
ENGROSSED HOUSE BILL 1473

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By Representatives Sells, McCoy, Morrell, Roberts, Takko, Lytton, Green, Ormsby, Bergquist, Freeman, Pollet, and Tarleton

Read first time 01/28/13. Referred to Committee on Labor & Workforce Development.

1 AN ACT Relating to reporting payments for construction services;
2 amending RCW 39.12.055 and 39.12.080; adding a new section to chapter
3 51.04 RCW; adding a new section to chapter 42.56 RCW; and prescribing
4 penalties.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 51.04 RCW
7 to read as follows:

8 (1) An entity that in the course of business makes a payment to a
9 construction service provider of six hundred dollars or more in a
10 taxable year for performing construction services shall report the
11 payment to the department and the construction service provider in a
12 manner prescribed by the department. The requirement to report
13 payments under this section begins with payments made in the 2014
14 taxable year.

15 (2) The report must be transmitted by the entity to the department
16 and the construction service provider on or before January 31st
17 following the taxable year the payment was made. The report must
18 include:

1 (a) The entity's name, address, and unified business identification
2 number;

3 (b) The construction service provider's name, address, and unified
4 business identification number; and

5 (c) The total amount the entity paid to the construction service
6 provider in the taxable year, including payments for services and for
7 any materials and equipment that were provided along with services.

8 (3)(a) The department shall transmit the report to the commissioner
9 of the employment security department no later than the first day of
10 the month following the calendar quarter the report was received. The
11 department may share the report, upon request, with any other local,
12 state, or federal government agency.

13 (b) Except as provided in (a) of this subsection, reports filed
14 under this section are confidential and exempt from public disclosure
15 under chapter 42.56 RCW, other than to public employees in the
16 performance of their official duties.

17 (4)(a) If the director determines that an entity has failed to file
18 a report or has filed an incomplete report, he or she may assess a
19 monetary penalty of not less than two hundred dollars and not more than
20 one thousand dollars per report. If the director determines that an
21 entity has knowingly failed to file a report or knowingly filed an
22 incomplete, false, or misleading report, he or she may assess a
23 monetary penalty of not less than one thousand dollars and not more
24 than five thousand dollars per report. An entity that is assessed a
25 penalty under this subsection shall not be permitted to bid, or have a
26 bid considered, on any public works contract until the penalty has been
27 paid in full. Penalties assessed under this subsection shall be
28 deposited in the general fund.

29 (b) An entity found to have violated this section shall, in
30 addition to any other penalties, be subject to the penalties in RCW
31 39.12.055.

32 (5) The requirements of this section do not apply to an entity that
33 does not regularly contract for construction services, as defined by
34 the department.

35 (6) The department may adopt rules to implement and enforce this
36 section.

37 (7) The definitions in this subsection apply throughout this
38 section unless the context clearly requires otherwise.

1 (a) "Construction services" includes the erection, excavation,
2 installation, alteration, addition, modification, repair, improvement,
3 demolition, deconstruction, dismantling, or removal of all or any part
4 of a building, structure, dock, wharf, surface, or subsurface on or
5 attached to any real property.

6 (b) "Construction service provider" means a general contractor or
7 specialty contractor, as defined in RCW 18.27.010, that provides
8 construction services regardless of whether the general contractor or
9 specialty contractor is registered under chapter 18.27 RCW.

10 (c) "Entity" includes a sole proprietor, partnership, corporation,
11 limited liability company, trust, association, financial institution,
12 governmental entity, other than the federal government, and any other
13 individual or group, engaged in a trade, occupation, enterprise,
14 governmental function, or similar activity in this state.

15 (d) "Payment" does not include wages paid by the entity to an
16 employee.

17 (8) Funding to implement this section must come from the public
18 works administration account.

19 **Sec. 2.** RCW 39.12.055 and 2009 c 197 s 3 are each amended to read
20 as follows:

21 A contractor shall not be allowed to bid on any public works
22 contract for one year from the date of a final determination that the
23 contractor has committed any combination of two of the following
24 violations or infractions within a five-year period:

25 (1) Violated RCW 51.48.020(1) (~~(e)~~), 51.48.103, or section 1 of
26 this act;

27 (2) Committed an infraction or violation under chapter 18.27 RCW
28 for performing work as an unregistered contractor; or

29 (3) Determined to be out of compliance by the Washington state
30 apprenticeship and training council for working apprentices out of
31 ratio, without appropriate supervision, or outside their approved work
32 processes as outlined in their standards of apprenticeship under
33 chapter 49.04 RCW.

34 NEW SECTION. **Sec. 3.** A new section is added to chapter 42.56 RCW
35 to read as follows:

1 Reports filed with the department of labor and industries under
2 section 1 of this act are exempt from public disclosure under this
3 chapter.

4 **Sec. 4.** RCW 39.12.080 and 2006 c 230 s 2 are each amended to read
5 as follows:

6 The public works administration account is created in the state
7 treasury. The department of labor and industries shall deposit in the
8 account all moneys received from fees or civil penalties collected
9 under RCW 39.12.050, 39.12.065, and 39.12.070. Appropriations from the
10 account may be made only for the purposes of administration of this
11 chapter, including, but not limited to, the performance of adequate
12 wage surveys, and for the investigation and enforcement of all alleged
13 violations of this chapter as provided for in this chapter and chapters
14 49.48 and 49.52 RCW, and to implement the payment reporting
15 requirements under section 1 of this act.

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