SENATE BILL 5890

State of Washington 60th Legislature 2007 Regular Session

By Senators Tom, Honeyford, Kilmer, McCaslin, Keiser and Delvin

Read first time 02/06/2007. Referred to Committee on Labor, Commerce, Research & Development.

1 AN ACT Relating to studying residential construction; creating new 2 sections; and providing an expiration date.

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

NEW SECTION. Sec. 1. The legislature finds that homeowners have 4 5 experienced problems in residential construction, resulting in great economic loss, only to discover that there are limited remedies 6 7 available at law, if any. However, it is unclear if construction 8 defects are an industry-wide problem or limited to a small segment of 9 builders and other construction professionals. The scope and nature of 10 the problem must be determined in order for the legislature to develop a comprehensive solution that may necessitate several pieces of 11 12 legislation covering a wide range of issues from contractor licensing, 13 permit processes and sign offs, requirements of the state building code and of building officials, as well as homeowner warranties. 14

15 <u>NEW SECTION.</u> Sec. 2. (1) A committee on residential construction 16 is created. The committee consists of the following members who have 17 experience and expertise in residential construction law or residential 18 construction:

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(a) One member from each caucus of the senate, appointed by the
 president of the senate;

3 (b) One member from each caucus of the house of representatives,
4 appointed by the speaker of the house of representatives;

5 (c) The director of the department of labor and industries or the
6 director's designee;

7 (d) The president of the state building code council or the 8 president's designee;

9 (e) The following four members, jointly appointed by the speaker of 10 the house of representatives and the president of the senate:

11 (i) Two builders;

(ii) A residential construction defect plaintiff's attorney; and(iii) A residential construction defect defense attorney.

14 (2) The committee shall choose two cochairs from among its 15 membership.

16 (3)

(3) The committee shall:

(a) Examine the issue of contractor licensing including, but not
limited to, whether contractors should be licensed and what education
and training requirements should exist;

20 (b) Evaluate whether current surety bond requirements are 21 sufficient or if increased or additional bonding requirements are 22 necessary to protect both construction professionals and homebuyers;

(c) Examine the state building code and determine whether the codeshould be strengthened to protect homeowners;

(d) Determine whether there should be increased standards for cityand county building inspectors;

(e) Study current remedies at law for residential constructiondefects; and

(f) Evaluate what impact a statutory warranty for new home construction would have on the industry and homebuyers including, but not limited to, any concerns regarding increased insurance costs for construction professionals. Within this evaluation, the committee shall examine other states that have implemented statutory home warranties including, at a minimum, Maryland and California.

35 (4) By December 31, 2007, the committee shall deliver to the 36 consumer protection and housing committee of the senate and the 37 judiciary committee of the house of representatives a report of the 1 findings and conclusions of the committee and any proposed legislation.

2 <u>NEW SECTION.</u> Sec. 3. This act expires January 31, 2008.

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