyman certificate, specialty  
36 certificate, temporary permit, or trainee certificate. A trainee must

1 be supervised by a person who has a journeyman certificate, specialty  
2 certificate, or temporary permit, as specified in RCW 18.106.070. No  
3 contractor may employ a person to engage in or offer to engage in the  
4 trade of plumbing unless the person employed has a journeyman  
5 certificate, specialty certificate, temporary permit, or trainee  
6 certificate. This section does not apply to a contractor who is  
7 contracting for work on his or her own residence. Until July 1, 2007,  
8 the department shall issue a written warning to any specialty plumber  
9 defined by RCW 18.106.010(10)(c) not having a valid plumber  
10 certification. The warning will state that the individual must apply  
11 for a plumber training certificate or be qualified for and apply for  
12 plumber certification under the requirements in RCW 18.106.040 within  
13 thirty calendar days of the warning. Only one warning will be issued  
14 to any individual. If the individual fails to comply with this  
15 section, the department shall issue a penalty or penalties as  
16 authorized by this chapter.

17 (2) No person may engage in or offer to engage in medical gas  
18 piping installation without having a certificate of competency as a  
19 journeyman plumber and a medical gas piping installer endorsement. A  
20 trainee may engage in medical gas piping installation if he or she has  
21 a training certificate and is supervised by a person with a medical gas  
22 piping installer endorsement. No contractor may employ a person to  
23 engage in or offer to engage in medical gas piping installation unless  
24 the person employed has a certificate of competency as a journeyman  
25 plumber and a medical gas piping installer endorsement.

26 (3) No contractor may advertise, offer to do work, submit a bid, or  
27 perform any work under this chapter without being (~~registered~~)  
28 licensed as a contractor under chapter 18.27 RCW.

29 (4) Violation of this section is an infraction. Each day in which  
30 a person engages in the trade of plumbing in violation of this section  
31 or employs a person in violation of this section is a separate  
32 infraction. Each worksite at which a person engages in the trade of  
33 plumbing in violation of this section or at which a person is employed  
34 in violation of this section is a separate infraction.

35 (5) Notices of infractions for violations of this section may be  
36 issued to:

37 (a) The person engaging in or offering to engage in the trade of  
38 plumbing in violation of this section;



- 1 (b) The contractor in violation of this section; and
- 2 (c) The contractor's employee who authorized the work assignment of
- 3 the person employed in violation of this section.

4 **Sec. 33.** RCW 18.106.180 and 2002 c 82 s 3 are each amended to read  
5 as follows:

6 (1) An authorized representative of the department may issue a  
7 notice of infraction as specified in RCW 18.106.020 if:

8 (a) A person who is doing plumbing work or who is offering to do  
9 plumbing work fails to produce evidence of:

10 (i) Having a certificate or permit issued by the department in  
11 accordance with this chapter, or being supervised by a person who has  
12 such a certificate or permit; and

13 (ii) Being (~~registered~~) licensed as a contractor as required  
14 under chapter 18.27 RCW or this chapter, or being employed by a person  
15 who is (~~registered~~) licensed as a contractor;

16 (b) A person who employs anyone, or offers or advertises to employ  
17 anyone, to do plumbing work fails to produce evidence of being  
18 (~~registered~~) licensed as a contractor as required under chapter 18.27  
19 RCW or this chapter; or

20 (c) A contractor violates RCW 18.106.320.

21 (2) A notice of infraction issued under this section shall be  
22 personally served on the person named in the notice by an authorized  
23 representative of the department or sent by certified mail to the last  
24 known address provided to the department of the person named in the  
25 notice.

26 **Sec. 34.** RCW 18.106.250 and 2002 c 82 s 4 are each amended to read  
27 as follows:

28 (1) The administrative law judge shall conduct notice of infraction  
29 cases under this chapter pursuant to chapter 34.05 RCW.

30 (2) The burden of proof is on the department to establish the  
31 commission of the infraction by a preponderance of the evidence. The  
32 notice of infraction shall be dismissed if the defendant establishes  
33 that, at the time the notice was issued:

34 (a) The defendant who was issued a notice of infraction authorized  
35 by RCW 18.106.020(5)(a) had a certificate or permit issued by the

1 department in accordance with this chapter, was supervised by a person  
2 who has such a certificate or permit, or was exempt from this chapter  
3 under RCW 18.106.150; or

4 (b) For the defendant who was issued a notice of infraction  
5 authorized by RCW 18.106.020(5) (b) or (c), the person employed or  
6 supervised by the defendant has a certificate or permit issued by the  
7 department in accordance with this chapter, was supervised by a person  
8 who had such a certificate or permit, was exempt from this chapter  
9 under RCW 18.106.150, or was (~~registered~~) licensed as a contractor  
10 under chapter 18.27 RCW.

11 (3) After consideration of the evidence and argument, the  
12 administrative law judge shall determine whether the infraction was  
13 committed. If it has not been established that the infraction was  
14 committed, an order dismissing the notice shall be entered in the  
15 record of the proceedings. If it has been established that the  
16 infraction was committed, the administrative law judge shall issue  
17 findings of fact and conclusions of law in its decision and order  
18 determining whether the infraction was committed.

19 (4) An appeal from the administrative law judge's determination or  
20 order shall be to the superior court. The decision of the superior  
21 court is subject only to discretionary review pursuant to Rule 2.3 of  
22 the Rules of Appellate Procedure.

23 **Sec. 35.** RCW 18.160.030 and 2003 c 74 s 1 are each amended to read  
24 as follows:

25 (1) This chapter shall be administered by the state director of  
26 fire protection.

27 (2) The state director of fire protection shall have the authority,  
28 and it shall be his or her duty to:

29 (a) (~~Issue such administrative regulations as~~) Adopt rules  
30 necessary for the administration of this chapter;

31 (b)(i) Set reasonable fees for licenses, certificates, testing, and  
32 other aspects of the administration of this chapter. However, the  
33 license fee for fire protection sprinkler system contractors engaged  
34 solely in the installation, inspection, maintenance, or servicing of  
35 NFPA 13-D fire protection sprinkler systems shall not exceed one  
36 hundred dollars, and the license fee for fire protection sprinkler

1 system contractors engaged solely in the installation, inspection,  
2 maintenance, or servicing of NFPA 13-R fire protection sprinkler  
3 systems shall not exceed three hundred dollars;

4 (ii) Adopt rules establishing a special category restricted to  
5 contractors (~~registered~~) licensed under chapter 18.27 RCW who install  
6 underground systems that service fire protection sprinkler systems.  
7 The rules shall be adopted within ninety days of March 31, 1992;

8 (iii) Subject to RCW 18.160.120, adopt rules defining infractions  
9 under this chapter and fines to be assessed for those infractions;

10 (c) Enforce the provisions of this chapter;

11 (d) Conduct investigations of complaints to determine if any  
12 infractions of this chapter or the (~~regulations~~) rules developed  
13 under this chapter have occurred;

14 (e) Assign a certificate number to each certificate of competency  
15 holder; and

16 (f) Adopt rules necessary to implement and administer a program  
17 which requires the affixation of a seal any time a fire protection  
18 sprinkler system is installed, which seal shall include the certificate  
19 number of any certificate of competency holder who installs, in whole  
20 or in part, the fire protection sprinkler system.

21 **Sec. 36.** RCW 19.28.051 and 2006 c 185 s 8 are each amended to read  
22 as follows:

23 It shall be the purpose and function of the board to establish, in  
24 addition to a general electrical contractors' license, such  
25 classifications of specialty electrical contractors' licenses as it  
26 deems appropriate with regard to individual sections pertaining to  
27 state adopted codes in this chapter. In addition, it shall be the  
28 purpose and function of the board to establish and administer written  
29 examinations for general electrical administrators' certificates and  
30 the various specialty electrical administrators' certificates.  
31 Examinations shall be designed to reasonably ensure that general and  
32 specialty electrical administrators' certificate holders are competent  
33 to engage in and supervise the work covered by this statute and their  
34 respective licenses. The examinations shall include questions from the  
35 following categories to ensure proper safety and protection for the  
36 general public: (1) Safety, (2) state electrical code, and (3)  
37 electrical theory. The department with the consent of the board shall

1 be permitted to enter into a contract with a professional testing  
2 agency to develop, administer, and score these examinations, or accept  
3 certifications or other appropriate demonstrations established by  
4 independent entities that otherwise fulfill the examination  
5 requirements of this section. Individuals who can provide evidence to  
6 the department, prior to January 1, 2007, that they have been employed  
7 as a pump installer in the pump and irrigation or domestic pump  
8 business by an appropriately licensed electrical contractor,  
9 (~~registered~~) licensed general contractor defined by chapter 18.27  
10 RCW, or appropriate general specialty contractor defined by chapter  
11 18.27 RCW for not less than eight thousand hours in the most recent six  
12 calendar years shall be issued the appropriate administrator's  
13 certificate by the department upon receiving such documentation and  
14 applicable fees. The fee for the examination may be set by the  
15 department in its contract with the professional testing agency. The  
16 department may direct that the applicant pay the fee to the  
17 professional testing agency. The fee shall cover but not exceed the  
18 costs of preparing and administering the examination. It shall be the  
19 further purpose and function of this board to advise the director as to  
20 the need of additional electrical inspectors and compliance officers to  
21 be utilized by the director on either a full-time or part-time  
22 employment basis and to carry out the duties enumerated in RCW  
23 19.28.161 through 19.28.271 as well as generally advise the department  
24 on all matters relative to RCW 19.28.161 through 19.28.271.

