

SSB 5550 - S AMD to S AMD (S2522.2/07) 116  
By Senator Honeyford

**NOT ADOPTED 3/8/2007**

1 On page 1, beginning on line 3 of the amendment, after "1." strike  
2 all material through "earlier." on line 33, page 3 of the amendment and  
3 insert "The legislature finds that homeowners have experienced problems  
4 in residential construction, resulting in great economic loss, only to  
5 discover that there are limited remedies available at law, if any.  
6 However, it is unclear if construction defects are an industry-wide  
7 problem or limited to a small segment of builders and other  
8 construction professionals. The scope and nature of the problem must  
9 be determined in order for the legislature to develop a comprehensive  
10 solution that may necessitate several pieces of legislation covering a  
11 wide range of issues from contractor licensing, permit processes and  
12 sign offs, requirements of the state building code and of building  
13 officials, as well as homeowner warranties."

14 Beginning on page 3, line 34 of the amendment, strike all of  
15 sections 2 and 3

16 On page 6, beginning on line 26 of the amendment, after "(1)"  
17 strike all material through "2008." on line 18, page 8 of the amendment  
18 and insert "A committee on residential construction is created. The  
19 committee consists of the following members who have experience and  
20 expertise in residential construction law or residential construction:

21 (a) One member from each caucus of the senate, appointed by the  
22 president of the senate;

23 (b) One member from each caucus of the house of representatives,  
24 appointed by the speaker of the house of representatives;

25 (c) The director of the department of labor and industries or the  
26 director's designee;

27 (d) The president of the state building code council or the  
28 president's designee;

29 (e) One third-party private building inspector;

30 (f) One expert in water penetration issues affecting residential  
31 construction;

1 (g) The following four members, jointly appointed by the speaker of  
2 the house of representatives and the president of the senate:

3 (i) Two builders;

4 (ii) A residential construction defect plaintiff's attorney; and

5 (iii) A residential construction defect defense attorney.

6 (2) The committee shall choose two cochairs from among its  
7 membership.

8 (3) The committee shall:

9 (a) Examine the issue of contractor licensing including, but not  
10 limited to, whether contractors should be licensed and what education  
11 and training requirements should exist;

12 (b) Evaluate whether current surety bond requirements are  
13 sufficient or if increased or additional bonding requirements are  
14 necessary to protect both construction professionals and homebuyers;

15 (c) Examine the state building code and determine whether the code  
16 should be strengthened to protect homeowners;

17 (d) Determine whether there should be increased standards for city  
18 and county building inspectors;

19 (e) Study current remedies at law for residential construction  
20 defects;

21 (f) Examine homeowner insurance warranty products; and

22 (g) Using the statutory home warranty proposed in chapter . . .  
23 (Substitute Senate Bill No. 5550), Laws of 2007 as a model, evaluate  
24 what impact a statutory warranty for new home construction would have  
25 on the industry and homebuyers including, but not limited to, any  
26 concerns regarding increased insurance costs for construction  
27 professionals. Within this evaluation, the committee shall examine  
28 other states that have implemented statutory home warranties including,  
29 at a minimum, Maryland and California.

30 (4) By December 31, 2008, the committee shall deliver to the  
31 consumer protection and housing committee of the senate and the  
32 judiciary committee of the house of representatives a report of the  
33 findings and conclusions of the committee and any proposed  
34 legislation."

35  
36 On page 8, after line 18 of the amendment, insert the following:

37 "NEW SECTION. This act expires January 31, 2009."

1 On page 8, beginning on line 19 of the amendment, strike all of  
2 sections 5 and 6

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4 Renumber the sections consecutively and correct any internal  
5 references accordingly.

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10 On page 8, beginning on line 24 of the title amendment, after  
11 "insert" strike the remainder of the title amendment and insert  
12 "creating a new section and providing an expiration date."

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**EFFECT:** Removes the provisions of the bill creating statutory residential home warranties. Amends the membership of the committee created to study issues facing the residential construction industry and the issues the committee is directed to study and evaluate. Provides that the committee shall report its findings and conclusions by December 31, 2008.