(DIGEST OF PROPOSED 1ST SUBSTITUTE)

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.

Authorizes a local government that issues a business license to a person required to be registered under chapter 18.27 RCW (registration of contractors) to verify that the person is registered under chapter 18.27 RCW and report violations to the department of labor and industries.

Requires the department of licensing to conduct the verification for local governments that participate in the master license system.

Requires the department of labor and industries to: (1) Conduct education and outreach to employers on workers' compensation requirements and premium responsibilities, including independent contractor issues; and

(2) Work with new employers on an individual basis and also establish mass education campaigns.

Provides that any employer who fails to keep and preserve records required by section 11 of the act 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.