

SENATE BILL REPORT

SB 5366

As of February 7, 1997

Title: An act relating to contractor surety bonds.

Brief Description: Increasing the bond amount for contractors.

Sponsors: Senators Snyder, Hargrove and Wojahn.

Brief History:

Committee Activity: Commerce & Labor: 2/10/97.

SENATE COMMITTEE ON COMMERCE & LABOR

Staff: Patrick Woods (786-7430)

Background: Currently, all construction contractors in the state of Washington are required to register with the Department of Labor of Industries. The contractor registration statute establishes application procedures, bonding and insurance requirements, notice to customers standards, and penalties for violations.

The current registration provisions are as follows: (1) payment of an annual registration fee of \$40; (2) maintain a valid contractor's bond, \$6,000 for general contractors— and \$4,000 for specialty contractors;— (3) maintain a minimum \$100,000 in general liability insurance coverage for property damage; (4) provide customers with a detailed list of a contractors rights and obligations under the statute; and (5) penalties for infractions which are not administratively remedied range from a minimum of \$200 to a maximum of \$3,000.

Summary of Bill: The current bonding requirements for construction contractors are modified as follows: (1) a general contractor's— bond is increased from \$6,000 to \$50,000; and (2) a specialty contractor's— bond is increased from \$4,000 to \$30,000.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.