25 **Sec. 37.** RCW 19.28.161 and 2006 c 224 s 2 and 2006 c 185 s 6 are  
26 each reenacted and amended to read as follows:

27 (1) No person may engage in the electrical construction trade  
28 without having a valid master journeyman electrician certificate of  
29 competency, journeyman electrician certificate of competency, master  
30 specialty electrician certificate of competency, or specialty  
31 electrician certificate of competency issued by the department in  
32 accordance with this chapter. Electrician certificate of competency  
33 specialties include, but are not limited to: Residential, pump and  
34 irrigation, limited energy system, signs, nonresidential maintenance,  
35 restricted nonresidential maintenance, and appliance repair. Until  
36 July 1, 2007, the department of labor and industries shall issue a  
37 written warning to any specialty pump and irrigation or domestic pump

1 electrician not having a valid electrician certification. The warning  
2 will state that the individual must apply for an electrical training  
3 certificate or be qualified for and apply for electrician certification  
4 under the requirements in RCW 19.28.191(1)((~~g~~)) (d) within thirty  
5 calendar days of the warning. Only one warning will be issued to any  
6 individual. If the individual fails to comply with this section, the  
7 department shall issue a penalty as defined in RCW 19.28.271 to the  
8 individual.

9 (2) A person who is indentured in an apprenticeship program  
10 approved under chapter 49.04 RCW for the electrical construction trade  
11 or who is learning the electrical construction trade may work in the  
12 electrical construction trade if supervised by a certified master  
13 journeyman electrician, journeyman electrician, master specialty  
14 electrician in that electrician's specialty, or specialty electrician  
15 in that electrician's specialty. All apprentices and individuals  
16 learning the electrical construction trade shall obtain an electrical  
17 training certificate from the department. The certificate shall  
18 authorize the holder to learn the electrical construction trade while  
19 under the direct supervision of a master journeyman electrician,  
20 journeyman electrician, master specialty electrician working in that  
21 electrician's specialty, or specialty electrician working in that  
22 electrician's specialty. The holder of the electrical training  
23 certificate shall renew the certificate biennially. At the time of  
24 renewal, the holder shall provide the department with an accurate list  
25 of the holder's employers in the electrical construction industry for  
26 the previous biennial period and the number of hours worked for each  
27 employer, and proof of sixteen hours of approved classroom electrical  
28 continuing education courses covering this chapter, the national  
29 electrical code, or electrical theory, or the equivalent electrical  
30 training courses taken as part of an approved apprenticeship program  
31 under chapter 49.04 RCW or an approved electrical training program  
32 under RCW 19.28.191(1)((~~h~~)) (e). This education requirement is  
33 effective July 1, 2007. A biennial fee shall be charged for the  
34 issuance or renewal of the certificate. The department shall set the  
35 fee by rule. The fee shall cover but not exceed the cost of  
36 administering and enforcing the trainee certification and supervision  
37 requirements of this chapter. Apprentices and individuals learning the  
38 electrical construction trade shall have their electrical training

1 certificates in their possession at all times that they are performing  
2 electrical work. They shall show their certificates to an authorized  
3 representative of the department at the representative's request.

4 (3) Any person who has been issued an electrical training  
5 certificate under this chapter may work if that person is under  
6 supervision. Supervision shall consist of a person being on the same  
7 job site and under the control of either a certified master journeyman  
8 electrician, journeyman electrician, master specialty electrician  
9 working in that electrician's specialty, or specialty electrician  
10 working in that electrician's specialty. Either a certified master  
11 journeyman electrician, journeyman electrician, master specialty  
12 electrician working in that electrician's specialty, or specialty  
13 electrician working in that electrician's specialty shall be on the  
14 same job site as the noncertified individual for a minimum of seventy-  
15 five percent of each working day unless otherwise provided in this  
16 chapter.

17 (4) The ratio of noncertified individuals to certified master  
18 journeymen electricians, journeymen electricians, master specialty  
19 electricians, or specialty electricians on any one job site is as  
20 follows:

21 (a) When working as a specialty electrician, not more than two  
22 noncertified individuals for every certified master specialty  
23 electrician working in that electrician's specialty, specialty  
24 electrician working in that electrician's specialty, master journeyman  
25 electrician, or journeyman electrician, except that the ratio  
26 requirements are one certified master specialty electrician working in  
27 that electrician's specialty, specialty electrician working in that  
28 electrician's specialty, master journeyman electrician, or journeyman  
29 electrician working as a specialty electrician to no more than four  
30 students enrolled in and working as part of an electrical construction  
31 program at public community or technical colleges, or not-for-profit  
32 nationally accredited trade or technical schools licensed by the work  
33 force training and education coordinating board under chapter 28C.10  
34 RCW. In meeting the ratio requirements for students enrolled in an  
35 electrical construction program at a trade school, a trade school may  
36 receive input and advice from the electrical board; and

37 (b) When working as a journeyman electrician, not more than one  
38 noncertified individual for every certified master journeyman

1 electrician or journeyman electrician, except that the ratio  
2 requirements shall be one certified master journeyman electrician or  
3 journeyman electrician to no more than four students enrolled in and  
4 working as part of an electrical construction program at public  
5 community or technical colleges, or not-for-profit nationally  
6 accredited trade or technical schools licensed by the work force  
7 training and education coordinating board under chapter 28C.10 RCW. In  
8 meeting the ratio requirements for students enrolled in an electrical  
9 construction program at a trade school, a trade school may receive  
10 input and advice from the electrical board.

11 An individual who has a current training certificate and who has  
12 successfully completed or is currently enrolled in an approved  
13 apprenticeship program or in an electrical construction program at  
14 public community or technical colleges, or not-for-profit nationally  
15 accredited technical or trade schools licensed by the work force  
16 training and education coordinating board under chapter 28C.10 RCW, may  
17 work without direct on-site supervision during the last six months of  
18 meeting the practical experience requirements of this chapter.

19 (5) For the residential (as specified in WAC 296-46B-920(2)(a)),  
20 pump and irrigation (as specified in WAC 296-46B-920(2)(b)), sign (as  
21 specified in WAC 296-46B-920(2)(d)), limited energy (as specified in  
22 WAC 296-46B-920(2)(e)), nonresidential maintenance (as specified in WAC  
23 296-46B-920(2)(g)), restricted nonresidential maintenance as determined  
24 by the department in rule, or other new nonresidential specialties, not  
25 including appliance repair, as determined by the department in rule,  
26 either a master journeyman electrician, journeyman electrician, master  
27 specialty electrician working in that electrician's specialty, or  
28 specialty electrician working in that electrician's specialty must be  
29 on the same job site as the noncertified individual for a minimum of  
30 seventy-five percent of each working day. Other specialties must meet  
31 the requirements specified in RCW 19.28.191 (1)((~~g~~)) (d)(ii). When  
32 the ratio of certified electricians to noncertified individuals on a  
33 job site is one certified electrician to three or four noncertified  
34 individuals, the certified electrician must:

35 (a) Directly supervise and instruct the noncertified individuals  
36 and the certified electrician may not directly make or engage in an  
37 electrical installation; and

1 (b) Be on the same job site as the noncertified individual for a  
2 minimum of one hundred percent of each working day.

3 (6) The electrical contractor shall accurately verify and attest to  
4 the electrical trainee hours worked by electrical trainees on behalf of  
5 the electrical contractor.

6 **Sec. 38.** RCW 19.28.191 and 2006 c 185 s 7 are each amended to read  
7 as follows:

8 (1) Upon receipt of the application, the department shall review  
9 the application and determine whether the applicant is eligible to take  
10 an examination for the master journeyman electrician, journeyman  
11 electrician, master specialty electrician, or specialty electrician  
12 certificate of competency.

13 ~~(a) ((Before July 1, 2005, an applicant who possesses a valid  
14 journeyman electrician certificate of competency in effect for the  
15 previous four years and a valid general administrator's certificate may  
16 apply for a master journeyman electrician certificate of competency  
17 without examination.~~

18 ~~(b) Before July 1, 2005, an applicant who possesses a valid  
19 specialty electrician certificate of competency, in the specialty  
20 applied for, for the previous two years and a valid specialty  
21 administrator's certificate, in the specialty applied for, may apply  
22 for a master specialty electrician certificate of competency without  
23 examination.~~

24 ~~(c) Before December 1, 2003, the following persons may obtain an  
25 equipment repair specialty electrician certificate of competency  
26 without examination:~~

27 ~~(i) A person who has successfully completed an apprenticeship  
28 program approved under chapter 49.04 RCW for the machinist trade; and~~

29 ~~(ii) A person who provides evidence in a form prescribed by the  
30 department affirming that: (A) He or she was employed as of April 1,  
31 2003, by a factory authorized equipment dealer or service company; and  
32 (B) he or she has worked in equipment repair for a minimum of four  
33 thousand hours.~~

34 ~~(d))~~ To be eligible to take the examination for a master  
35 journeyman electrician certificate of competency the applicant must  
36 have possessed a valid journeyman electrician certificate of competency  
37 for four years.



1       (~~(e)~~) (b) To be eligible to take the examination for a master  
2 specialty electrician certificate of competency the applicant must have  
3 possessed a valid specialty electrician certificate of competency, in  
4 the specialty applied for, for two years.

5       (~~(f)~~) (c) To be eligible to take the examination for a journeyman  
6 certificate of competency the applicant must have:

7       (i) Worked in the electrical construction trade for a minimum of  
8 eight thousand hours, of which four thousand hours shall be in  
9 industrial or commercial electrical installation under the supervision  
10 of a master journeyman electrician or journeyman electrician and not  
11 more than a total of four thousand hours in all specialties under the  
12 supervision of a master journeyman electrician, journeyman electrician,  
13 master specialty electrician working in that electrician's specialty,  
14 or specialty electrician working in that electrician's specialty.  
15 Speciality electricians with less than a four thousand hour work  
16 experience requirement cannot credit the time required to obtain that  
17 specialty towards qualifying to become a journeyman electrician; or

18       (ii) Successfully completed an apprenticeship program approved  
19 under chapter 49.04 RCW for the electrical construction trade.

