
HOUSE BILL 2312

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By Representatives Doumit, Pennington, Hatfield, Kenney, Clements, Carlson, Kessler, Anderson, Dunn and Tokuda

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1 AN ACT Relating to workers' compensation obligations of employers
2 not domiciled in Washington; and amending RCW 51.12.120, 18.27.030, and
3 19.28.120.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 51.12.120 and 1995 c 199 s 1 are each amended to read
6 as follows:

7 (1) If a worker, while working outside the territorial limits of
8 this state, suffers an injury on account of which he or she, or his or
9 her beneficiaries, would have been entitled to compensation under this
10 title had ((such)) the injury occurred within this state, ((such)) the
11 worker, or his or her beneficiaries, shall be entitled to compensation
12 under this title((:—PROVIDED, That)) if at the time of ((such)) the
13 injury:

14 (a) His or her employment is principally localized in this state;
15 or

16 (b) He or she is working under a contract of hire made in this
17 state for employment not principally localized in any state; or

1 (c) He or she is working under a contract of hire made in this
2 state for employment principally localized in another state whose
3 workers' compensation law is not applicable to his or her employer; or

4 (d) He or she is working under a contract of hire made in this
5 state for employment outside the United States and Canada.

6 (2) The payment or award of compensation or other recoveries,
7 including settlement proceeds, under the workers' compensation law of
8 another state, territory, province, or foreign nation to a worker or
9 his or her beneficiaries otherwise entitled on account of (~~such~~) an
10 injury to compensation under this title shall not be a bar to a claim
11 for compensation under this title(~~:- PROVIDED, That~~) if claim under
12 this title is timely filed. If compensation is paid or awarded under
13 this title, the total amount of compensation or other recoveries,
14 including settlement proceeds, paid or awarded the worker or
15 beneficiary under such other workers' compensation law shall be
16 credited against the compensation due the worker or beneficiary under
17 this title.

18 (~~3) (If a worker or beneficiary is entitled to compensation under~~
19 ~~this title by reason of an injury sustained in this state while in the~~
20 ~~employ of an employer who is domiciled in another state and who has~~
21 ~~neither opened an account with the department nor qualified as a self-~~
22 ~~insurer under this title, such an employer or his or her insurance~~
23 ~~carrier shall file with the director a certificate issued by the agency~~
24 ~~which administers the workers' compensation law in the state of the~~
25 ~~employer's domicile, certifying that such employer has secured the~~
26 ~~payment of compensation under the workers' compensation law of such~~
27 ~~other state and that with respect to said injury such worker or~~
28 ~~beneficiary is entitled to the benefits provided under such law. In~~
29 ~~such event:)) An employer not domiciled in this state and employing
30 workers performing work in this state for the employer must:~~

31 (a) Have an account with the department;

32 (b) Qualify as a self-insurer under this title. If the employer is
33 a self-insurer under the workers' compensation law of the employer's
34 state of domicile, and the employer is subject to an agreement entered
35 into under subsection (7) of this section, the employer shall, upon
36 submission of evidence or security, satisfactory to the director, of
37 his or her ability to meet his or her liability under this title, be
38 deemed to be a qualified self-insurer under this title; or

1 (c) File with the department a certificate issued by the agency
2 which administers the workers' compensation law in the employer's state
3 of domicile certifying that the employer has secured the payment of
4 compensation under the workers' compensation law of the other state and
5 is subject to an agreement entered into under subsection (7) of this
6 section. The filing of ((such)) a certificate under this subsection
7 shall constitute appointment by the employer or his or her insurance
8 carrier of the director as its agent for acceptance of the service of
9 process in any proceeding brought by any claimant to enforce rights
10 under this title((?)).

