SUBSTITUTE SENATE BILL 6476

State of Washington 62nd Legislature 2012 Regular Session

By Senate Labor, Commerce & Consumer Protection (originally sponsored by Senators Kohl-Welles, Conway, Nelson, Keiser, and Chase)

READ FIRST TIME 02/03/12.

AN ACT Relating to plumbing contractors; amending RCW 18.106.010,
 18.106.020, 18.106.100, 18.106.150, 18.106.180, 18.106.220, 18.106.270,
 18.106.320, and 18.27.010; adding new sections to chapter 18.106 RCW;
 and prescribing penalties.

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

6 Sec. 1. RCW 18.106.010 and 2006 c 185 s 1 are each amended to read 7 as follows:

8 The definitions in this section apply throughout this chapter 9 unless the context clearly requires otherwise.

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(1) "Advisory board" means the state advisory board of plumbers.

11 (2) "<u>Plumbing contractor</u>" means any person, corporate or otherwise, 12 who engages in, or offers or advertises to engage in, any work covered 13 by the provisions of this chapter by way of trade or business, or any 14 person, corporate or otherwise, who employs anyone, or offers or 15 advertises to employ anyone, to engage in any work covered by the 16 provisions of this chapter.

17 (3) "Department" means the department of labor and industries.

18 (4) "Director" means the director of department of labor and19 industries.

(5) "Journeyman plumber" means any person who has been issued a
 certificate of competency by the department of labor and industries as
 provided in this chapter.

4 (6) "Like-in-kind" means having similar characteristics such as
5 plumbing size, type, and function, and being in the same location.

6 (7) "Medical gas piping" means oxygen, nitrous oxide, high pressure 7 nitrogen, medical compressed air, and medical vacuum systems.

8 (8) "Medical gas piping installer" means a journeyman plumber who9 has been issued a medical gas piping installer endorsement.

10 (9) "Plumbing" means that craft involved in installing, altering, 11 repairing and renovating potable water systems, liquid waste systems, 12 and medical gas piping systems within a building. Installation in a 13 water system of water softening or water treatment equipment is not 14 within the meaning of plumbing as used in this chapter.

15 (10) "Specialty plumber" means anyone who has been issued a 16 specialty certificate of competency limited to:

17 (a) Installation, maintenance, and repair of the plumbing of 18 single-family dwellings, duplexes, and apartment buildings that do not 19 exceed three stories;

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(b) Maintenance and repair of backflow prevention assemblies; or

(c) A domestic water pumping system consisting of the installation, maintenance, and repair of the pressurization, treatment, and filtration components of a domestic water system consisting of: One or more pumps; pressure, storage, and other tanks; filtration and treatment equipment; if appropriate, a pitless adapter; along with valves, transducers, and other plumbing components that:

(i) Are used to acquire, treat, store, or move water suitable for either drinking or other domestic purposes, including irrigation, to: (A) A single-family dwelling, duplex, or other similar place of residence; (B) a public water system, as defined in RCW 70.119.020 and as limited under RCW 70.119.040; or (C) a farm owned and operated by a person whose primary residence is located within thirty miles of any part of the farm;

(ii) Are located within the interior space, including but not
limited to an attic, basement, crawl space, or garage, of a residential
structure, which space is separated from the living area of the
residence by a lockable entrance and fixed walls, ceiling, or floor;

(iii) If located within the interior space of a residential 1 2 structure, are connected to a plumbing distribution system supplied and installed into the interior space by either: (A) A person who, 3 pursuant to RCW 18.106.070 or 18.106.090, possesses a valid temporary 4 5 permit or certificate of competency as a journeyman plumber, specialty plumber, or trainee, as defined in this chapter; or (B) a person exempt б 7 from the requirement to obtain a certified plumber to do such plumbing 8 work under RCW 18.106.150.

9 <u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 18.106 RCW 10 to read as follows:

11 (1) Except as provided otherwise in this chapter, it is unlawful 12 for:

(a) Any person to engage in business as a plumbing contractor,
within the state, without having been issued a valid registration as a
contractor under chapter 18.27 RCW; and

(b) Any person, on or after June 30, 2013, to engage in business as
a plumbing contractor, within the state, without having been issued a
valid registration as a plumbing contractor from the department.

