

SENATE BILL REPORT

SB 5880

As Reported by Senate Committee On:
Business, Financial Services & Trade, January 27, 2022

Title: An act relating to fire protection sprinkler system contractors.

Brief Description: Concerning fire protection sprinkler system contractors.

Sponsors: Senators Salomon, Conway, Keiser, Liias, Lovick, Nobles and Van De Wege.

Brief History:

Committee Activity: Business, Financial Services & Trade: 1/20/22, 1/27/22 [DPS-WM].

Brief Summary of First Substitute Bill

- Increases licensing fees for fire protection sprinkler system contractors.
- Increases the fines and penalties the State Director of Fire Protection can impose on contractors.
- Directs the State Director of Fire Protection to investigate alleged violations.
- Creates the Fire Protection Compliance Account for all fines and licensing fees collected by the State Director of Fire Protection.

SENATE COMMITTEE ON BUSINESS, FINANCIAL SERVICES & TRADE

Majority Report: That Substitute Senate Bill No. 5880 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Mullet, Chair; Hasegawa, Vice Chair; Dozier, Ranking Member; Brown, Frockt, Lovick and Wilson, L.

Staff: Clinton McCarthy (786-7319)

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

Background: A fire protection sprinkler system contractor is a person or organization that offers to undertake the execution of contracts for the installation, inspection, maintenance, or servicing of a fire protection sprinkler system or any part of such a system. A fire protection sprinkler system is an assembly of underground and overhead piping or conduit, or both, beginning at the connection to the primary water supply, whether public or private, that conveys water with or without other agents to dispersal openings or devices to extinguish, control, or contain fire and to provide protection from exposure to fire or other products of combustion. A certificate of competency holder is an individual who has satisfactorily met the qualifications and has received a certificate of competency from the State Director of Fire Protection (director).

The director administers examinations, issues certificates of competency, and licenses fire protection sprinkler system contractors in accordance with statute. License fees are deposited into the fire protection contractor license fund. These funds may be used only for licensing, inspection, and other purposes authorized by current law.

The director may suspend or revoke a fire protection sprinkler system contractor's license, or establish penalties for the following reasons: fraudulent or dishonest business practices; misrepresentation in obtaining a license; conviction of a felony; or gross incompetency or gross negligence in the preparation of technical drawings, or in the installation, repair, inspection, maintenance, or addition to a fire protection sprinkler system.

NFPA 13D is a residential sprinkler design standard focused on one and two- family dwellings and manufactured homes. NFPA 13R is a residential sprinkler design standard focused on low-rise residential occupancies.

The current licensing fees for fire protection sprinkler system contractors are as follows:

- \$100 for contractors that work on NFPA 13D systems; and
- \$300 for contractors that work on NFPA 13R systems.

Summary of Bill (First Substitute): Increases Certain Licensing Fees. The cap on license fees for fire protection sprinkler system contractors that work on NFPA 13D fire protection sprinkler systems is raised from \$100 to \$125. The cap on license fees for fire protection sprinkler system contractors that work on NFPA 13R fire protection sprinkler systems is raised from \$300 to \$375.

Duties of the State Director of Fire Protection. An authorized representative of the director must investigate violations of the fire sprinkler contractor statute. Permissive language under the current statute is removed.

Increases in Fines. The minimum fine for a contractor that violates the fire sprinkler contractor statute is increased from \$200 to \$300. The maximum fine is increased from \$5,000 to \$7,500 for the first infraction. For a second infraction, a fine cannot be less than \$2,500 or more than \$10,000. For a third infraction, a fine cannot be less than \$5,000 or

more than \$25,000.

The minimum fine levied against contractors that fail to obtain a certificate of competency are increased from \$1,000 to \$1,500. The maximum fine levied against contractors that fail to obtain a certificate of competency are increased from \$5,000 to \$7,500 for the first infraction. For a second infraction, a fine cannot be less than \$2,500 and no more than \$10,000. For a third infraction, a fine cannot be less than \$5,000 and no more than \$25,000.

Creates the Fire Protection Compliance Account. The Fire Protection Compliance Account is established in the custody of the state treasury. All fines and licensing fees collected by the director are to be deposited into this account. Expenditures from the account may only be used for enforcing the fire protection statutes. The account is subject to allotment procedures, but no appropriation is required for expenditures.

EFFECT OF CHANGES MADE BY BUSINESS, FINANCIAL SERVICES & TRADE COMMITTEE (First Substitute):

- Reduces the license fee increases from 100 percent increases to 25 percent increases.
- Reduces maximum and minimum fines from the original bill.
- Restores permissive language concerning enforcement actions, with the exception being that the fire marshal must investigate alleged violations of the fire sprinkler contractor statutes.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: We can protect against tragedies with better fire protection to avoid situations like the fire that recently took place in the Bronx, a borough of New York City. This bill will provide more resources. The construction industry is competitive and sometimes, contractors may cut corners. This new account will encourage compliance and investigate wrongdoing. Fire sprinkler systems are being installed by people who are not certified by the state of Washington. The fire marshall does not have enough resources at this time. Funds will be safeguarded for protection of fire statutes. A level 3 contractor can install any kind of sprinkler system and has a license of \$1,500/year. It would be great if level 1 and level 2 people paid the same. Many companies that perform residential and commercial work are competing with companies from Oregon that don't have the correct credentials. The fire marshall doesn't have enough resources to enforce against unlicensed bad actors.

Persons Testifying: PRO: Senator Jesse Salomon, Prime Sponsor; Scott Peterson, UA Sprinkler Fitters Local 699; Keith Morris, Riser Fire Protection; Melissa Bailey, Pacific Northwest Fire Protection; Kevin Johnston, Red Hawk Fire Protection.

Persons Signed In To Testify But Not Testifying: No one.