20       (~~(g)~~) (d) To be eligible to take the examination for a specialty  
21 electrician certificate of competency the applicant must have:

22       (i) Worked in the residential (as specified in WAC 296-46B-  
23 920(2)(a)), pump and irrigation (as specified in WAC 296-46B-  
24 920(2)(b)), sign (as specified in WAC 296-46B-920(2)(d)), limited  
25 energy (as specified in WAC 296-46B-920(2)(e)), nonresidential  
26 maintenance (as specified in WAC 296-46B-920(2)(g)), or other new  
27 nonresidential specialties as determined by the department in rule  
28 under the supervision of a master journeyman electrician, journeyman  
29 electrician, master specialty electrician working in that electrician's  
30 specialty, or specialty electrician working in that electrician's  
31 specialty for a minimum of four thousand hours;

32       (ii) Worked in the appliance repair specialty as determined by the  
33 department in rule, restricted nonresidential maintenance as determined  
34 by the department in rule, the equipment repair specialty as determined  
35 by the department in rule, the pump and irrigation specialty other than  
36 as defined by (~~(g)~~) (d)(i) of this subsection or domestic pump  
37 specialty as determined by the department in rule, or a specialty other  
38 than the designated specialties in (~~(g)~~) (d)(i) of this subsection

1 for a minimum of the initial ninety days, or longer if set by rule by  
2 the department. The restricted nonresidential maintenance specialty is  
3 limited to a maximum of 277 volts and 20 amperes for lighting branch  
4 circuits and/or a maximum of 250 volts and 60 amperes for other  
5 circuits, but excludes the replacement or repair of circuit breakers.  
6 The initial period must be spent under one hundred percent supervision  
7 of a master journeyman electrician, journeyman electrician, master  
8 specialty electrician working in that electrician's specialty, or  
9 specialty electrician working in that electrician's specialty. After  
10 this initial period, a person may take the specialty examination. If  
11 the person passes the examination, the person may work unsupervised for  
12 the balance of the minimum hours required for certification. A person  
13 may not be certified as a specialty electrician in the appliance repair  
14 specialty or in a specialty other than the designated specialities in  
15 ~~((g))~~ (d)(i) of this subsection, however, until the person has worked  
16 a minimum of two thousand hours in that specialty, or longer if set by  
17 rule by the department;

18 (iii) Successfully completed an approved apprenticeship program  
19 under chapter 49.04 RCW for the applicant's specialty in the electrical  
20 construction trade; or

21 (iv) In meeting the training requirements for the pump and  
22 irrigation or domestic pump specialties, the individual shall be  
23 allowed to obtain the experience required by this section at the same  
24 time the individual is meeting the experience required by RCW  
25 18.106.040(1)(c). After meeting the training requirements provided in  
26 this section, the individual may take the examination and upon passing  
27 the examination, meeting additional training requirements as may still  
28 be required for those seeking a pump and irrigation, or a domestic pump  
29 specialty certificate as defined by rule, and paying the applicable  
30 fees, the individual must be issued the appropriate certificate. The  
31 department may include an examination for specialty plumbing  
32 certificate defined in RCW 18.106.010(10)(c) with the examination  
33 required by this section. The department, by rule and in consultation  
34 with the electrical board, may establish additional equivalent ways to  
35 gain the experience requirements required by this subsection.  
36 Individuals who are able to provide evidence to the department, prior  
37 to January 1, 2007, that they have been employed as a pump installer in  
38 the pump and irrigation or domestic pump business by an appropriately

1 licensed electrical contractor, (~~registered~~) licensed general  
2 contractor defined by chapter 18.27 RCW, or appropriate general  
3 specialty contractor defined by chapter 18.27 RCW for not less than  
4 eight thousand hours in the most recent six calendar years shall be  
5 issued the appropriate certificate by the department upon receiving  
6 such documentation and applicable fees. The department shall establish  
7 a single document for those who have received both an electrical  
8 specialty certification as defined by this subsection and have also met  
9 the certification requirements for the specialty plumber as defined by  
10 RCW 18.106.010(10)(c), showing that the individual has received both  
11 certifications. No other experience or training requirements may be  
12 imposed.

13 (~~(h)~~) (e) Any applicant for a journeyman electrician certificate  
14 of competency who has successfully completed a two-year program in the  
15 electrical construction trade at public community or technical  
16 colleges, or not-for-profit nationally accredited technical or trade  
17 schools licensed by the work force training and education coordinating  
18 board under chapter 28C.10 RCW may substitute up to two years of the  
19 technical or trade school program for two years of work experience  
20 under a master journeyman electrician or journeyman electrician. The  
21 applicant shall obtain the additional two years of work experience  
22 required in industrial or commercial electrical installation prior to  
23 the beginning, or after the completion, of the technical school  
24 program. Any applicant who has received training in the electrical  
25 construction trade in the armed service of the United States may be  
26 eligible to apply armed service work experience towards qualification  
27 to take the examination for the journeyman electrician certificate of  
28 competency.

29 (~~(i)~~) (f) An applicant for a specialty electrician certificate of  
30 competency who, after January 1, 2000, has successfully completed a  
31 two-year program in the electrical construction trade at a public  
32 community or technical college, or a not-for-profit nationally  
33 accredited technical or trade school licensed by the work force  
34 training and education coordinating board under chapter 28C.10 RCW, may  
35 substitute up to one year of the technical or trade school program for  
36 one year of work experience under a master journeyman electrician,  
37 journeyman electrician, master specialty electrician working in that  
38 electrician's specialty, or specialty electrician working in that

1 electrician's specialty. Any applicant who has received training in  
2 the electrical construction trade in the armed services of the United  
3 States may be eligible to apply armed service work experience towards  
4 qualification to take the examination for an appropriate specialty  
5 electrician certificate of competency.

6 ~~((+j))~~ (g) The department must determine whether hours of training  
7 and experience in the armed services or school program are in the  
8 electrical construction trade and appropriate as a substitute for hours  
9 of work experience. The department must use the following criteria for  
10 evaluating the equivalence of classroom electrical training programs  
11 and work in the electrical construction trade:

12 (i) A two-year electrical training program must consist of three  
13 thousand or more hours.

14 (ii) In a two-year electrical training program, a minimum of two  
15 thousand four hundred hours of student/instructor contact time must be  
16 technical electrical instruction directly related to the scope of work  
17 of the electrical specialty. Student/instructor contact time includes  
18 lecture and in-school lab.

19 (iii) The department may not allow credit for a program that  
20 accepts more than one thousand hours transferred from another school's  
21 program.

22 (iv) Electrical specialty training school programs of less than two  
23 years will have all of the above student/instructor contact time hours  
24 proportionately reduced. Such programs may not apply to more than  
25 fifty percent of the work experience required to attain certification.

26 (v) Electrical training programs of less than two years may not be  
27 credited towards qualification for journeyman electrician unless the  
28 training program is used to gain qualification for a four thousand hour  
29 electrical specialty.

30 ~~((+k))~~ (h) No other requirement for eligibility may be imposed.

31 (2) The department shall establish reasonable rules for the  
32 examinations to be given applicants for certificates of competency. In  
33 establishing the rules, the department shall consult with the board.  
34 Upon determination that the applicant is eligible to take the  
35 examination, the department shall so notify the applicant, indicating  
36 the time and place for taking the examination.

37 (3) No noncertified individual may work unsupervised more than one  
38 year beyond the date when the trainee would be eligible to test for a

1 certificate of competency if working on a full-time basis after  
2 original application for the trainee certificate. For the purposes of  
3 this section, full-time basis means two thousand hours.

4 **Sec. 39.** RCW 19.28.420 and 2000 c 238 s 206 are each amended to  
5 read as follows:

6 (1) It is unlawful for any person, firm, partnership, corporation,  
7 or other entity to advertise, offer to do work, submit a bid, engage  
8 in, conduct, or carry on the business of installing or maintaining  
9 telecommunications systems without having a telecommunications  
10 contractor license. Electrical contractors licensed as general  
11 electrical (01) or specialty electrical (06) contractors under chapter  
12 19.28 RCW and their designated administrators qualify to perform all  
13 telecommunications work defined in this chapter. Telecommunications  
14 contractors licensed under this chapter are not required to be  
15 (~~registered~~) licensed under chapter 18.27 RCW. All  
16 telecommunications licenses expire twenty-four calendar months  
17 following the day of their issue. A telecommunications contractor  
18 license is not required for a licensed specialty electrical contractor  
19 to perform telecommunications installations or maintenance integral to  
20 the equipment or occupancy limitations of their electrical specialty.  
21 A telecommunications contractor license is not required for persons  
22 making telecommunications installations or performing  
23 telecommunications maintenance on their own property or for regularly  
24 employed employees working on the premises of their employer, unless on  
25 a new building intended for rent, sale, or lease.

26 (2) Application for a telecommunications contractor license shall  
27 be made in writing to the department accompanied by the required fee.  
28 The applications shall state:

29 (a) The name and address of the applicant. In the case of firms or  
30 partnerships, the applications shall state the names of the individuals  
31 composing the firm or partnership. In the case of corporations, the  
32 applications shall state the names of the corporation's managing  
33 officials;

34 (b) The location of the place of business of the applicant and the  
35 name under which the business is conducted;

36 (c) The employer social security number or tax identification  
37 number;

1 (d) Evidence of workers' compensation coverage for the applicant's  
2 employees working in Washington, as follows:

3 (i) The applicant's industrial insurance account number issued by  
4 the department;

5 (ii) The applicant's self-insurer number issued by the department;  
6 or

7 (iii) For applicants domiciled in a state or province of Canada  
8 subject to an agreement entered into under RCW 51.12.120(7), as  
9 permitted by the agreement, filing a certificate of coverage issued by  
10 the agency that administers the workers' compensation law in the  
11 applicant's state or province of domicile certifying that the applicant  
12 has secured the payment of compensation under the other state's or  
13 province's workers' compensation law;

14 (e) The employment security department number; and

15 (f) The state excise tax registration number.

16 (3) The unified business identifier account number may be  
17 substituted for the information required by subsection (2)(d), (e), and  
18 (f) of this section if the applicant will not employ employees in  
19 Washington.

20 (4) The department may verify the workers' compensation coverage  
21 information provided by the applicant under subsection (2)(d) of this  
22 section including, but not limited to, information regarding the  
23 coverage of an individual employee of the applicant. If coverage is  
24 provided under the laws of another state, the department may notify the  
25 other state that the applicant is employing employees in Washington.

26 (5) To obtain a telecommunications contractor license the applicant  
27 must designate an individual who currently possesses a  
28 telecommunications administrator certificate. To obtain an  
29 administrator's certificate an individual must pass an examination as  
30 set forth in this chapter. Examination criteria will be determined by  
31 the board.

