

SENATE BILL REPORT

SHB 2146

As Reported by Senate Committee On:
Commerce & Labor, February 26, 2014

Title: An act relating to department of labor and industries appeal bonds.

Brief Description: Concerning department of labor and industries appeal bonds.

Sponsors: House Committee on Labor & Workforce Development (originally sponsored by Representative Condotta).

Brief History: Passed House: 2/17/14, 96-0.

Committee Activity: Commerce & Labor: 2/24/14, 2/26/14 [DP-WM].

SENATE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Holmquist Newbry, Chair; Braun, Vice Chair; Conway, Ranking Member; Hasegawa, Hewitt, King and Kohl-Welles.

Staff: Mac Nicholson (786-7445)

Background: Contractor registration. Contractors in Washington must register with the Department of Labor and Industries (L&I) prior to advertising, bidding, or performing any work as a contractor. The penalty for a violation of contractor registration laws is between \$200 and \$10,000 depending on the specific infraction, with each day constituting a separate violation. A contractor may contest the infraction by filing a notice of appeal accompanied by an appeal bond of \$200 for each violation, which is returned if the decision of L&I is not sustained. If L&I's decision is sustained, the bond will be used to pay appeal costs and deposited in the state general fund.

Electrical contractors. Contractors seeking to engage in the business of doing electrical or telecommunications work must be licensed by L&I, and electricians must have an individual certification. Contractors and electricians can apply for a license as either a general electrical contractor/electrician or as a specialty contractor/electrician. An electrical or telecommunications contractor that fails to comply with applicable laws and regulations is subject to a penalty between \$50 and \$10,000 depending on the violation. A contractor may appeal the violation to the electrical board by filing a notice of appeal accompanied by an appeal bond of \$200 per violation, which is returned if L&I's decision is not sustained.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Forfeited bonds are used to pay electrical board expenses, with any remaining amount deposited into the electrical license fund.

L&I may deny the renewal of a contractor license or electrician certificate if the applicant owes outstanding penalties. An electrical contractor or electrician may appeal the denial by filing a notice of appeal accompanied by an appeal bond of \$200.

Elevator contractors. Contractors who provide installation, repair, and maintenance services for elevators and other conveyances, and the mechanics who work on them, must be licensed by L&I. L&I has the authority to suspend, revoke, and refuse to renew a permit or license, order the operation of a conveyance to be discontinued, and assess penalties for violations of laws and regulations pertaining to elevator installation, maintenance, and operation. The maximum penalty for a violation is \$500. Any person aggrieved by an order or action of L&I may request a hearing. A request for a hearing must be accompanied by a \$200 filing fee, which will be refunded if the party prevails at the hearing.

Summary of Bill: The appeal bond for a contractor registration infraction is \$200 or 10 percent of the penalty amount, whichever is less, with a minimum amount of \$100.

The appeal bond for an electrical or telecommunications contractor violation is \$200 or 10 percent of the penalty amount, whichever is less, with a minimum amount of \$100.

The appeal bond for the denial of an electrical license or certificate renewal is \$200 or 10 percent of the amount of outstanding penalties, whichever is less, with a minimum amount of \$100.

The appeal bond for violations of elevator laws and regulations where the penalty assessment is the issue for the hearing request is \$200 or 10 percent of the penalty amount, whichever is less, with a minimum amount of \$100.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: This bill was constituent driven. Currently it can cost \$200 to appeal a \$150 fine. This bill just provides access to justice and reduces appeal fees for small fines.

OTHER: L&I is comfortable with the proposal. It will have an effect on the number of appeals filed.

Persons Testifying: PRO: Representative Condotta, prime sponsor.

OTHER: Tammy Fellin, L&I.