(SUBSTITUTED FOR - SEE 1ST SUB)

Requires the department of labor and industries to: (1) Approve training on state law for applicants for contractor registration;

- (2) Work with representatives of the business community to explore the need for continuing education for contractors;
- (3) Conduct education and outreach to employers on workers' compensation requirements and premium responsibilities, including independent contractor issues; and
- (4) Work with new employers on an individual basis and also establish mass education campaigns.

Requires a contractor to maintain and have available for inspection by the department of labor and industries a list of all direct subcontractors and a copy of their certificate of registration.

Prohibits a local government from issuing a business license to a person required to be registered under chapter 18.27 RCW (registration of contractors) without verifying that the person is registered under that chapter and meets other requirements.

Provides that any employer who fails to keep and preserve certain work records required by RCW 50.12.070 is subject to a penalty determined by the commissioner of the employment security department but not to exceed two hundred fifty dollars or two hundred percent of the quarterly tax for each offense, whichever is greater.

Creates an interagency advisory committee on the underground economy to conduct a continuing study of the underground economy of the construction industry with the goal of reducing or eliminating the underground economy in this state.