32 (6) No examination may be required of any applicant for an initial  
33 telecommunications administrator certificate qualifying under this  
34 section. Applicants qualifying under this section shall be issued an  
35 administrator certificate by the department upon making an application  
36 and paying the required fee. Individuals must apply before July 1,  
37 2001, to qualify for an administrator certificate without examination

1 under this section. The board shall certify to the department the  
2 names of all persons entitled to this administrator certificate.

3 Prior to July 1, 2001, bona fide registered contractors under  
4 chapter 18.27 RCW engaged in the business of installing or maintaining  
5 telecommunications wiring in this state on or before June 8, 2000, may  
6 designate the following number of persons to receive a  
7 telecommunications administrator certificate without examination:

8 (a) One owner or officer of a contractor, registered under chapter  
9 18.27 RCW on or before June 8, 2000, currently engaged in the business  
10 of installing telecommunications wiring;

11 (b) One employee, principal, or officer, with a minimum of two  
12 years experience performing telecommunications installations, per  
13 registered (~~telecommunication[s]~~) telecommunications contractor; and

14 (c) One employee for each one hundred employees, or fraction  
15 thereof, with a minimum of two years experience performing  
16 telecommunications installations.

17 (7) The application for a contractor license shall be accompanied  
18 by a bond in the sum of four thousand dollars with the state of  
19 Washington named as obligee in the bond, with good and sufficient  
20 surety, to be approved by the department. The bond shall at all times  
21 be kept in full force and effect, and any cancellation or revocation  
22 thereof, or withdrawal of the surety therefrom, suspends the license  
23 issued to the principal until a new bond has been filed and approved as  
24 provided in this section. Upon approval of a bond, the department  
25 shall, on the next business day, deposit the fee accompanying the  
26 application in the electrical license fund and shall file the bond in  
27 the office. The department shall, upon request, furnish to any person,  
28 firm, partnership, corporation, or other entity a certified copy of the  
29 bond upon the payment of a fee that the department shall set by rule.  
30 The fee shall cover but not exceed the cost of furnishing the certified  
31 copy. The bond shall be conditioned that the principal will pay for  
32 all labor, including employee benefits, and material furnished or used  
33 upon the work, taxes, and contributions to the state of Washington, and  
34 all damages that may be sustained by any person, firm, partnership,  
35 corporation, or other entity due to a failure of the principal to make  
36 the installation or maintenance in accordance with this chapter. In  
37 lieu of the surety bond required by this section the applicant may file  
38 with the department a cash deposit or other negotiable security

1 acceptable to the department. If the applicant has filed a cash  
2 deposit, the department shall deposit the funds in a special trust  
3 savings account in a commercial bank, mutual savings bank, or savings  
4 and loan association and shall pay annually to the depositor the  
5 interest derived from the account.

6 (8) Any person, firm, or corporation sustaining any damage or  
7 injury by reason of the principal's breach of the conditions of the  
8 bond required under this section may bring an action against the surety  
9 named therein, joining in the action the principal named in the bond;  
10 the action shall be brought in the superior court of any county in  
11 which the principal on the bond resides or transacts business, or in  
12 the county in which the work was performed as a result of which the  
13 breach is alleged to have occurred; the action shall be maintained and  
14 prosecuted as other civil actions. Claims or actions against the  
15 surety on the bond shall be paid in full in the following order of  
16 priority: (a) Labor, including employee benefits, (b) materials and  
17 equipment used upon such work, (c) taxes and contributions due to the  
18 state, (d) damages sustained by any person, firm, or corporation due to  
19 the failure of the principal to make the installation in accordance  
20 with this chapter, or any ordinance, building code, or regulation  
21 applicable thereto. However, the total liability of the surety on any  
22 bond may not exceed the sum of four thousand dollars, and the surety on  
23 the bond may not be liable for monetary penalties. Any action shall be  
24 brought within one year from the completion of the work in the  
25 performance of which the breach is alleged to have occurred. The  
26 surety shall mail a conformed copy of the judgment against the bond to  
27 the department within seven days. In the event that a cash or  
28 securities deposit has been made in lieu of the surety bond, and in the  
29 event of a judgment being entered against the depositor and deposit,  
30 the director shall upon receipt of a certified copy of a final  
31 judgment, pay the judgment from the deposit.

32 (9) The department shall issue a telecommunications contractor  
33 license to applicants meeting all of the requirements of this chapter  
34 applicable to electrical and telecommunications installations. The  
35 provisions of this chapter relating to the licensing of any person,  
36 firm, partnership, corporation, or other entity including the  
37 requirement of a bond with the state of Washington named as obligee and



1 the collection of a fee for that bond, are exclusive, and no political  
2 subdivision of the state of Washington may require or issue any  
3 licenses or bonds or charge any fee for the same or a similar purpose.

4 **Sec. 40.** RCW 19.158.020 and 2003 c 39 s 12 are each amended to  
5 read as follows:

6 Unless the context requires otherwise, the definitions in this  
7 section apply throughout this chapter.

8 (1) A "commercial telephone solicitor" is any person who engages in  
9 commercial telephone solicitation, including service bureaus.

10 (2) "Commercial telephone solicitation" means:

11 (a) An unsolicited telephone call to a person initiated by a  
12 salesperson and conversation for the purpose of inducing the person to  
13 purchase or invest in property, goods, or services;

14 (b) Other communication with a person where:

15 (i) A free gift, award, or prize is offered to a purchaser who has  
16 not previously purchased from the person initiating the communication;  
17 and

18 (ii) A telephone call response is invited; and

19 (iii) The salesperson intends to complete a sale or enter into an  
20 agreement to purchase during the course of the telephone call;

21 (c) Other communication with a person which misrepresents the  
22 price, quality, or availability of property, goods, or services and  
23 which invites a response by telephone or which is followed by a call to  
24 the person by a salesperson;

25 (d) For purposes of this section, "other communication" means a  
26 written or oral notification or advertisement transmitted through any  
27 means.

28 (3) A "commercial telephone solicitor" does not include any of the  
29 following:

30 (a) A person engaging in commercial telephone solicitation where:

31 (i) The solicitation is an isolated transaction and not done in the  
32 course of a pattern of repeated transactions of like nature; or

33 (ii) Less than sixty percent of such person's prior year's sales  
34 were made as a result of a commercial telephone solicitation as defined  
35 in this chapter. Where more than sixty percent of a seller's prior  
36 year's sales were made as a result of commercial telephone

1 solicitations, the service bureau contracting to provide commercial  
2 telephone solicitation services to the seller shall be deemed a  
3 commercial telephone solicitor;

4 (b) A person making calls for religious, charitable, political, or  
5 other noncommercial purposes;

6 (c) A person soliciting business solely from purchasers who have  
7 previously purchased from the business enterprise for which the person  
8 is calling;

9 (d) A person soliciting:

10 (i) Without the intent to complete or obtain provisional acceptance  
11 of a sale during the telephone solicitation; and

12 (ii) Who does not make the major sales presentation during the  
13 telephone solicitation; and

14 (iii) Who only makes the major sales presentation or arranges for  
15 the major sales presentation to be made at a later face-to-face meeting  
16 between the salesperson and the purchaser;

17 (e) A person selling a security which is exempt from registration  
18 under RCW 21.20.310;

19 (f) A person licensed under RCW 18.85.090 when the solicited  
20 transaction is governed by that law;

21 (g) A person (~~registered~~) licensed under RCW 18.27.060 when the  
22 solicited transaction is governed by that law;

23 (h) A person licensed under RCW 48.17.150 when the solicited  
24 transaction is governed by that law;

25 (i) Any person soliciting the sale of a franchise who is registered  
26 under RCW 19.100.140;

27 (j) A person primarily soliciting the sale of a newspaper of  
28 general circulation, a magazine or periodical, or contractual plans,  
29 including book or record clubs: (i) Under which the seller provides  
30 the consumer with a form which the consumer may use to instruct the  
31 seller not to ship the offered merchandise; and (ii) which is regulated  
32 by the federal trade commission trade regulation concerning "use of  
33 negative option plans by sellers in commerce";

34 (k) Any supervised financial institution or parent, subsidiary, or  
35 affiliate thereof. As used in this section, "supervised financial  
36 institution" means any commercial bank, trust company, savings and loan  
37 association, mutual savings banks, credit union, industrial loan  
38 company, personal property broker, consumer finance lender, commercial

1 finance lender, or insurer, provided that the institution is subject to  
2 supervision by an official or agency of this state or the United  
3 States;

4 (l) A person soliciting the sale of a prearrangement funeral  
5 service contract registered under RCW 18.39.240 and 18.39.260;

6 (m) A person licensed to enter into prearrangement contracts under  
7 RCW 68.05.155 when acting subject to that license;

8 (n) A person soliciting the sale of services provided by a cable  
9 television system operating under authority of a franchise or permit;

10 (o) A person or affiliate of a person whose business is regulated  
11 by the utilities and transportation commission or the federal  
12 communications commission;

13 (p) A person soliciting the sale of agricultural products, as  
14 defined in RCW 20.01.010 where the purchaser is a business;

15 (q) An issuer or subsidiary of an issuer that has a class of  
16 securities that is subject to section 12 of the securities exchange act  
17 of 1934 (15 U.S.C. Sec. 781) and that is either registered or exempt  
18 from registration under paragraph (A), (B), (C), (E), (F), (G), or (H)  
19 of subsection (g) of that section;

20 (r) A commodity broker-dealer as defined in RCW 21.30.010 and  
21 registered with the commodity futures trading commission;

22 (s) A business-to-business sale where:

23 (i) The purchaser business intends to resell the property or goods  
24 purchased, or

25 (ii) The purchaser business intends to use the property or goods  
26 purchased in a recycling, reuse, remanufacturing or manufacturing  
27 process;

28 (t) A person licensed under RCW 19.16.110 when the solicited  
29 transaction is governed by that law;

30 (u) A person soliciting the sale of food intended for immediate  
31 delivery to and immediate consumption by the purchaser;

32 (v) A person soliciting the sale of food fish or shellfish when  
33 that person is licensed pursuant to the provisions of Title 77 RCW.

