

SENATE BILL REPORT

SHB 2686

AS REPORTED BY COMMITTEE ON COMMERCE & LABOR, FEBRUARY 27, 1992

Brief Description: Regulating contractor registration and licensing.

SPONSORS: House Committee on Commerce & Labor (originally sponsored by Representatives Kremen, Heavey and Fuhrman)

HOUSE COMMITTEE ON COMMERCE & LABOR

SENATE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass as amended.

Signed by Senators Matson, Chairman; Anderson, Vice Chairman; McCaslin, McMullen, Moore, Murray, and Skratek.

Staff: Dave Cheal (786-7576)

Hearing Dates: February 26, 1992; February 27, 1992

BACKGROUND:

Construction contractors are required to register with the Department of Labor and Industries. To apply for registration, the contractor must submit his or her Social Security number, Employment Security Department number, industrial insurance number, and state excise tax registration number. Electrical contractors must be licensed by the department, but they are not required to provide information about the contractor's unemployment insurance or workers' compensation coverage in the application.

There is no requirement in the state industrial insurance law that employers domiciled in another state who have employment in Washington open an account with the Department of Labor and Industries before the employment begins in Washington. If a worker is injured on the job in Washington and the worker's employer is domiciled in another state, the department may require the employer to file proof of workers' compensation insurance in the other state. If the employer has not provided coverage in another state, the worker is paid his or her benefits by the department and the employer is subject to a penalty.

SUMMARY:

Both construction and electrical contractors are required to provide information about their workers' compensation coverage to the Department of Labor and Industries when applying for registration or licensure.

As applicable, the contractor must provide his or her industrial insurance number covering employees domiciled in Washington, and must give evidence of coverage in the contractor's state of domicile for the contractor's employees working in Washington. The department is authorized to verify the information provided by the contractor. If the contractor has coverage in a state other than Washington, the department must notify the other state that the contractor is employing employees in Washington.

Requirements are added for electrical contractors applying for licensure. These contractors must also include on the application the employer Social Security number, the Employment Security Department number, and the state excise tax registration number, or use the unified business identifier account number.

Appropriation: none

Revenue: none

Fiscal Note: requested

SUMMARY OF PROPOSED SENATE AMENDMENT:

If an out-of-state contractor is doing work in Washington with workers who live out-of-state, the department has a duty to notify the state where the contractor is domiciled. Notifying the other state is made discretionary rather than mandatory.

TESTIMONY FOR:

The bill will help enforce industrial insurance coverage and premium payment by out-of-state contractors. It will help Washington employers maintain competitive parity with out-of-state contractors who might not be paying for coverage in their home state.

TESTIMONY AGAINST: None

TESTIFIED: Robert Dilger (pro); Joe Brewer, Department of Labor and Industries (pro)