11 ~~((b))~~ (4) When a worker or beneficiary is entitled to
12 compensation under this title because of an injury sustained in this
13 state while in the employ of an employer who is not domiciled in this
14 state:

15 (a) If the employer has filed a certificate under subsection (3)(c)
16 of this section:

17 (i) The director shall send to ((such)) the employer or his or her
18 insurance carrier, by registered or certified mail to the address shown
19 on ((such)) the certificate, a true copy of any notice of claim or
20 other process served on the director by the claimant in any proceeding
21 brought to enforce rights under this title;

22 ~~((c)(i) If such employer is a self-insurer under the workers'~~
23 ~~compensation law of such other state, such employer shall, upon~~
24 ~~submission of evidence or security, satisfactory to the director, of~~
25 ~~his or her ability to meet his or her liability to such claimant under~~
26 ~~this title, be deemed to be a qualified self-insurer under this~~
27 ~~title?))~~

28 ~~((ii) ((If such employer's liability under the workers' compensation~~
29 ~~law of such other state is insured, such)) The employer's carrier, as~~
30 ~~to such claimant only, shall be deemed to be subject to this title((?~~
31 ~~PROVIDED, That)). However, unless ((its)) the insurer's contract with~~
32 ~~((said)) the employer requires ((it)) the insurer to pay an amount~~
33 ~~equivalent to the compensation benefits provided by this title, the~~
34 ~~insurer's liability for compensation shall not exceed ((its)) the~~
35 ~~insurer's liability under the workers' compensation law of ((such~~
36 ~~other)) the employer's state of domicile; and~~

37 ~~((d))~~ (iii) If the total amount for which ((such)) the employer's
38 insurer is liable under ((e))(a)(ii) ((above)) of this subsection is
39 less than the total of the compensation to which ((such)) the claimant

1 is entitled under this title, the director may require the employer to
2 file security satisfactory to the director to secure the payment of
3 compensation under this title; or

4 ~~((e))~~ (b) If ~~((such))~~ the employer has ~~((neither qualified as a~~
5 ~~self insurer nor secured insurance coverage under the workers'~~
6 ~~compensation law of another state, such))~~ not complied with subsection
7 (3) of this section:

8 (i) The claimant shall be paid compensation by the department; and

9 ~~((f))~~ (ii) Any such employer shall have the same rights and
10 obligations, and be subject to the same penalties, as other employers
11 subject to this title ~~((and where he or she has not provided coverage~~
12 ~~or sufficient coverage to secure the compensation provided by this~~
13 ~~title to such claimant, the director may impose a penalty payable to~~
14 ~~the department of a sum not to exceed fifty percent of the cost to the~~
15 ~~department of any deficiency between the compensation provided by this~~
16 ~~title and that afforded such claimant by such employer or his or her~~
17 ~~insurance carrier if any)).~~

18 ~~((4))~~ (5) As used in this section:

19 (a) A person's employment is principally localized in this or
20 another state when: (i) His or her employer has a place of business in
21 this or ~~((such))~~ the other state and he or she regularly works at or
22 from ~~((such))~~ the place of business~~((7))~~; or (ii) if ~~((clause (i)~~
23 ~~foregoing))~~ (a)(i) of this subsection is not applicable, he or she is
24 domiciled in and spends a substantial part of his or her working time
25 in the service of his or her employer in this or ~~((such))~~ the other
26 state;

27 (b) "Workers' compensation law" includes "occupational disease law"
28 for the purposes of this section.

29 ~~((5))~~ (6) A worker whose duties require him or her to travel
30 regularly in the service of his or her employer in this and one or more
31 other states may agree in writing with his or her employer that his or
32 her employment is principally localized in this or another state, and,
33 unless ~~((such))~~ the other state refuses jurisdiction, ~~((such))~~ the
34 agreement shall govern as to any injury occurring after the effective
35 date of the agreement.

36 ~~((6))~~ (7) The director ~~((shall be))~~ is authorized to enter into
37 agreements with the appropriate agencies of other states and provinces
38 of Canada which administer their workers' compensation law with respect
39 to conflicts of jurisdiction and the assumption of jurisdiction in

1 cases where the contract of employment arises in one state or province
2 and the injury occurs in another, and when any such agreement has been
3 executed and ((promulgated)) adopted as a ((regulation)) rule of the
4 department under chapter 34.05 RCW, it shall bind all employers and
5 workers subject to this title and the jurisdiction of this title shall
6 be governed by this regulation.

7 **Sec. 2.** RCW 18.27.030 and 1997 c 314 s 4 are each amended to read
8 as follows:

9 (1) An applicant for registration as a contractor shall submit an
10 application under oath upon a form to be prescribed by the director and
11 which shall include the following information pertaining to the
12 applicant:

13 (a) Employer social security number.