19 (2) The department shall prescribe an application form to be used 20 to apply for a plumbing contractor registration under this chapter, and 21 shall ensure that the person applying for a plumbing contractor 22 registration is also a registered general or specialty contractor under 23 chapter 18.27 RCW before it issues that person a plumbing contractor 24 registration.

(3) To obtain a plumbing contractor registration, the applicant must employ a full-time individual who currently possess a valid plumber's certificate of competency. The plumbing contractor may not engage in work exceeding the scope of the full-time individual who possesses a valid certificate of competency.

30 (4) Regardless of when the plumbing contractor registration is
31 issued, it becomes suspended, revoked, expired, or renewed at the same
32 time as the registration issued under chapter 18.27 RCW.

33 (5) No bond or security, in addition to that required of 34 contractors under chapter 18.27 RCW, is required of a plumbing 35 contractor under this chapter.

36 (6) This section does not apply to:

(a) A person who is contracting for plumbing work on his or her own
 residence, unless the plumbing work is on a building that is for rent,
 sale, or lease; or

4 (b) A person who is specifically exempted under RCW 18.27.090 from
5 contractor registration requirements.

6 (7) The director shall establish an application fee by rule to 7 implement this section.

8 <u>NEW SECTION.</u> Sec. 3. A new section is added to chapter 18.106 RCW 9 to read as follows:

10 (1) A certificate, license, endorsement, or registration issued 11 under this chapter may be suspended, revoked, or subject to civil 12 penalty by the department for any of the following reasons:

(a) Any false statement as to a material matter in the application;
(b) Fraud, misrepresentation, or bribery in securing the
certificate, license, endorsement, or registration;

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(c) A violation of any provision of this chapter; or

17 (d) If the plumbing contractor does not employ a full-time 18 individual who currently possess a valid plumber's certificate of 19 competency.

20 (2) The department must remove a suspension or reinstate a revoked 21 certificate, license, endorsement, or registration if the licensee pays 22 all the assessed civil penalties and is able to demonstrate to the 23 department that the licensee has met all the qualifications established 24 under this chapter.

25 **Sec. 4.** RCW 18.106.020 and 2009 c 36 s 2 are each amended to read 26 as follows:

27 (1) No person may engage in or offer to engage in the trade of having a journeyman certificate, 28 plumbing without specialty 29 certificate, temporary permit, or trainee certificate and photo 30 identification in his or her possession. The department may establish by rule a requirement that the person also wear and visibly display his 31 or her certificate or permit. A trainee must be supervised by a person 32 who has a journeyman certificate, specialty certificate, or temporary 33 34 permit, as specified in RCW 18.106.070. No contractor may employ a 35 person to engage in or offer to engage in the trade of plumbing unless the ((person employed)) contractor is a registered plumbing contractor 36

under this chapter, has at least one full-time individual who possesses 1 a valid certificate of competency, and the person performing the 2 plumbing work has a journeyman certificate, specialty certificate, 3 4 temporary permit, or trainee certificate. This section does not apply to a contractor who is contracting for work on his or her own 5 6 residence. ((Until July 1, 2007, the department shall issue a written 7 warning to any specialty plumber defined by RCW 18.106.010(10)(c) not 8 having a valid plumber certification. The warning will state that the individual must apply for a plumber training certificate or be 9 qualified for and apply for plumber certification under the 10 11 requirements in RCW 18.106.040 within thirty calendar days of the 12 warning. Only one warning will be issued to any individual. If the 13 individual fails to comply with this section, the department shall issue a penalty or penalties as authorized by this chapter.)) 14

15 (2) No person may engage in or offer to engage in medical gas piping installation without having a certificate of competency as a 16 journeyman plumber and a medical gas piping installer endorsement and 17 photo identification in his or her possession. The department may 18 19 establish by rule a requirement that the person also wear and visibly 20 display his or her endorsement. A trainee may engage in medical gas 21 piping installation if he or she has a training certificate and is 22 supervised by a person with a medical gas piping installer endorsement. 23 No <u>plumbing</u> contractor may employ a person to engage in or offer to 24 engage in medical gas piping installation unless the person employed has a certificate of competency as a journeyman plumber and a medical 25 26 gas piping installer endorsement.

