
SUBSTITUTE SENATE BILL 5045

State of Washington 60th Legislature 2007 Regular Session

By Senate Committee on Labor, Commerce, Research & Development
(originally sponsored by Senators Weinstein, Fairley, Oemig,
Franklin, Regala, Fraser, Kauffman, Pridemore, Haugen, Keiser,
Spamel, Jacobsen and Kohl-Welles)

READ FIRST TIME 02/28/07.

1 AN ACT Relating to contractor licensing; amending RCW 18.27.010,
2 18.27.020, 18.27.030, 18.27.040, 18.27.065, 18.27.070, 18.27.075,
3 18.27.080, 18.27.090, 18.27.100, 18.27.104, 18.27.110, 18.27.114,
4 18.27.117, 18.27.120, 18.27.130, 18.27.200, 18.27.210, 18.27.225,
5 18.27.270, 18.27.310, 18.27.320, 18.27.340, 18.27.342, 18.27.360,
6 18.27.370, 18.100.140, 18.106.020, 18.106.180, 18.106.250, 18.160.030,
7 19.28.051, 19.28.191, 19.28.420, 19.158.020, 39.04.155, 39.06.010,
8 49.26.100, 50.04.145, 50.24.130, 51.08.070, 51.08.180, 51.12.070,
9 51.12.120, 60.04.041, 70.87.220, and 70.87.240; reenacting and amending
10 RCW 19.28.161; adding new sections to chapter 18.27 RCW; creating a new
11 section; and providing an effective date.

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

13 **Sec. 1.** RCW 18.27.010 and 2001 c 159 s 1 are each amended to read
14 as follows:

15 Unless the context clearly requires otherwise, the definitions in
16 this section apply throughout this chapter.

17 (1) "Board" means the state residential construction contractors
18 advisory board.

1 (2) "Contractor" means any person, firm, or corporation who or
2 which, in the pursuit of an independent business undertakes to, or
3 offers to undertake, or submits a bid to, construct, alter, repair, add
4 to, subtract from, improve, move, wreck or demolish, for another, any
5 building, highway, road, railroad, excavation or other structure,
6 project, development, or improvement attached to real estate or to do
7 any part thereof including the installation of carpeting or other floor
8 covering, the erection of scaffolding or other structures or works in
9 connection therewith or who installs or repairs roofing or siding; or,
10 who, to do similar work upon his or her own property, employs members
11 of more than one trade upon a single job or project or under a single
12 building permit except as otherwise provided herein. "Contractor"
13 includes any person, firm, corporation, or other entity covered by this
14 subsection, whether or not registered or licensed as required under
15 this chapter.

16 ~~((+2))~~ (3) "Department" means the department of labor and
17 industries.

18 ~~((+3))~~ (4) "Director" means the director of the department of
19 labor and industries or a designated representative employed by the
20 department.

21 ~~((+4))~~ (5) "General contractor" means a contractor whose business
22 operations require the use of more than two unrelated building trades
23 or crafts whose work the contractor shall superintend or do in whole or
24 in part. "General contractor" shall not include an individual who does
25 all work personally without employees or other "specialty contractors"
26 as defined in this section. ~~((The terms "general contractor" and
27 "builder" are synonymous.~~

28 ~~(+5))~~ (6) "General residential contractor" means a contractor whose
29 business operations are primarily focused on work done for residential
30 homeowners or on residences and whose business operations require the
31 use of more than two unrelated building trades or crafts whose work the
32 contractor shall superintend or do in whole or in part. "General
33 residential contractor" shall not include an individual who does all
34 work personally without employees or other "specialty contractors" as
35 defined in this section.

36 (7) "License cancellation" means a written notice from the
37 department that a contractor's action is in violation of this chapter
38 and that the contractor's license has been revoked.

1 (8) "License suspension" means a written notice from the department
2 that a contractor's action is a violation of this chapter and that the
3 contractor's license has been suspended for a specified time, or until
4 the contractor shows evidence of compliance with this chapter.

5 (9) "Licensed contractor" means a general residential contractor or
6 a residential contractor.

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

8 ~~((6))~~ (11) "Registration cancellation" means a written notice
9 from the department that a contractor's action is in violation of this
10 chapter and that the contractor's registration has been revoked.

11 ~~((7))~~ (12) "Registration suspension" means a written notice from
12 the department that a contractor's action is a violation of this
13 chapter and that the contractor's registration has been suspended for
14 a specified time, or until the contractor shows evidence of compliance
15 with this chapter.

16 ~~((8))~~ (13) "Residential contractor" means any person, firm, or
17 corporation who or which, in the pursuit of an independent business
18 undertakes to, or offers to undertake, or submits a bid to, construct,
19 alter, repair, add to, subtract from, improve, move, wreck, or
20 demolish, for another, any residential building, or other structure,
21 project, development, or improvement attached to residential real
22 estate including the installation or repair of roofing or siding.