14 (b) As applicable: (i) The industrial insurance account number
15 covering employees domiciled in Washington; and (ii) evidence ((of
16 ~~workers' compensation coverage in the applicant's state of domicile~~
17 ~~for~~)) acceptable to the director of compliance with RCW 51.12.120 for
18 coverage of the applicant's employees working in Washington who are not
19 domiciled in Washington.

20 (c) Employment security department number.

21 (d) State excise tax registration number.

22 (e) Unified business identifier (UBI) account number may be
23 substituted for the information required by (b), (c), and (d) of this
24 subsection.

25 (f) Type of contracting activity, whether a general or a specialty
26 contractor and if the latter, the type of specialty.

27 (g) The name and address of each partner if the applicant be a firm
28 or partnership, or the name and address of the owner if the applicant
29 be an individual proprietorship, or the name and address of the
30 corporate officers and statutory agent, if any, if the applicant be a
31 corporation. The information contained in such application shall be a
32 matter of public record and open to public inspection.

33 (2) The department may verify the workers' compensation coverage
34 information provided by the applicant under subsection (1)(b) of this
35 section, including but not limited to information regarding the
36 coverage of an individual employee of the applicant. If coverage is
37 provided under the laws of another state, the department may notify the
38 other state that the applicant is employing employees in Washington.

1 (3) The department shall deny an application for registration if
2 the applicant has been previously registered as a sole proprietor,
3 partnership, or corporation and the applicant has an unsatisfied final
4 judgment against him or her in an action based on this chapter that was
5 incurred during a previous registration under this chapter.

6 **Sec. 3.** RCW 19.28.120 and 1992 c 217 s 2 are each amended to read
7 as follows:

8 (1) It is unlawful for any person, firm, partnership, corporation,
9 or other entity to engage in, conduct, or carry on the business of
10 installing or maintaining wires or equipment to convey electric
11 current, or installing or maintaining equipment to be operated by
12 electric current as it pertains to the electrical industry, without
13 having an unrevoked, unsuspended, and unexpired electrical contractor
14 license, issued by the department in accordance with this chapter. All
15 electrical contractor licenses expire twenty-four calendar months
16 following the day of their issue. The department may issue an
17 electrical contractors license for a period of less than twenty-four
18 months only for the purpose of equalizing the number of electrical
19 contractor licenses which expire each month. Application for an
20 electrical contractor license shall be made in writing to the
21 department, accompanied by the required fee. The application shall
22 state:

23 (a) The name and address of the applicant; in case of firms or
24 partnerships, the names of the individuals composing the firm or
25 partnership; in case of corporations, the names of the managing
26 officials thereof;

27 (b) The location of the place of business of the applicant and the
28 name under which the business is conducted;

29 (c) Employer social security number;

30 (d) As applicable: (i) The industrial insurance account number
31 covering employees domiciled in Washington; and (ii) evidence ((of
32 ~~workers' compensation coverage in the applicant's state of domicile~~
33 ~~for~~)) acceptable to the director of compliance with RCW 51.12.120 for
34 coverage of the applicant's employees working in Washington who are not
35 domiciled in Washington;

36 (e) Employment security department number;

37 (f) State excise tax registration number;

1 (g) Unified business identifier (UBI) account number may be
2 substituted for the information required by (d), (e), and (f) of this
3 subsection; and

4 (h) Whether a general or specialty electrical contractor license is
5 sought and, if the latter, the type of specialty. Electrical
6 contractor specialties include, but are not limited to: Residential,
7 domestic appliances, pump and irrigation, limited energy system, signs,
8 nonresidential maintenance, and a combination specialty. A general
9 electrical contractor license shall grant to the holder the right to
10 engage in, conduct, or carry on the business of installing or
11 maintaining wires or equipment to carry electric current, and
12 installing or maintaining equipment, or installing or maintaining
13 material to fasten or insulate such wires or equipment to be operated
14 by electric current, in the state of Washington. A specialty
15 electrical contractor license shall grant to the holder a limited right
16 to engage in, conduct, or carry on the business of installing or
17 maintaining wires or equipment to carry electrical current, and
18 installing or maintaining equipment; or installing or maintaining
19 material to fasten or insulate such wires or equipment to be operated
20 by electric current in the state of Washington as expressly allowed by
21 the license.