(3) No contractor may advertise, offer to do work, submit a bid, or
perform any work under this chapter without being registered as a
plumbing contractor under this chapter and chapter 18.27 RCW.

30 (4) <u>A violation of this ((section)) chapter</u> is an infraction. Each 31 day in which a person engages in the trade of plumbing in violation of 32 this ((section)) chapter or employs a person in violation of this 33 ((section)) chapter is a separate infraction. Each worksite at which 34 a person engages in the trade of plumbing in violation of this 35 ((section)) chapter or at which a person is employed in violation of 36 this ((section)) chapter is a separate infraction.

37 (5) Notices of infractions for violations of this ((section))
 38 <u>chapter</u> may be issued to:

(a) The person engaging in or offering to engage in the trade of
 plumbing in violation of this ((section)) chapter;

3 (b) The <u>plumbing</u> contractor in violation of this ((section))
4 <u>chapter;</u> ((and))

5 (c) The <u>plumbing</u> contractor's employee who authorized the work 6 assignment of the person employed in violation of this ((section)) 7 <u>chapter;</u>

8 (d) The plumbing contractor or person performing plumbing work on
 9 a building for rent, sale, or lease; and

(e) The plumbing contractor or person installing, altering,
 repairing, and renovating medical gas piping systems.

12 <u>NEW SECTION.</u> Sec. 5. A new section is added to chapter 18.106 RCW 13 to read as follows:

(1) Individuals or corporations advertising plumbing services to the public that have three or more violations of this chapter in a thirty-six month period may be subject to criminal prosecution by the local prosecuting attorney or the attorney general for a violation of RCW 9.04.010. Costs of the prosecution must be borne by the individual or corporation in violation of RCW 9.04.010 if found to be noncompliant.

(2) Plumbing contractors may not file lawsuits or liens forresidential plumbing work performed by unlicensed plumbers.

23 (3) Plumbing contractors advertising and providing residential consumer services must provide to the consumer a written invoice 24 25 describing the services rendered. The invoice must include the plumbing contractor's business name, plumbing contractor registration 26 number, the plumber's first and last name, and type of license 27 (journeyman plumber, residential plumber, or plumber trainee) including 28 29 plumber license number. Trainee work must be clearly stated on the 30 invoice. Each failure to comply with this subsection is a separate 31 violation.

32 (4) Any individual or plumbing contractor with three or more 33 violations of this chapter for residential plumbing services is subject 34 to audit of payroll, invoicing, and work dispatch records for the 35 purpose of determining compliance with this chapter for a period of two 36 years from the date of last citation.

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1 Sec. 6. RCW 18.106.100 and 2011 c 301 s 4 are each amended to read 2 as follows:

3 (1) The department may revoke or suspend a certificate of4 competency for any of the following reasons:

5 (a) The certificate <u>of competency or plumbing contractor</u>
6 <u>registration</u> was obtained through error or fraud;

7 (b) The certificate holder is judged to be incompetent to carry on
8 the trade of plumbing as a journeyman plumber or specialty plumber;

9 (c) The certificate holder <u>or plumbing contractor</u> has violated any 10 provision of this chapter or any rule adopted under this chapter.

11 (2) Before a certificate of competency or plumbing contractor 12 registration is revoked or suspended, the department shall send written 13 notice using a method by which the mailing can be tracked or the delivery can be confirmed to the certificate holder's or plumbing 14 contractor's last known address. The notice must list the allegations 15 against the certificate holder or plumbing contractor and give him or 16 her the opportunity to request a hearing before the advisory board. At 17 18 the hearing, the department and the certificate holder or plumbing 19 contractor have opportunity to produce witnesses and give testimony. 20 The hearing must be conducted in accordance with chapter 34.05 RCW. 21 The board shall render its decision based upon the testimony and 22 evidence presented and shall notify the parties immediately upon 23 reaching its decision. A majority of the board is necessary to render 24 a decision.