34 (4) "Purchaser" means a person who is solicited to become or does  
35 become obligated to a commercial telephone solicitor.

36 (5) "Salesperson" means any individual employed, appointed, or  
37 authorized by a commercial telephone solicitor, whether referred to by

1 the commercial telephone solicitor as an agent, representative, or  
2 independent contractor, who attempts to solicit or solicits a sale on  
3 behalf of the commercial telephone solicitor.

4 (6) "Service bureau" means a commercial telephone solicitor who  
5 contracts with any person to provide commercial telephone solicitation  
6 services.

7 (7) "Seller" means any person who contracts with any service bureau  
8 to purchase commercial telephone solicitation services.

9 (8) "Person" includes any individual, firm, association,  
10 corporation, partnership, joint venture, sole proprietorship, or any  
11 other business entity.

12 (9) "Free gift, award, or prize" means a gratuity which the  
13 purchaser believes of a value equal to or greater than the value of the  
14 specific product, good, or service sought to be sold to the purchaser  
15 by the seller.

16 (10) "Solicit" means to initiate contact with a purchaser for the  
17 purpose of attempting to sell property, goods or services, where such  
18 purchaser has expressed no previous interest in purchasing, investing  
19 in, or obtaining information regarding the property, goods, or services  
20 attempted to be sold.

21 **Sec. 41.** RCW 39.04.155 and 2001 c 284 s 1 are each amended to read  
22 as follows:

23 (1) This section provides uniform small works roster provisions to  
24 award contracts for construction, building, renovation, remodeling,  
25 alteration, repair, or improvement of real property that may be used by  
26 state agencies and by any local government that is expressly authorized  
27 to use these provisions. These provisions may be used in lieu of other  
28 procedures to award contracts for such work with an estimated cost of  
29 two hundred thousand dollars or less. The small works roster process  
30 includes the limited public works process authorized under subsection  
31 (3) of this section and any local government authorized to award  
32 contracts using the small works roster process under this section may  
33 award contracts using the limited public works process under subsection  
34 (3) of this section.

35 (2)(a) A state agency or authorized local government may create a  
36 single general small works roster, or may create a small works roster  
37 for different specialties or categories of anticipated work. Where

1 applicable, small works rosters may make distinctions between  
2 contractors based upon different geographic areas served by the  
3 contractor. The small works roster or rosters shall consist of all  
4 responsible contractors who have requested to be on the list, and where  
5 required by law are properly licensed (~~(or registered)~~) to perform such  
6 work in this state. A state agency or local government establishing a  
7 small works roster or rosters may require eligible contractors desiring  
8 to be placed on a roster or rosters to keep current records of any  
9 applicable licenses, certifications, (~~(registrations)~~) bonding,  
10 insurance, or other appropriate matters on file with the state agency  
11 or local government as a condition of being placed on a roster or  
12 rosters. At least once a year, the state agency or local government  
13 shall publish in a newspaper of general circulation within the  
14 jurisdiction a notice of the existence of the roster or rosters and  
15 solicit the names of contractors for such roster or rosters. In  
16 addition, responsible contractors shall be added to an appropriate  
17 roster or rosters at any time they submit a written request and  
18 necessary records. Master contracts may be required to be signed that  
19 become effective when a specific award is made using a small works  
20 roster.

21 (b) A state agency establishing a small works roster or rosters  
22 shall adopt rules implementing this subsection. A local government  
23 establishing a small works roster or rosters shall adopt an ordinance  
24 or resolution implementing this subsection. Procedures included in  
25 rules adopted by the department of general administration in  
26 implementing this subsection must be included in any rules providing  
27 for a small works roster or rosters that is adopted by another state  
28 agency, if the authority for that state agency to engage in these  
29 activities has been delegated to it by the department of general  
30 administration under chapter 43.19 RCW. An interlocal contract or  
31 agreement between two or more state agencies or local governments  
32 establishing a small works roster or rosters to be used by the parties  
33 to the agreement or contract must clearly identify the lead entity that  
34 is responsible for implementing the provisions of this subsection.

35 (c) Procedures shall be established for securing telephone,  
36 written, or electronic quotations from contractors on the appropriate  
37 small works roster to assure that a competitive price is established  
38 and to award contracts to the lowest responsible bidder, as defined in

1 RCW 43.19.1911. Invitations for quotations shall include an estimate  
2 of the scope and nature of the work to be performed as well as  
3 materials and equipment to be furnished. However, detailed plans and  
4 specifications need not be included in the invitation. This subsection  
5 does not eliminate other requirements for architectural or engineering  
6 approvals as to quality and compliance with building codes. Quotations  
7 may be invited from all appropriate contractors on the appropriate  
8 small works roster. As an alternative, quotations may be invited from  
9 at least five contractors on the appropriate small works roster who  
10 have indicated the capability of performing the kind of work being  
11 contracted, in a manner that will equitably distribute the opportunity  
12 among the contractors on the appropriate roster. However, if the  
13 estimated cost of the work is from one hundred thousand dollars to two  
14 hundred thousand dollars, a state agency or local government, other  
15 than a port district, that chooses to solicit bids from less than all  
16 the appropriate contractors on the appropriate small works roster must  
17 also notify the remaining contractors on the appropriate small works  
18 roster that quotations on the work are being sought. The government  
19 has the sole option of determining whether this notice to the remaining  
20 contractors is made by: (i) Publishing notice in a legal newspaper in  
21 general circulation in the area where the work is to be done; (ii)  
22 mailing a notice to these contractors; or (iii) sending a notice to  
23 these contractors by facsimile or other electronic means. For purposes  
24 of this subsection (2)(c), "equitably distribute" means that a state  
25 agency or local government soliciting bids may not favor certain  
26 contractors on the appropriate small works roster over other  
27 contractors on the appropriate small works roster who perform similar  
28 services.

29 (d) A contract awarded from a small works roster under this section  
30 need not be advertised.

31 (e) Immediately after an award is made, the bid quotations obtained  
32 shall be recorded, open to public inspection, and available by  
33 telephone inquiry.

34 (3) In lieu of awarding contracts under subsection (2) of this  
35 section, a state agency or authorized local government may award a  
36 contract for work, construction, alteration, repair, or improvement  
37 projects (~~{projects}~~) estimated to cost less than thirty-five  
38 thousand dollars using the limited public works process provided under

1 this subsection. Public works projects awarded under this subsection  
2 are exempt from the other requirements of the small works roster  
3 process provided under subsection (2) of this section and are exempt  
4 from the requirement that contracts be awarded after advertisement as  
5 provided under RCW 39.04.010.

6 For limited public works projects, a state agency or authorized  
7 local government shall solicit electronic or written quotations from a  
8 minimum of three contractors from the appropriate small works roster  
9 and shall award the contract to the lowest responsible bidder as  
10 defined under RCW 43.19.1911. After an award is made, the quotations  
11 shall be open to public inspection and available by electronic request.  
12 A state agency or authorized local government shall attempt to  
13 distribute opportunities for limited public works projects equitably  
14 among contractors willing to perform in the geographic area of the  
15 work. A state agency or authorized local government shall maintain a  
16 list of the contractors contacted and the contracts awarded during the  
17 previous twenty-four months under the limited public works process,  
18 including the name of the contractor, the contractor's (~~registration~~)  
19 license number, the amount of the contract, a brief description of the  
20 type of work performed, and the date the contract was awarded. For  
21 limited public works projects, a state agency or authorized local  
22 government may waive the payment and performance bond requirements of  
23 chapter 39.08 RCW and the retainage requirements of chapter 60.28 RCW,  
24 thereby assuming the liability for the contractor's nonpayment of  
25 laborers, mechanics, subcontractors, materialmen, suppliers, and taxes  
26 imposed under Title 82 RCW that may be due from the contractor for the  
27 limited public works project, however the state agency or authorized  
28 local government shall have the right of recovery against the  
29 contractor for any payments made on the contractor's behalf.

30 (4) The breaking of any project into units or accomplishing any  
31 projects by phases is prohibited if it is done for the purpose of  
32 avoiding the maximum dollar amount of a contract that may be let using  
33 the small works roster process or limited public works process.

34 (5) As used in this section, "state agency" means the department of  
35 general administration, the state parks and recreation commission, the  
36 department of natural resources, the department of fish and wildlife,  
37 the department of transportation, any institution of higher education  
38 as defined under RCW 28B.10.016, and any other state agency delegated

1 authority by the department of general administration to engage in  
2 construction, building, renovation, remodeling, alteration,  
3 improvement, or repair activities.

4 **Sec. 42.** RCW 39.06.010 and 1997 c 54 s 1 are each amended to read  
5 as follows:

6 No agency of the state or any of its political subdivisions may  
7 execute a contract:

8 (1) With any contractor who is not (~~registered or~~) licensed as  
9 may be required by the laws of this state other than contractors on  
10 highway projects who have been prequalified as required by RCW  
11 47.28.070, with the department of transportation to perform highway  
12 construction, reconstruction, or maintenance; or

13 (2) For two years from the date that a violation is finally  
14 determined, with any person or entity who has been determined by the  
15 respective administering agency to have violated RCW 50.12.070(1)(b),  
16 51.16.070(1)(b), or 82.32.070(~~(1)(b)~~) (2). During this two-year  
17 period, the person or entity may not be permitted to bid, or have a bid  
18 considered, on any public works contract.

19 **Sec. 43.** RCW 49.26.100 and 1995 c 218 s 3 are each amended to read  
20 as follows:

21 Unless the context clearly requires otherwise, the definitions in  
22 this section apply throughout this chapter.

23 (1) "Asbestos abatement project" means an asbestos project  
24 involving three square feet or three linear feet, or more, of asbestos-  
25 containing material.

26 (2) "Asbestos project" means the construction, demolition, repair,  
27 maintenance, remodeling, or renovation of any public or private  
28 building or mechanical piping equipment or systems involving the  
29 demolition, removal, encapsulation, salvage, or disposal of material,  
30 or outdoor activity, releasing or likely to release asbestos fibers  
31 into the air.

