

SENATE BILL REPORT

SHB 1508

As Reported By Senate Committee On:
Labor, Commerce & Trade, March 28, 1995

Title: An act relating to accounts under the authority of the department of labor and industries.

Brief Description: Creating new funds under the control of the department of labor and industries.

Sponsors: House Committee on Commerce & Labor (originally sponsored by Representatives Goldsmith, Kremen, Cooke and Morris).

Brief History:

Committee Activity: Labor, Commerce & Trade: 3/20/95, 3/28/95 [DP-WM].

SENATE COMMITTEE ON LABOR, COMMERCE & TRADE

Majority Report: Do pass and be referred to Committee on Ways & Means.
Signed by Senators Pelz, Chair; Franklin, Hale, Newhouse and Palmer.

Staff: Max Williams (786-7439)

Background: Contractor registration. Construction contractors, whether general contractors or specialty contractors, must register with the Department of Labor and Industries. To apply for registration, an applicant must pay a fee and file an application with an appropriate surety bond and other financial requirements. A contractor who fails to register or who violates other provisions of the statute is subject to penalties. Fees and penalties are paid to the state general fund.

Factory assembled structures. The Department of Labor and Industries regulates certain aspects of manufacturing mobile homes, commercial coaches, recreational vehicles, and factory assembled housing and commercial structures. Fees are collected to cover inspection costs and administration and enforcement of the statutory requirements and are paid to the state treasury.

Summary of Bill: Contractor enforcement account. The contractor enforcement account is created. All receipts from penalties, contractor registration fees, and inspection fees imposed under the contractor registration statute are deposited in the account.

Expenditures from the account must be authorized by the Director of the Department of Labor and Industries and may be used only for registration, enforcement of contractor registration, and consumer education activities of the department concerning contractors. The account is subject to allotment procedures under rules of the Office of Financial Management, but no appropriation is required for expenditures.

No less than 20 percent of annual expenditures must be used for consumer education, including disclosure by public service announcements of persons performing contracting work without being registered as contractors.

Factory assembled structures administration account. The factory assembled structures administration account is created. All receipts from fees collected for inspection, administration, and enforcement of provisions regarding mobile homes, commercial coaches, recreational vehicles, and factory built housing and commercial structures are deposited in the account.

Expenditures from the account must be authorized by the Director of the Department of Labor and Industries and may be used only for the administration of provisions dealing with regulation of mobile homes, commercial coaches, recreational vehicles, and factory built housing and commercial structures. The account is subject to allotment procedures under rules of the Office of Financial Management, but no appropriation is required for expenditures.

Appropriation: None.

Fiscal Note: Requested on March 16, 1995.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 1995.

Testimony For: Greater enforcement is necessary for the contractor program within the Department of Labor and Industries. However, the program is not fully funded as the fees collected are not fully appropriated from the general fund. Having dedicated funding is a key to correcting the problem of unregistered contractors. The dedicated fund will also be used to provide additional consumer education for the public.

Testimony Against: None.

Testified: PRO: Ron Clarke, Washington Manufactured Housing Association; Dan Sexton, Washington State Association of Plumbers and Pipefitters; Doug Boehlke, Contractors Bonding and Insurance Co.; Bob Blayden, Building Industry Association; Art Fabinger, Washington Association of Plumbing, Heating and Cooling Contractors; Tony Menhardt, Independent Business Association.