

FINAL BILL REPORT

2SSB 6575

FULL VETO As Passed Legislature

Brief Description: Concerning the recommendations of the joint legislative task force on the underground economy.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Kohl-Welles, Keiser, Kline, Franklin and McDermott).

Senate Committee on Labor, Commerce & Consumer Protection
Senate Committee on Ways & Means
House Committee on Commerce & Labor
House Committee on Ways & Means

Background: In 2007 the Legislature established a Joint Legislative Task Force on the Underground Economy in the Construction Industry (Task Force). The Task Force met during the 2007 and 2008 interims and developed recommendations which were incorporated into legislation. In 2009 the Legislature expanded the scope of the Task Force beyond the construction industry. The Task Force made a number of recommendations based on its 2009 interim work.

The Contractor Registration Act (Act) requires general and specialty contractors to register with the Department of Labor and Industries (Department). Under the Act, a contractor who fails to register is subject to a fine of not less than \$1,000 and not more than \$5,000. The Director of the Department may reduce the fee to no less than \$500 for a first offense if the contractor registers within 10 days of receiving a notice of infraction.

Contractor registration fees and penalties are deposited into the General Fund.

Summary: The penalty for a first offense of failure to register as a contractor is modified. To receive a reduced penalty, a contractor must register for and complete a contractor training class in addition to registering as a contractor. Once a contractor receives a notice of infraction, the contractor has ten days to register as a contractor and register for a class, and 120 days to complete the class. A contractor must also pay any class fees upon registration to receive the reduced penalty. The Department will conduct the classes or approve classes conducted by others. The Department may charge a fee that covers the cost of administering a class. In addition, the Department may adopt rules on the number of classes to be offered, the class locations, fees, and curriculum.

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 contractor registration account is created. All money from contractor registrations, renewals, and civil penalties are to be deposited into the account.

A double amendment regarding retainage on public works contracts is corrected.

Votes on Final Passage:

Senate	34	13	
House	98	0	(House amended)
Senate	36	12	(Senate concurred)