32 (3) "Department" means the department of labor and industries.

33 (4) "Director" means the director of the department of labor and  
34 industries or the director's designee.

35 (5) "Person" means any individual, partnership, firm, association,



1 corporation, sole proprietorship, or the state of Washington or its  
2 political subdivisions.

3 (6) "Certified asbestos supervisor" means an individual who is  
4 certified by the department to supervise an asbestos project. A  
5 certified asbestos supervisor is not required for projects involving  
6 less than three square feet or three linear feet of asbestos-containing  
7 material.

8 (7) "Certified asbestos worker" means an individual who is  
9 certified by the department to work on an asbestos project.

10 (8) "Certified asbestos contractor" means any partnership, firm,  
11 association, corporation or sole proprietorship (~~((registered))~~) licensed  
12 under chapter 18.27 RCW that submits a bid or contracts to remove or  
13 encapsulate asbestos for another and is certified by the department to  
14 remove or encapsulate asbestos.

15 (9) "Owner" means the owner of any public or private building,  
16 structure, facility or mechanical system, or the agent of such owner,  
17 but does not include individuals who work on asbestos projects on their  
18 own single-family residences no part of which is used for any  
19 commercial purpose.

20 **Sec. 44.** RCW 50.04.145 and 1983 1st ex.s. c 23 s 25 are each  
21 amended to read as follows:

22 The term "employment" shall not include services rendered by any  
23 person, firm, or corporation currently engaging in a business which is  
24 (~~((registered))~~) licensed under chapter 18.27 (~~((RCW or licensed under~~  
25 ~~chapter))~~) or 19.28 RCW when:

26 (1) Contracting to perform work for any contractor (~~((registered))~~)  
27 licensed under chapter 18.27 (~~((RCW or licensed under chapter))~~) or 19.28  
28 RCW;

29 (2) The person, firm, or corporation has a principal place of  
30 business which would be eligible for a business deduction for internal  
31 revenue service tax purposes other than that furnished by the  
32 contractor for which the business has contracted to furnish services;

33 (3) The person, firm, or corporation maintains a separate set of  
34 books or records that reflect all items of income and expenses of the  
35 business;

36 (4) The work which the person, firm, or corporation has contracted  
37 to perform is:

- 1 (a) The work of a contractor as defined in RCW 18.27.010; or
- 2 (b) The work of installing wires or equipment to convey electric
- 3 current or installing apparatus to be operated by such current as it
- 4 pertains to the electrical industry as described in chapter 19.28 RCW;
- 5 and
- 6 (5) A contractor (~~((registered))~~) licensed under chapter 18.27 (~~((RCW~~
- 7 ~~or licensed under chapter))~~) or 19.28 RCW does not supervise or control
- 8 the means by which the result is accomplished or the manner in which
- 9 the work is performed.

10 **Sec. 45.** RCW 50.24.130 and 1982 1st ex.s. c 18 s 15 are each  
11 amended to read as follows:

12 No employing unit which contracts with or has under it any  
13 contractor or subcontractor who is an employer under the provisions of  
14 this title shall make any payment or advance to, or secure any credit  
15 for, such contractor or subcontractor or on account of any contract or  
16 contracts to which (~~((said))~~) the employing unit is a party unless such  
17 contractor or subcontractor has paid contributions, due or to become  
18 due for wages paid or to be paid by such contractor or subcontractor  
19 for personal services performed pursuant to such contract or  
20 subcontract, or has furnished a good and sufficient bond acceptable to  
21 the commissioner for payment of contributions, interest, and penalties.  
22 Failure to comply with the provisions of this section (~~((shall))~~) renders  
23 (~~((said))~~) the employing unit directly liable for such contributions,  
24 interest, and penalties and the commissioner shall have all of the  
25 remedies of collection against (~~((said))~~) the employing unit under the  
26 provisions of this title as though the services in question were  
27 performed directly for (~~((said))~~) the employing unit.

28 For the purposes of this section, a contractor (~~((registered))~~)  
29 licensed under chapter 18.27 (~~((RCW or licensed under chapter))~~) or 19.28  
30 RCW shall not be responsible for any contributions for the work of any  
31 subcontractor if:

- 32 (1) The subcontractor is currently engaging in a business which is
- 33 (~~((registered))~~) licensed under chapter 18.27 (~~((RCW or licensed under~~
- 34 ~~chapter))~~) or 19.28 RCW;
- 35 (2) There is no other person, firm or corporation doing the same
- 36 work at the same time on the same project except two or more persons,

1 firms or corporations may contract and do the same work at the same  
2 time on the same project if each person, firm, or corporation has  
3 employees;

4 (3) The subcontractor has a principal place of business which would  
5 be eligible for a business deduction for internal revenue service tax  
6 purposes other than that furnished by the contractor for which the  
7 business has contracted to furnish services;

8 (4) The subcontractor maintains a separate set of books or records  
9 that reflect all items of income and expenses of the business; and

10 (5) The subcontractor has contracted to perform:

11 (a) The work of a contractor as defined in RCW 18.27.010; or

12 (b) The work of installing wires or equipment to convey electric  
13 current or installing apparatus to be operated by such current as it  
14 pertains to the electrical industry as described in chapter 19.28 RCW.

15 **Sec. 46.** RCW 51.08.070 and 1991 c 246 s 2 are each amended to read  
16 as follows:

17 "Employer" means any person, body of persons, corporate or  
18 otherwise, and the legal representatives of a deceased employer, all  
19 while engaged in this state in any work covered by the provisions of  
20 this title, by way of trade or business, or who contracts with one or  
21 more workers, the essence of which is the personal labor of such worker  
22 or workers. Or as a separate alternative, persons or entities are not  
23 employers when they contract or agree to remunerate the services  
24 performed by an individual who meets the tests set forth in subsections  
25 (1) through (6) of RCW 51.08.195.

26 For the purposes of this title, a contractor (~~((registered))~~)  
27 licensed under chapter 18.27 (~~((RCW or licensed under chapter))~~) or 19.28  
28 RCW is not an employer when:

29 (1) Contracting with any other person, firm, or corporation  
30 currently engaging in a business which is (~~((registered))~~) licensed under  
31 chapter 18.27 (~~((RCW or licensed under chapter))~~) or 19.28 RCW;

32 (2) The person, firm, or corporation has a principal place of  
33 business which would be eligible for a business deduction for internal  
34 revenue service tax purposes other than that furnished by the  
35 contractor for which the business has contracted to furnish services;

36 (3) The person, firm, or corporation maintains a separate set of

1 books or records that reflect all items of income and expenses of the  
2 business; and

3 (4) The work which the person, firm, or corporation has contracted  
4 to perform is:

- 5 (a) The work of a contractor as defined in RCW 18.27.010; or
- 6 (b) The work of installing wires or equipment to convey electric  
7 current or installing apparatus to be operated by such current as it  
8 pertains to the electrical industry as described in chapter 19.28 RCW.

9 **Sec. 47.** RCW 51.08.180 and 1991 c 246 s 3 are each amended to read  
10 as follows:

11 (1) "Worker" means every person in this state who is engaged in the  
12 employment of an employer under this title, whether by way of manual  
13 labor or otherwise in the course of his or her employment; also every  
14 person in this state who is engaged in the employment of or who is  
15 working under an independent contract, the essence of which is his or  
16 her personal labor for an employer under this title, whether by way of  
17 manual labor or otherwise, in the course of his or her employment, or  
18 as a separate alternative, a person is not a worker if he or she meets  
19 the tests set forth in ~~((subsections (1) through (6) of))~~ RCW  
20 51.08.195~~((: PROVIDED, That))~~ (1) through (6). A person is not a  
21 worker for the purpose of this title, with respect to his or her  
22 activities attendant to operating a truck which he or she owns, and  
23 which is leased to a common or contract carrier.

24 (2) For the purposes of this title, any person, firm, or  
25 corporation currently engaging in a business which is ~~((registered))~~  
26 licensed under chapter 18.27 ~~((RCW or licensed under chapter))~~ or 19.28  
27 RCW is not a worker when:

28 (a) Contracting to perform work for any contractor ~~((registered))~~  
29 licensed under chapter 18.27 ~~((RCW or licensed under chapter))~~ or 19.28  
30 RCW;

31 (b) The person, firm, or corporation has a principal place of  
32 business which would be eligible for a business deduction for internal  
33 revenue service tax purposes other than that furnished by the  
34 contractor for which the business has contracted to furnish services;

35 (c) The person, firm, or corporation maintains a separate set of  
36 books or records that reflect all items of income and expenses of the  
37 business; and

1 (d) The work which the person, firm, or corporation has contracted  
2 to perform is:

3 (i) The work of a contractor as defined in RCW 18.27.010; or

4 (ii) The work of installing wires or equipment to convey electric  
5 current or installing apparatus to be operated by such current as it  
6 pertains to the electrical industry as described in chapter 19.28 RCW.

7 (3) Any person, firm, or corporation (~~((registered))~~) licensed under  
8 chapter 18.27 (~~((RCW or licensed under chapter))~~) or 19.28 RCW including  
9 those performing work for any contractor (~~((registered))~~) licensed under  
10 chapter 18.27 (~~((RCW or licensed under chapter))~~) or 19.28 RCW is a  
11 worker when the contractor supervises or controls the means by which  
12 the result is accomplished or the manner in which the work is  
13 performed.

14 (4) For the purposes of this title, any person participating as a  
15 driver or back-up driver in commuter ride sharing, as defined in RCW  
16 46.74.010(1), is not a worker while driving a ride-sharing vehicle on  
17 behalf of the owner or lessee of the vehicle.

18 **Sec. 48.** RCW 51.12.070 and 2004 c 243 s 2 are each amended to read  
19 as follows:

20 The provisions of this title apply to all work done by contract;  
21 the person, firm, or corporation who lets a contract for such work is  
22 responsible primarily and directly for all premiums upon the work. The  
23 contractor and any subcontractor are subject to the provisions of this  
24 title and the person, firm, or corporation letting the contract is  
25 entitled to collect from the contractor the full amount payable in  
26 premiums and the contractor in turn is entitled to collect from the  
27 subcontractor his or her proportionate amount of the payment.