22 (2) The department may verify the workers' compensation coverage
23 information provided by the applicant under subsection (1)(d) of this
24 section, including but not limited to information regarding the
25 coverage of an individual employee of the applicant. If coverage is
26 provided under the laws of another state, the department may notify the
27 other state that the applicant is employing employees in Washington.

28 (3) The application for a contractor license shall be accompanied
29 by a bond in the sum of four thousand dollars with the state of
30 Washington named as obligee in the bond, with good and sufficient
31 surety, to be approved by the department. The bond shall at all times
32 be kept in full force and effect, and any cancellation or revocation
33 thereof, or withdrawal of the surety therefrom, suspends the license
34 issued to the principal until a new bond has been filed and approved as
35 provided in this section. Upon approval of a bond, the department
36 shall on the next business day deposit the fee accompanying the
37 application in the electrical license fund and shall file the bond in
38 the office. The department shall upon request furnish to any person,
39 firm, partnership, corporation, or other entity a certified copy of the

1 bond upon the payment of a fee that the department shall set by rule.
2 The fee shall cover but not exceed the cost of furnishing the certified
3 copy. The bond shall be conditioned that in any installation or
4 maintenance of wires or equipment to convey electrical current, and
5 equipment to be operated by electrical current, the principal will
6 comply with the provisions of this chapter and with any electrical
7 ordinance, building code, or regulation of a city or town adopted
8 pursuant to RCW 19.28.010(~~(+2)~~) (3) that is in effect at the time of
9 entering into a contract. The bond shall be conditioned further that
10 the principal will pay for all labor, including employee benefits, and
11 material furnished or used upon the work, taxes and contributions to
12 the state of Washington, and all damages that may be sustained by any
13 person, firm, partnership, corporation, or other entity due to a
14 failure of the principal to make the installation or maintenance in
15 accordance with this chapter or any applicable ordinance, building
16 code, or regulation of a city or town adopted pursuant to RCW
17 19.28.010(~~(+2)~~) (3). In lieu of the surety bond required by this
18 section the license applicant may file with the department a cash
19 deposit or other negotiable security acceptable to the department. If
20 the license applicant has filed a cash deposit, the department shall
21 deposit the funds in a special trust savings account in a commercial
22 bank, mutual savings bank, or savings and loan association and shall
23 pay annually to the depositor the interest derived from the account.

24 (4) The department shall issue general or specialty electrical
25 contractor licenses to applicants meeting all of the requirements of
26 this chapter. The provisions of this chapter relating to the licensing
27 of any person, firm, partnership, corporation, or other entity
28 including the requirement of a bond with the state of Washington named
29 as obligee therein and the collection of a fee therefor, are exclusive,
30 and no political subdivision of the state of Washington may require or
31 issue any licenses or bonds or charge any fee for the same or a similar
32 purpose. No person, firm, partnership, corporation, or other entity
33 holding more than one specialty contractor license under this chapter
34 may be required to pay an annual fee for more than one such license or
35 to post more than one four thousand dollar bond, equivalent cash
36 deposit, or other negotiable security.

37 (5) To obtain a general or specialty electrical contractor license
38 the applicant must designate an individual who currently possesses an
39 administrator's certificate as a general electrical contractor

1 administrator or as a specialty electrical contractor administrator in
2 the specialty for which application has been made. Administrator
3 certificate specialties include but are not limited to: Residential,
4 domestic, appliance, pump and irrigation, limited energy system, signs,
5 nonresidential maintenance, and combination specialty. To obtain an
6 administrator's certificate an individual must pass an examination as
7 set forth in RCW 19.28.123 unless the applicant was a licensed
8 electrical contractor at any time during 1974. Applicants who were
9 electrical contractors licensed by the state of Washington at any time
10 during 1974 are entitled to receive a general electrical contractor
11 administrator's certificate without examination if the applicants apply
12 prior to January 1, 1984. The board of electrical examiners shall
13 certify to the department the names of all persons who are entitled to
14 either a general or specialty electrical contractor administrator's
15 certificate.

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