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**SUBSTITUTE HOUSE BILL 2396**

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**State of Washington**

**52nd Legislature**

**1992 Regular Session**

**By** House Committee on Commerce & Labor (originally sponsored by Representatives Scott, R. King, Heavey, G. Cole, Wilson and Orr)

Read first time 02/07/92.

1 AN ACT Relating to electrical contractors; amending RCW 19.28.120  
2 and 19.28.350; adding a new section to chapter 19.28 RCW; and  
3 prescribing penalties.

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

5 **Sec. 1.** RCW 19.28.120 and 1986 c 156 s 5 are each amended to read  
6 as follows:

7 (1) It is unlawful for any person, firm, partnership, corporation,  
8 or other entity to engage in, conduct, advertise, offer to work, submit  
9 a bid, or carry on the business of installing or maintaining wires or  
10 equipment to convey electric current, or installing or maintaining  
11 equipment to be operated by electric current as it pertains to the  
12 electrical industry, without having an unrevoked, unsuspended, and  
13 unexpired electrical contractor license, issued by the department in  
14 accordance with this chapter. All electrical contractor licenses

1 expire twenty-four calendar months following the day of their issue.  
2 The department may issue an electrical contractors license for a period  
3 of less than twenty-four months only for the purpose of equalizing the  
4 number of electrical contractor licenses which expire each month.  
5 Application for an electrical contractor license shall be made in  
6 writing to the department, accompanied by the required fee. The  
7 application shall state the name and address of the applicant; in case  
8 of firms or partnerships, the names of the individuals composing the  
9 firm or partnership; in case of corporations, the names of the managing  
10 officials thereof; the location of the place of business of the  
11 applicant and the name under which the business is conducted; and  
12 whether a general or specialty electrical contractor license is sought  
13 and, if the latter, the type of specialty. Electrical contractor  
14 specialties include, but are not limited to: Residential, domestic  
15 appliances, pump and irrigation, limited energy system, signs,  
16 nonresidential maintenance, and a combination specialty. A general  
17 electrical contractor license shall grant to the holder the right to  
18 engage in, conduct, or carry on the business of installing or  
19 maintaining wires or equipment to carry electric current, and  
20 installing or maintaining equipment, or installing or maintaining  
21 material to fasten or insulate such wires or equipment to be operated  
22 by electric current, in the state of Washington. A specialty  
23 electrical contractor license shall grant to the holder a limited right  
24 to engage in, conduct, or carry on the business of installing or  
25 maintaining wires or equipment to carry electrical current, and  
26 installing or maintaining equipment; or installing or maintaining  
27 material to fasten or insulate such wires or equipment to be operated  
28 by electric current in the state of Washington as expressly allowed by  
29 the license.

1           (2) The application for a contractor license shall be accompanied  
2 by a bond in the sum of four thousand dollars with the state of  
3 Washington named as obligee in the bond, with good and sufficient  
4 surety, to be approved by the department. The bond shall at all times  
5 be kept in full force and effect, and any cancellation or revocation  
6 thereof, or withdrawal of the surety therefrom, suspends the license  
7 issued to the principal until a new bond has been filed and approved as  
8 provided in this section. Upon approval of a bond, the department  
9 shall on the next business day deposit the fee accompanying the  
10 application in the electrical license fund and shall file the bond in  
11 the office. The department shall upon request furnish to any person,  
12 firm, partnership, corporation, or other entity a certified copy of the  
13 bond upon the payment of a fee that the department shall set by rule.  
14 The fee shall cover but not exceed the cost of furnishing the certified  
15 copy. The bond shall be conditioned that in any installation or  
16 maintenance of wires or equipment to convey electrical current, and  
17 equipment to be operated by electrical current, the principal will  
18 comply with the provisions of this chapter and with any electrical  
19 ordinance, building code, or regulation of a city or town adopted  
20 pursuant to RCW 19.28.010(2) that is in effect at the time of entering  
21 into a contract. The bond shall be conditioned further that the  
22 principal will pay for all labor, including employee benefits, and  
23 material furnished or used upon the work, taxes and contributions to  
24 the state of Washington, and all damages that may be sustained by any  
25 person, firm, partnership, corporation, or other entity due to a  
26 failure of the principal to make the installation or maintenance in  
27 accordance with this chapter or any applicable ordinance, building  
28 code, or regulation of a city or town adopted pursuant to RCW  
29 19.28.010(2). In lieu of the surety bond required by this section the  
30 license applicant may file with the department a cash deposit or other

1 negotiable security acceptable to the department. If the license  
2 applicant has filed a cash deposit, the department shall deposit the  
3 funds in a special trust savings account in a commercial bank, mutual  
4 savings bank, or savings and loan association and shall pay annually to  
5 the depositor the interest derived from the account.