28 For the purposes of this section, a contractor (~~((registered))~~)  
29 licensed under chapter 18.27 (~~((RCW or licensed under chapter))~~) or 19.28  
30 RCW is not responsible for any premiums upon the work of any  
31 subcontractor if:

32 (1) The subcontractor is currently engaging in a business which is  
33 (~~((registered))~~) licensed under chapter 18.27 (~~((RCW or licensed under~~  
34 ~~chapter))~~) or 19.28 RCW;

35 (2) The subcontractor has a principal place of business which would  
36 be eligible for a business deduction for internal revenue service tax

1 purposes other than that furnished by the contractor for which the  
2 business has contracted to furnish services;

3 (3) The subcontractor maintains a separate set of books or records  
4 that reflect all items of income and expenses of the business;

5 (4) The subcontractor has contracted to perform:

6 (a) The work of a contractor as defined in RCW 18.27.010; or

7 (b) The work of installing wires or equipment to convey electric  
8 current or installing apparatus to be operated by such current as it  
9 pertains to the electrical industry as described in chapter 19.28 RCW;  
10 and

11 (5) The subcontractor has an industrial insurance account in good  
12 standing with the department or is a self-insurer. For the purposes of  
13 this subsection, a contractor may consider a subcontractor's account to  
14 be in good standing if, within a year prior to letting the contract or  
15 master service agreement, and at least once a year thereafter, the  
16 contractor has verified with the department that the account is in good  
17 standing and the contractor has not received written notice from the  
18 department that the subcontractor's account status has changed.  
19 Acceptable documentation of verification includes a department document  
20 which includes an issued date or a dated printout of information from  
21 the department's internet web site showing a subcontractor's good  
22 standing. The department shall develop an approach to provide  
23 contractors with verification of the date of inquiries validating that  
24 the subcontractor's account is in good standing.

25 It is unlawful for any county, city, or town to issue a  
26 construction building permit to any person who has not submitted to the  
27 department an estimate of payroll and paid premium thereon as provided  
28 by chapter 51.16 RCW of this title or proof of qualification as a self-  
29 insurer.

30 **Sec. 49.** RCW 51.12.120 and 1999 c 394 s 1 are each amended to read  
31 as follows:

32 (1) If a worker, while working outside the territorial limits of  
33 this state, suffers an injury on account of which he or she, or his or  
34 her beneficiaries, would have been entitled to compensation under this  
35 title had the injury occurred within this state, the worker, or his or  
36 her beneficiaries, shall be entitled to compensation under this title  
37 if at the time of the injury:

1 (a) His or her employment is principally localized in this state;

2 or

3 (b) He or she is working under a contract of hire made in this  
4 state for employment not principally localized in any state; or

5 (c) He or she is working under a contract of hire made in this  
6 state for employment principally localized in another state whose  
7 workers' compensation law is not applicable to his or her employer; or

8 (d) He or she is working under a contract of hire made in this  
9 state for employment outside the United States and Canada.

10 (2) The payment or award of compensation or other recoveries,  
11 including settlement proceeds, under the workers' compensation law of  
12 another state, territory, province, or foreign nation to a worker or  
13 his or her beneficiaries otherwise entitled on account of such injury  
14 to compensation under this title shall not be a bar to a claim for  
15 compensation under this title if that claim under this title is timely  
16 filed. If compensation is paid or awarded under this title, the total  
17 amount of compensation or other recoveries, including settlement  
18 proceeds, paid or awarded the worker or beneficiary under such other  
19 workers' compensation law shall be credited against the compensation  
20 due the worker or beneficiary under this title.

21 (3)(a) An employer not domiciled in this state who is employing  
22 workers in this state in work for which the employer must be  
23 (~~registered~~) licensed under chapter 18.27 (~~RCW or licensed under~~  
24 ~~chapter~~) or 19.28 RCW, or prequalified under RCW 47.28.070, must  
25 secure the payment of compensation under this title by:

26 (i) Insuring the employer's workers' compensation obligation under  
27 this title with the department;

28 (ii) Being qualified as a self-insurer under this title; or

29 (iii) For employers domiciled in a state or province of Canada  
30 subject to an agreement entered into under subsection (7) of this  
31 section, as permitted by the agreement, filing with the department a  
32 certificate of coverage issued by the agency that administers the  
33 workers' compensation law in the employer's state or province of  
34 domicile certifying that the employer has secured the payment of  
35 compensation under the other state's or province's workers'  
36 compensation law.

37 (b) The department shall adopt rules to implement this subsection.

1 (4) If a worker or beneficiary is entitled to compensation under  
2 this title by reason of an injury sustained in this state while in the  
3 employ of an employer who is domiciled in another state or province of  
4 Canada and the employer:

5 (a) Is not subject to subsection (3) of this section and has  
6 neither opened an account with the department nor qualified as a self-  
7 insurer under this title, the employer or his or her insurance carrier  
8 shall file with the director a certificate issued by the agency that  
9 administers the workers' compensation law in the state of the  
10 employer's domicile, certifying that the employer has secured the  
11 payment of compensation under the workers' compensation law of the  
12 other state and that with respect to the injury the worker or  
13 beneficiary is entitled to the benefits provided under the other  
14 state's law.

15 (b) Has filed a certificate under subsection (3)(a)(iii) of this  
16 section or (a) of this subsection (4):

17 (i) The filing of the certificate constitutes appointment by the  
18 employer or his or her insurance carrier of the director as its agent  
19 for acceptance of the service of process in any proceeding brought by  
20 any claimant to enforce rights under this title;

21 (ii) The director shall send to such employer or his or her  
22 insurance carrier, by registered or certified mail to the address shown  
23 on such certificate, a true copy of any notice of claim or other  
24 process served on the director by the claimant in any proceeding  
25 brought to enforce rights under this title;

26 (iii) If the employer is a self-insurer under the workers'  
27 compensation law of the other state or province of Canada, the employer  
28 shall, upon submission of evidence or security, satisfactory to the  
29 director, of his or her ability to meet his or her liability to the  
30 claimant under this title, be deemed to be a qualified self-insurer  
31 under this title; and

32 (iv) If the employer's liability under the workers' compensation  
33 law of the other state or province of Canada is insured:

34 (A) The employer's carrier, as to such claimant only, shall be  
35 deemed to be subject to this title. However, unless the insurer's  
36 contract with the employer requires the insurer to pay an amount  
37 equivalent to the compensation benefits provided by this title, the



1 insurer's liability for compensation shall not exceed the insurer's  
2 liability under the workers' compensation law of the other state or  
3 province; and

4 (B) If the total amount for which the employer's insurer is liable  
5 under (b)(iv)(A) of this subsection is less than the total of the  
6 compensation to which the claimant is entitled under this title, the  
7 director may require the employer to file security satisfactory to the  
8 director to secure the payment of compensation under this title.

9 (c) If subject to subsection (3) of this section, has not complied  
10 with subsection (3) of this section or, if not subject to subsection  
11 (3) of this section, has neither qualified as a self-insurer nor  
12 secured insurance coverage under the workers' compensation law of  
13 another state or province of Canada, the claimant shall be paid  
14 compensation by the department and the employer shall have the same  
15 rights and obligations, and is subject to the same penalties, as other  
16 employers subject to this title.

17 (5) As used in this section:

18 (a) A person's employment is principally localized in this or  
19 another state when: (i) His or her employer has a place of business in  
20 this or the other state and he or she regularly works at or from the  
21 place of business; or (ii) if (a)(i) of this subsection is not  
22 applicable, he or she is domiciled in and spends a substantial part of  
23 his or her working time in the service of his or her employer in this  
24 or the other state;

25 (b) "Workers' compensation law" includes "occupational disease law"  
26 for the purposes of this section.

27 (6) A worker whose duties require him or her to travel regularly in  
28 the service of his or her employer in this and one or more other states  
29 may agree in writing with his or her employer that his or her  
30 employment is principally localized in this or another state, and,  
31 unless the other state refuses jurisdiction, the agreement shall govern  
32 as to any injury occurring after the effective date of the agreement.

33 (7) The director is authorized to enter into agreements with the  
34 appropriate agencies of other states and provinces of Canada that  
35 administer their workers' compensation law with respect to conflicts of  
36 jurisdiction and the assumption of jurisdiction in cases where the  
37 contract of employment arises in one state or province and the injury  
38 occurs in another. If the other state's or province's law requires

1 Washington employers to secure the payment of compensation under the  
2 other state's or province's workers' compensation laws for work  
3 performed in that state or province, then employers domiciled in that  
4 state or province must purchase compensation covering their workers  
5 engaged in that work in this state under this state's industrial  
6 insurance law. When an agreement under this subsection has been  
7 executed and adopted as a rule of the department under chapter 34.05  
8 RCW, it binds all employers and workers subject to this title and the  
9 jurisdiction of this title is governed by this rule.

10 **Sec. 50.** RCW 60.04.011 and 1992 c 126 s 1 are each amended to read  
11 as follows:

12 Unless the context requires otherwise, the definitions in this  
13 section apply throughout this chapter.

14 (1) "Construction agent" means any (~~registered or~~) licensed  
15 contractor, (~~registered or~~) licensed subcontractor, architect,  
16 engineer, or other person having charge of any improvement to real  
17 property, who shall be deemed the agent of the owner for the limited  
18 purpose of establishing the lien created by this chapter.

19 (2) "Contract price" means the amount agreed upon by the  
20 contracting parties, or if no amount is agreed upon, then the customary  
21 and reasonable charge therefor.

22 (3) "Draws" means periodic disbursements of interim or construction  
23 financing by a lender.

24 (4) "Furnishing labor, professional services, materials, or  
25 equipment" means the performance of any labor or professional services,  
26 the contribution owed to any employee benefit plan on account of any  
27 labor, the provision of any supplies or materials, and the renting,  
28 leasing, or otherwise supplying of equipment for the improvement of  
29 real property.