(3) The department may deny renewal of a certificate of competency 25 26 or plumbing contractor registration issued under this chapter if the 27 applicant owes outstanding penalties for a final judgment under this 28 chapter. The department shall notify the applicant of the denial using 29 a method by which the mailing can be tracked or the delivery can be 30 confirmed to the address on the application. The applicant may appeal the denial within ((twenty)) thirty days by filing a notice of appeal 31 32 with the department accompanied by a certified check for two hundred 33 dollars which shall be returned to the applicant if the decision of the department is not upheld by the hearings officer. The office of 34 35 administrative hearings shall conduct the hearing under chapter 34.05 36 If the hearings officer sustains the decision of the department, RCW. 37 the two hundred dollars must be applied to the cost of the hearing.

1 **Sec. 7.** RCW 18.106.150 and 2003 c 399 s 402 are each amended to 2 read as follows:

3 (1) Nothing in this chapter shall be construed to require that a 4 person obtain a license or a certified plumber in order to do plumbing 5 work at his or her residence or farm or place of business or on other 6 property owned by him or her.

7 (2) A current certificate of competency or apprentice permit is not8 required for:

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(a) Persons performing plumbing work on a farm; or

10 (b) Certified journeyman electricians, certified residential specialty electricians, electrical trainees 11 or working for an 12 electrical contractor and performing work under RCW exempt 13 18.27.090(18).

14 (3) Nothing in this chapter shall be intended to derogate from or 15 dispense with the requirements of any valid plumbing code enacted by a 16 political subdivision of the state, except that no code shall require 17 the holder of a certificate of competency to demonstrate any additional 18 proof of competency or obtain any other license or pay any fee in order 19 to engage in the trade of plumbing.

(4) This chapter shall not apply to common carriers subject to PartI of the Interstate Commerce Act, nor to their officers and employees.

(5) Nothing in this chapter shall be construed to apply to any
 farm, business, industrial plant, or corporation doing plumbing work on
 premises it owns or operates.

(6) Nothing in this chapter shall be construed to restrict the right of any householder to assist or receive assistance from a friend, neighbor, relative or other person when none of the individuals doing such plumbing hold themselves out as engaged in the trade or business of plumbing.

30 (7) This chapter does not apply to any person working on his or her own property, whether occupied by him or her or not, and any person 31 working on his or her personal residence, whether owned by him or her 32 or not; however, this exemption does not apply to (a) any person who 33 performs the activities of a contractor on his or her own property for 34 the purposes of selling, demolishing, or leasing the property, and (b) 35 36 the installation, alteration, repair, and renovation of medical gas 37 piping systems.

1 Sec. 8. RCW 18.106.180 and 2011 c 301 s 5 are each amended to read 2 as follows:

3 (1) An authorized representative of the department may issue a 4 notice of infraction as specified in RCW 18.106.020 if:

5 (a) A person who is doing plumbing work or who is offering to do 6 plumbing work fails to produce evidence of:

7 (i) Having a certificate or permit issued by the department in
8 accordance with this chapter, or being supervised by a person who has
9 such a certificate or permit; and

10 (ii) Being registered as a contractor as required under chapter 11 18.27 RCW ((or)) and registered as a plumbing contractor as required 12 <u>under</u> this chapter, or being employed by a person who is registered as 13 a contractor <u>as required under chapter 18.27 RCW and registered as a</u> 14 <u>plumbing contractor as required under this chapter;</u>

(b) A person who employs anyone, or offers or advertises to employ anyone, to do plumbing work fails to produce evidence of being registered as a contractor as required under chapter 18.27 RCW ((or)) <u>and registered as a plumbing contractor as required under</u> this chapter; ((or))

20 (c) <u>A plumbing contractor does not provide the department with</u> 21 <u>payroll records; or</u>

(d) A plumbing contractor violates RCW 18.106.320.

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(2) A notice of infraction issued under this section shall be personally served on the person named in the notice by an authorized representative of the department or sent using a method by which the mailing can be tracked or the delivery can be confirmed to the last known address provided to the department of the person named in the notice.

29 Sec. 9. RCW 18.106.220 and 1994 c 174 s 6 are each amended to read 30 as follows:

31 (1) ((A person who receives a notice of infraction shall respond to 32 the notice as provided in this section within fourteen days of the date 33 the notice was served.

(2)) If the person named in the notice of infraction does not wish
 to contest the notice of infraction, the person shall pay to the
 department, by check or money order, the amount of the penalty
 prescribed for the infraction. When a response which does not contest

the determination is received by the department with the appropriate payment, the department shall make the appropriate entry in its records.