6 (3) The department shall issue general or specialty electrical  
7 contractor licenses to applicants meeting all of the requirements of  
8 this chapter. The provisions of this chapter relating to the licensing  
9 of any person, firm, partnership, corporation, or other entity  
10 including the requirement of a bond with the state of Washington named  
11 as obligee therein and the collection of a fee therefor, are exclusive,  
12 and no political subdivision of the state of Washington may require or  
13 issue any licenses or bonds or charge any fee for the same or a similar  
14 purpose. No person, firm, partnership, corporation, or other entity  
15 holding more than one specialty contractor license under this chapter  
16 may be required to pay an annual fee for more than one such license or  
17 to post more than one four thousand dollar bond, equivalent cash  
18 deposit, or other negotiable security.

19 (4) To obtain a general or specialty electrical contractor license  
20 the applicant must designate an individual who currently possesses an  
21 administrator's certificate as a general electrical contractor  
22 administrator or as a specialty electrical contractor administrator in  
23 the specialty for which application has been made. Administrator  
24 certificate specialties include but are not limited to: Residential,  
25 domestic, appliance, pump and irrigation, limited energy system, signs,  
26 nonresidential maintenance, and combination specialty. To obtain an  
27 administrator's certificate an individual must pass an examination as  
28 set forth in RCW 19.28.123 unless the applicant was a licensed  
29 electrical contractor at any time during 1974. Applicants who were  
30 electrical contractors licensed by the state of Washington at any time

1 during 1974 are entitled to receive a general electrical contractor  
2 administrator's certificate without examination if the applicants apply  
3 prior to January 1, 1984. The board of electrical examiners shall  
4 certify to the department the names of all persons who are entitled to  
5 either a general or specialty electrical contractor administrator's  
6 certificate.

7 (5) It is a unlawful for an electrical contractor to transfer an  
8 electrical contractor license, issued by the department in accordance  
9 with this chapter, to an unlicensed electrical contractor or allow an  
10 electrical contractor to perform work with a license issued to another  
11 electrical contractor.

12 (6) The provisions of this section prohibiting advertising,  
13 offering to work, or submitting a bid on work covered by this section  
14 shall not apply to an electric utility when performing the work with  
15 the utility's own employees.

16 **Sec. 2.** RCW 19.28.350 and 1988 c 81 s 12 are each amended to read  
17 as follows:

18 Any person, firm, partnership, corporation, or other entity  
19 violating any of the provisions of RCW 19.28.010 through 19.28.360  
20 shall be assessed a penalty of not less than ((fifty)) two hundred  
21 dollars or more than ten thousand dollars. The department shall set by  
22 rule a schedule of penalties for violating RCW 19.28.010 through  
23 19.28.360. The department shall notify the person, firm, partnership,  
24 corporation, or other entity violating any of the provisions of RCW  
25 19.28.010 through 19.28.360 of the amount of the penalty and of the  
26 specific violation by certified mail, return receipt requested, sent to  
27 the last known address of the assessed party. Any penalty is subject  
28 to review by an appeal to the board. The filing of an appeal stays the  
29 effect of the penalty until the board makes its decision. The appeal

1 shall be filed within fifteen days after notice of the penalty is given  
2 to the assessed party by certified mail, return receipt requested, sent  
3 to the last known address of the assessed party and shall be made by  
4 filing a written notice of appeal with the department. The notice  
5 shall be accompanied by a certified check for two hundred dollars,  
6 which shall be returned to the assessed party if the decision of the  
7 department is not sustained by the board. If the board sustains the  
8 decision of the department, the two hundred dollars shall be applied by  
9 the department to the payment of the per diem and expenses of the  
10 members of the board incurred in the matter, and any balance remaining  
11 after payment of per diem and expenses shall be paid into the  
12 electrical license fund. The hearing and review procedures shall be  
13 conducted in accordance with chapter 34.05 RCW. The board shall assign  
14 its hearings to an administrative law judge to conduct the hearing and  
15 issue a proposed decision and order. The board shall be allowed a  
16 minimum of twenty days to review a proposed decision and shall issue  
17 its decision no later than the next regularly scheduled board meeting.

18 NEW SECTION. **Sec. 3.** A new section is added to chapter 19.28 RCW  
19 to read as follows:

20 (1) All advertising and all contracts, correspondence, cards,  
21 signs, posters, papers, and documents which show an electrical  
22 contractor's name or address shall show the contractor's name or  
23 address as licensed under this chapter. The alphabetized listing of  
24 contractors appearing in the advertising section of telephone books or  
25 other directories and all advertising that shows the contractor's name  
26 or address shall show the contractor's current license number:  
27 PROVIDED, That signs on motor vehicles subject to RCW 46.16.010 and on  
28 premise signs shall not constitute advertising as provided in this  
29 section. All materials used to directly solicit business from retail

1 customers who are not businesses shall show the contractor's current  
2 license number. Advertising by airwave transmission shall not be  
3 subject to this subsection if the person selling the advertisement  
4 obtains the contractor's current license number from the contractor.

5 (2) An electrical contractor shall not falsify a license number and  
6 use it in connection with any solicitation or identification as a  
7 contractor. All individual contractors and all partners, associates,  
8 agents, salespersons, solicitors, officers, and employees of  
9 contractors shall use their true names and addresses at all times while  
10 engaged in the business or capacity of a contractor or activities  
11 related thereto.

12 (3) A violation of this section is subject to the provisions of RCW  
13 19.28.350.