

# HOUSE BILL REPORT

## SHB 1055

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### As Passed Legislature

**Title:** An act relating to requiring workers to have licenses, certificates, or permits in their possession when performing work in certain construction trades.

**Brief Description:** Requiring workers to have licenses, certificates, or permits in their possession when performing work in certain construction trades.

**Sponsors:** House Committee on Commerce & Labor (originally sponsored by Representatives Moeller, Williams, Conway, Wood and Simpson).

#### Brief History:

##### Committee Activity:

Commerce & Labor: 1/23/09, 2/13/09 [DPS].

##### Floor Activity

Passed House: 2/23/09, 95-0.

Passed Senate: 3/31/09, 33-15.

Passed Legislature.

#### Brief Summary of Substitute Bill

- Requires persons doing electrical, plumbing, and conveyance work to have relevant licenses, certificates, permits, and endorsements in their possession.
- Also requires persons doing such work to have photo identification in their possession.

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### HOUSE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Conway, Chair; Wood, Vice Chair; Condotta, Ranking Minority Member; Chandler, Crouse, Green, Moeller and Williams.

**Staff:** Jill Reinmuth (786-7134)

#### Background:

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

The Department of Labor and Industries administers and enforces state laws governing certain construction-related trades. These laws require persons who perform electrical, plumbing, or conveyance work to have appropriate certificates of competency or licenses. Persons who perform such work without appropriate certificates or licenses, as well as persons who employ them, are subject to civil penalties ranging from \$250 to \$500 for violations of the electrician certification requirement, \$250 to \$1,000 for violations of the plumber certification requirement, and \$500 for violations of the elevator mechanic licensing requirement.

**Summary of Substitute Bill:**

The Legislature finds that dishonest contractors sometimes hire unlicensed and uncertified persons to perform electrical, plumbing, and conveyance work. This practice gives them an unfair competitive advantage. Requiring persons to have licenses, certificates, permits, and endorsements (licenses) and photo identification in their possession while performing this work will help address the problems of the underground economy in the construction industry.

While performing electrical, plumbing, or conveyance work, persons must have licenses and photo identification in their possession. They must produce licenses and photo identification upon request of an authorized representative of the Department of Labor and Industries (Department). They may be required to wear and visibly display licenses pursuant to Department rules. Licenses may include photo identification.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) This bill will help deal with the underground economy. By permitting, rather than requiring, photo identification on licenses and certificates, it is mindful of the current economic situation. It allows the Department of Labor and Industries to phase in photo identification.

This bill is good for the industry and good for consumers. It will be nice for them to know who they've got. The bill is good either with a requirement to have photo identification on the licenses or a requirement for workers to carry photo identification with them.

This bill gives the elevator program a good tool in case they need it.

(In support with amendment) The bill originally came about because of problems with counterfeit licenses in Oregon. Without photo identification, inspectors couldn't tell whether the worker had a genuine license or a counterfeit one. In discussions about how to eliminate

or reduce the fiscal impact, stakeholders came up with the idea of requiring workers to carry photo identification.

The proposed substitute is motivated by the reality that some in the economy operate by evading current requirements. This bill creates a new tool for the Department of Labor and Industries to use in its compliance work. It will help restore a level playing field.

The proposed substitute is in the right direction. One suggestion is to borrow the process in the state Building Code that requires that new rules sit for a year before they take effect.

(With concerns) The original bill is okay, except for the fiscal note.

(Information only) The primary costs of the original bill are for information technology. The proposed substitute will result in a decreased fiscal note.

(Opposed) None.

**Persons Testifying:** (In support) Representative Moeller, prime sponsor; Charly Mitchel, Plumbing Heating Cooling Contractors of Washington; and Swen Larson, International Union of Elevator Constructors.

(In support with amendment) Richard King, International Brotherhood of Electrical Workers; Tracy Prezeau, International Brotherhood of Electrical Workers Local 76; and Gary Smith, Independent Business Association of Washington.

(With concerns) Larry Stevens, Mechanical Contractors Association and Electrical Contractors Association.

(Information only) Josh Swanson and Pete Schmidt, Department of Labor and Industries.

**Persons Signed In To Testify But Not Testifying:** None.