4 (((3))) (2) If the person named in the notice of infraction wishes
5 to contest the notice of infraction, the person shall respond by filing
6 an answer of protest with the department specifying the grounds of
7 protest.

8 (((4))) (3) If any person issued a notice of infraction: (a) Fails to respond to the notice of infraction as provided in subsection 9 10 $((\frac{2}{2}))$ (1) of this section; or (b) fails to appear at a hearing 11 requested pursuant to subsection $\left(\left(\frac{4}{3}\right)\right)$ (2) of this section $\left(\left(\frac{1}{2}\right)\right)_{\perp}$ the 12 administrative law judge shall enter an appropriate order assessing the 13 monetary penalty prescribed for the infraction and shall notify the 14 department of the failure to respond to the notice of infraction or to appear at a requested hearing. 15

16 **Sec. 10.** RCW 18.106.270 and 1994 c 174 s 8 are each amended to 17 read as follows:

(1) A person found to have committed an infraction under RCW 18 18.106.020 ((shall)) must be assessed a monetary penalty of two hundred 19 20 fifty dollars for the first infraction, and not more than one thousand 21 dollars for a second or subsequent infraction. A contractor or the 22 contractor's representative found to have committed an infraction under 23 RCW 18.106.020 must be assessed a minimum monetary penalty of five hundred dollars for the first infraction, and not more than five 24 25 thousand dollars for a second or subsequent infraction. The department 26 shall set by rule a schedule of penalties for infractions imposed under 27 this chapter.

(2) The administrative law judge may <u>not</u> waive, reduce, or suspend the monetary penalty imposed for the infraction ((for good cause shown)).

31 (3) <u>The director may waive or reduce collection of payment for good</u> 32 <u>cause shown.</u>

33 (4) Any individual or plumbing contractor who acquires three 34 infractions within a thirty-six month period may have his or her 35 certificate, license, endorsement, or registration suspended for a 36 period of up to two years upon recommendation of the advisory board. 1 For the purposes of this chapter, multiple violations created by a

2 <u>single inspection or audit is counted as one violation.</u>

3 (5) Monetary penalties collected under this chapter shall be 4 deposited in the plumbing certificate fund.

5 **Sec. 11.** RCW 18.106.320 and 2005 c 274 s 229 are each amended to 6 read as follows:

7 (1) <u>Plumbing contractors shall accurately verify and attest to the</u> 8 trainee hours worked by plumbing trainees on behalf of the contractor 9 and that all training hours were under the supervision of a certified 10 plumber and within the proper ratio, and shall provide the supervising 11 plumbers' names and certificate numbers. However, <u>plumbing</u> contractors 12 are not required to identify which hours a trainee works with a 13 specific certified plumber.

14 (2) The department may audit the records of a plumbing contractor that has verified the hours of experience submitted by a plumbing 15 16 trainee to the department under RCW 18.106.030 in the following Excessive hours were reported; hours were reported 17 circumstances: 18 outside the normal course of the plumbing contractor's business; or for other similar circumstances in which the department demonstrates a 19 20 likelihood of excessive or improper hours being reported. The 21 department shall limit the audit to records necessary to verify hours. 22 Failure to have, maintain, or provide to the department payroll and 23 other records for each employee performing plumbing work for the plumbing contractor is a violation of this chapter and an infraction 24 25 may be issued. The department may assess a penalty of up to five 26 thousand dollars for the failure to maintain or provide adequate records. Records used to document plumbing work must be maintained for 27 a minimum of three years. The department shall adopt rules 28 29 implementing audit procedures. Information obtained from a plumbing contractor under the provisions of this section is confidential and is 30 31 not open to public inspection under chapter 42.56 RCW.

32 (3) Violation of this section by a <u>plumbing</u> contractor is an 33 infraction.