30 (5) "Improvement" means: (a) Constructing, altering, repairing,  
31 remodeling, demolishing, clearing, grading, or filling in, of, to, or  
32 upon any real property or street or road in front of or adjoining the  
33 same; (b) planting of trees, vines, shrubs, plants, hedges, or lawns,  
34 or providing other landscaping materials on any real property; and (c)  
35 providing professional services upon real property or in preparation  
36 for or in conjunction with the intended activities in (a) or (b) of  
37 this subsection.

1 (6) "Interim or construction financing" means that portion of money  
2 secured by a mortgage, deed of trust, or other encumbrance to finance  
3 improvement of, or to real property, but does not include:

4 (a) Funds to acquire real property;

5 (b) Funds to pay interest, insurance premiums, lease deposits,  
6 taxes, assessments, or prior encumbrances;

7 (c) Funds to pay loan, commitment, title, legal, closing,  
8 recording, or appraisal fees;

9 (d) Funds to pay other customary fees, which pursuant to agreement  
10 with the owner or borrower are to be paid by the lender from time to  
11 time;

12 (e) Funds to acquire personal property for which the potential lien  
13 claimant may not claim a lien pursuant to this chapter.

14 (7) "Labor" means exertion of the powers of body or mind performed  
15 at the site for compensation. "Labor" includes amounts due and owed to  
16 any employee benefit plan on account of such labor performed.

17 (8) "Mortgagee" means a person who has a valid mortgage of record  
18 or deed of trust of record securing a loan.

19 (9) "Owner-occupied" means a single-family residence occupied by  
20 the owner as his or her principal residence.

21 (10) "Payment bond" means a surety bond issued by a surety licensed  
22 to issue surety bonds in the state of Washington that confers upon  
23 potential claimants the rights of third party beneficiaries.

24 (11) "Potential lien claimant" means any person or entity entitled  
25 to assert lien rights under this chapter who has otherwise complied  
26 with the provisions of this chapter and is registered or licensed if  
27 required to be licensed or registered by the provisions of the laws of  
28 the state of Washington.

29 (12) "Prime contractor" includes all contractors, general  
30 contractors, and specialty contractors, as defined by chapter 18.27 or  
31 19.28 RCW, or who are otherwise required to be registered or licensed  
32 by law, who contract directly with a property owner or their common law  
33 agent to assume primary responsibility for the creation of an  
34 improvement to real property, and includes property owners or their  
35 common law agents who are contractors, general contractors, or  
36 specialty contractors as defined in chapter 18.27 or 19.28 RCW, or who  
37 are otherwise required to be registered or licensed by law, who offer

1 to sell their property without occupying or using the structures,  
2 projects, developments, or improvements for more than one year.

3 (13) "Professional services" means surveying, establishing or  
4 marking the boundaries of, preparing maps, plans, or specifications  
5 for, or inspecting, testing, or otherwise performing any other  
6 architectural or engineering services for the improvement of real  
7 property.

8 (14) "Real property lender" means a bank, savings bank, savings and  
9 loan association, credit union, mortgage company, or other corporation,  
10 association, partnership, trust, or individual that makes loans secured  
11 by real property located in the state of Washington.

12 (15) "Site" means the real property which is or is to be improved.

13 (16) "Subcontractor" means a general contractor or specialty  
14 contractor as defined by chapter 18.27 or 19.28 RCW, or who is  
15 otherwise required to be registered or licensed by law, who contracts  
16 for the improvement of real property with someone other than the owner  
17 of the property or their common law agent.

18 **Sec. 51.** RCW 60.04.041 and 1992 c 126 s 4 are each amended to read  
19 as follows:

20 A contractor or subcontractor required to be (~~registered~~)  
21 licensed under chapter 18.27 (~~RCW or licensed under chapter~~) or 19.28  
22 RCW, or otherwise required to be registered or licensed by law, shall  
23 be deemed the construction agent of the owner for the purposes of  
24 establishing the lien created by this chapter only if so (~~registered~~  
25 ~~or~~) licensed. Persons dealing with contractors or subcontractors may  
26 rely, for the purposes of this section, upon a (~~certificate of~~  
27 ~~registration~~) license issued pursuant to chapter 18.27 (~~RCW or~~  
28 ~~license issued pursuant to chapter~~) or 19.28 RCW, or other certificate  
29 or license issued pursuant to law, covering the period when the labor,  
30 professional services, material, or equipment shall be furnished, and  
31 the lien rights shall not be lost by suspension or revocation of  
32 (~~registration or~~) license without their knowledge. No lien rights  
33 described in this chapter shall be lost or denied by virtue of the  
34 absence, suspension, or revocation of such (~~registration or~~) license  
35 with respect to any contractor or subcontractor not in immediate  
36 contractual privity with the lien claimant.

1       **Sec. 52.** RCW 70.87.220 and 2003 c 143 s 7 are each amended to read  
2 as follows:

3       (1) The department may adopt the rules necessary to establish and  
4 administer the elevator safety advisory committee. The purpose of the  
5 advisory committee is to advise the department on the adoption of rules  
6 that apply to conveyances; methods of enforcing and administering this  
7 chapter; and matters of concern to the conveyance industry and to the  
8 individual installers, owners, and users of conveyances.

9       (2) The advisory committee shall consist of seven persons. The  
10 director of the department or his or her designee with the advice of  
11 the chief elevator inspector shall appoint the committee members as  
12 follows:

13       (a) One representative of licensed elevator contractors;

14       (b) One representative of elevator mechanics licensed to perform  
15 all types of conveyance work;

16       (c) One representative of owner-employed mechanics exempt from  
17 licensing requirements under RCW 70.87.270;

18       (d) One registered architect or professional engineer  
19 representative;

20       (e) One building owner or manager representative;

21       (f) One (~~registered~~) licensed general commercial contractor  
22 representative; and

23       (g) One ad hoc member representing a municipality maintaining  
24 jurisdiction of conveyances in accordance with RCW (~~(70.87.210~~  
25 ~~{70.87.200}~~)) 70.87.200.

26       (3) The committee members shall serve terms of four years.

27       (4) The committee shall meet on the third Tuesday of February, May,  
28 August, and November of each year, and at other times at the discretion  
29 of the chief elevator inspector. The committee members shall serve  
30 without per diem or travel expenses.

31       (5) The chief elevator inspector shall be the secretary for the  
32 advisory committee.

33       **Sec. 53.** RCW 70.87.240 and 2004 c 66 s 2 are each amended to read  
34 as follows:

35       (1) Any person, firm, public agency, or company wishing to engage  
36 in the business of performing conveyance work within the state must

1 apply for an elevator contractor license with the department on a form  
2 provided by the department and be a (~~registered~~) licensed general or  
3 specialty contractor under chapter 18.27 RCW.

4 (2) Except as provided by RCW 70.87.270, any person wishing to  
5 perform conveyance work within the state must apply for an elevator  
6 mechanic license with the department on a form provided by the  
7 department.

8 (3) An elevator contractor license may not be granted to any person  
9 or firm who does not possess the following qualifications:

10 (a) Five years' experience performing conveyance work, as verified  
11 by current and previous elevator contractors licensed to do business;  
12 or

13 (b) Satisfactory completion of a written examination administered  
14 by the department on this chapter and the rules adopted under this  
15 chapter.

16 (4) Except as provided in subsection (5) of this section, RCW  
17 70.87.305, and 70.87.245, an elevator mechanic license may not be  
18 granted to any person who does not possess the following  
19 qualifications:

20 (a) An acceptable combination of documented experience and  
21 education credits: Not less than three years' experience performing  
22 conveyance work, as verified by current and previous employers licensed  
23 to do business in this state or public agency employers; and

24 (b) Satisfactory completion of a written examination administered  
25 by the department on this chapter and the rules adopted under this  
26 chapter.

27 (5) Any person who furnishes the department with acceptable proof  
28 that he or she has performed conveyance work in the category for which  
29 a license is sought shall upon making application for a license and  
30 paying the license fee receive a license without an examination. The  
31 person must have:

32 (a) Worked without direct and immediate supervision for a general  
33 or specialty contractor (~~registered~~) licensed under chapter 18.27 RCW  
34 and engaged in the business of performing conveyance work in this  
35 state. This employment may not be less than each and all of the three  
36 years immediately before March 1, 2004. The person must apply within  
37 ninety days after the effective date of rules adopted under this  
38 chapter establishing licensing requirements;

1 (b) Worked without direct and immediate supervision for an owner  
2 exempt from licensing requirements under RCW 70.87.270 or a public  
3 agency as an individual responsible for maintenance of conveyances  
4 owned by the owner exempt from licensing requirements under RCW  
5 70.87.270 or the public agency. This employment may not be less than  
6 each and all of the three years immediately before March 1, 2004. The  
7 person must apply within ninety days after the effective date of rules  
8 adopted under this chapter establishing licensing requirements;

9 (c) Obtained a certificate of completion and successfully passed  
10 the mechanic examination of a nationally recognized training program  
11 for the elevator industry such as the national elevator industry  
12 educational program or its equivalent; or

13 (d) Obtained a certificate of completion of an apprenticeship  
14 program for an elevator mechanic, having standards substantially equal  
15 to those of this chapter, and registered with the Washington state  
16 apprenticeship and training council.

17 (6) A license must be issued to an individual holding a valid  
18 license from a state having entered into a reciprocal agreement with  
19 the department and having standards substantially equal to those of  
20 this chapter, upon application and without examination.

21 NEW SECTION. **Sec. 54.** A new section is added to chapter 18.27 RCW  
22 to read as follows:

23 All persons who have been registered before July 1, 2008, must file  
24 an application for a license on or before July 1, 2008. No applicant  
25 for a license under this chapter is required to take an examination if  
26 he or she, on July 1, 2008, was engaged in a bona fide contractor's  
27 business or trade and whose registration is valid at the time he or she  
28 applied for a contractor's license. The department shall issue to an  
29 applicant who qualifies under this section a license upon the applicant  
30 making an application and paying the appropriate fee as provided in RCW  
31 18.27.030 and 18.27.070.

32 NEW SECTION. **Sec. 55.** This act takes effect July 1, 2008.

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