34 **Sec. 12.** RCW 18.27.010 and 2007 c 436 s 1 are each amended to read 35 as follows:

1 The definitions in this section apply throughout this chapter 2 unless the context clearly requires otherwise.

(1) "Contractor" includes any person, firm, corporation, or other 3 4 entity who or which, in the pursuit of an independent business undertakes to, or offers to undertake, or submits a bid to, construct, 5 alter, repair, add to, subtract from, improve, develop, move, wreck, or б 7 demolish any building, highway, road, railroad, excavation or other 8 structure, project, development, or improvement attached to real estate or to do any part thereof including the installation of carpeting or 9 10 other floor covering, the erection of scaffolding or other structures 11 or works in connection therewith, the installation or repair of roofing 12 or siding, performing tree removal services, or cabinet or similar 13 installation; or, who, to do similar work upon his or her own property, employs members of more than one trade upon a single job or project or 14 15 under a single building permit except as otherwise provided in this "Contractor" also includes a consultant acting as a general 16 chapter. 17 contractor. "Contractor" also includes any person, firm, corporation, or other entity covered by this subsection, whether or not registered 18 19 as required under this chapter or who are otherwise required to be registered or licensed by law, who offer to sell their property without 20 21 occupying or using the structures, projects, developments, or 22 improvements for more than one year from the date the structure, 23 project, development, or improvement was substantially completed or 24 abandoned.

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(2) "Department" means the department of labor and industries.

26 (3) "Director" means the director of the department of labor and27 industries or designated representative employed by the department.

(4) "Filing" means delivery of a document that is required to befiled with an agency to a place designated by the agency.

30 (5) "General contractor" means a contractor whose business 31 operations require the use of more than one building trade or craft 32 upon a single job or project or under a single building permit. A 33 general contractor also includes one who superintends, or consults on, 34 in whole or in part, work falling within the definition of a 35 contractor.

36 (6) "Notice of infraction" means a form used by the department to 37 notify contractors that an infraction under this chapter has been filed 38 against them. 1

(7) "Partnership" means a business formed under Title 25 RCW.

2 (8) "Registration cancellation" means a written notice from the
3 department that a contractor's action is in violation of this chapter
4 and that the contractor's registration has been revoked.

5 (9) "Registration suspension" means either an automatic suspension 6 as provided in this chapter, or a written notice from the department 7 that a contractor's action is a violation of this chapter and that the 8 contractor's registration has been suspended for a specified time, or 9 until the contractor shows evidence of compliance with this chapter.

10 (10) "Residential homeowner" means an individual person or persons 11 owning or leasing real property:

12 (a) Upon which one single-family residence is to be built and in 13 which the owner or lessee intends to reside upon completion of any 14 construction; or

(b) Upon which there is a single-family residence to which improvements are to be made and in which the owner or lessee intends to reside upon completion of any construction.

(11) "Service," except as otherwise provided in RCW 18.27.225 and
18.27.370, means posting in the United States mail, properly addressed,
postage prepaid, return receipt requested, or personal service.
Service by mail is complete upon deposit in the United States mail to
the last known address provided to the department.

(12) "Specialty contractor" means a contractor whose operations do not fall within the definition of "general contractor". A specialty contractor may only subcontract work that is incidental to the specialty contractor's work.

(13) "Substantial completion" means the same as "substantialcompletion of construction" in RCW 4.16.310.

29 (14) "Unregistered contractor" means a person, firm, corporation, 30 or other entity doing work as a contractor without being registered in compliance with this chapter. "Unregistered contractor" includes 31 32 contractors whose registration is expired, revoked, or suspended. "Unregistered contractor" does not include a contractor who has 33 maintained a valid bond and the insurance or assigned account required 34 35 by RCW 18.27.050, and whose registration has lapsed for thirty or fewer 36 days.

37 (15) "Unsatisfied final judgment" means a judgment or final tax

warrant that has not been satisfied either through payment, court
 approved settlement, discharge in bankruptcy, or assignment under RCW
 19.72.070.

4 (16) "Verification" means the receipt and duplication by the city, town, or county of a contractor registration card that is current on 5 its face, checking the department's contractor registration database, б 7 or calling the department to confirm that the contractor is registered. 8 (17) "Plumbing contractor" means any person, corporate or otherwise, who engages in, or offers or advertises to engage in, any 9 work covered by the provisions of chapter 18.106 RCW by way of trade or 10 11 business, or any person, corporate or otherwise, who employs anyone, or offers or advertises to employ anyone, to engage in any work covered by 12 13 the provisions of chapter 18.106 RCW. A plumbing contractor must be registered both as a contractor under this chapter and as a plumbing 14 contractor under chapter 18.106 RCW. 15

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