23 (14) "Residential homeowner" means an individual person or persons
24 owning or leasing real property:

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

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

31 ~~((9))~~ (15) "Specialty contractor" means a contractor whose
32 operations do not fall within the definition of "general contractor".

33 ~~((10))~~ (16) "Unregistered or unlicensed contractor" means a
34 person, firm, corporation, or other entity doing work as a contractor
35 without being registered or licensed in compliance with this chapter.

36 "Unregistered or unlicensed contractor" includes contractors whose
37 registration or license is expired, revoked, or suspended.

38 "Unregistered or unlicensed contractor" does not include a contractor

1 who has maintained a valid bond and the insurance or assigned account
2 required by RCW 18.27.050, and whose registration or license has lapsed
3 for thirty or fewer days.

4 ((+11+)) (17) "Unsatisfied final judgment" means a judgment that
5 has not been satisfied either through payment, court approved
6 settlement, discharge in bankruptcy, or assignment under RCW 19.72.070.

7 ((+12+)) (18) "Verification" means the receipt and duplication by
8 the city, town, or county of a contractor registration or license card
9 that is current on its face, checking the department's contractor
10 registration or license database, or calling the department to confirm
11 that the contractor is registered or licensed.

12 **Sec. 2.** RCW 18.27.020 and 1997 c 314 s 3 are each amended to read
13 as follows:

14 (1) Every contractor shall register with the department. Beginning
15 July 1, 2008, every residential contractor shall be licensed by the
16 department.

17 (2) It is a misdemeanor for any contractor or residential
18 contractor to:

19 (a) Advertise, offer to do work, submit a bid, or perform any work
20 as a contractor without being registered or licensed as required by
21 this chapter;

22 (b) Advertise, offer to do work, submit a bid, or perform any work
23 as a contractor when the contractor's registration or license is
24 suspended or revoked;

25 (c) Use a false or expired registration or license number in
26 purchasing or offering to purchase an advertisement for which a
27 contractor's registration or license number is required; or

28 (d) Transfer a valid registration or license to an unregistered or
29 unlicensed contractor or allow an unregistered or unlicensed contractor
30 to work under a registration or license issued to another contractor.

31 (3) It is not unlawful for a general contractor or general
32 residential contractor to employ an unregistered or unlicensed
33 contractor, as the case may be, who was registered or licensed at the
34 time he or she entered into a contract with the general contractor,
35 unless the general contractor or his or her representative has been
36 notified in writing by the department of labor and industries that the
37 contractor has become unregistered or unlicensed.

1 (4) All misdemeanor actions under this chapter shall be prosecuted
2 in the county where the infraction occurs.

3 (5) A person is guilty of a separate misdemeanor for each day
4 worked if, after the person receives a citation from the department,
5 the person works while unregistered or unlicensed, or while his or her
6 registration or license is suspended or revoked, or works under a
7 registration or license issued to another contractor. A person is
8 guilty of a separate misdemeanor for each worksite on which he or she
9 violates subsection (2) of this section. Nothing in this subsection
10 applies to a registered or licensed contractor.

11 (6) The director by rule shall establish a two-year audit and
12 monitoring program for a contractor not registered or licensed under
13 this chapter who becomes registered or licensed after receiving an
14 infraction or conviction under this chapter as an unregistered or
15 unlicensed contractor. The director shall notify the departments of
16 revenue and employment security of the infractions or convictions and
17 shall cooperate with these departments to determine whether any taxes
18 or registration, license, or other fees or penalties are owed the
19 state.

20 **Sec. 3.** RCW 18.27.030 and 2001 c 159 s 2 are each amended to read
21 as follows:

22 (1) An applicant for registration or licensure as a contractor or
23 residential contractor shall submit an application under oath upon a
24 form to be prescribed by the director and which shall include the
25 following information pertaining to the applicant:

26 (a) Employer social security number.

27 (b) Unified business identifier number, if required by the
28 department of revenue.

29 (c) Evidence of passage of the written exam as provided in section
30 5 of this act.

31 (d) Evidence of workers' compensation coverage for the applicant's
32 employees working in Washington, as follows:

33 (i) The applicant's industrial insurance account number issued by
34 the department;

35 (ii) The applicant's self-insurer number issued by the department;

36 or

1 (iii) For applicants domiciled in a state or province of Canada
2 subject to an agreement entered into under RCW 51.12.120(7), as
3 permitted by the agreement, filing a certificate of coverage issued by
4 the agency that administers the workers' compensation law in the
5 applicant's state or province of domicile certifying that the applicant
6 has secured the payment of compensation under the other state's or
7 province's workers' compensation law.

8 ~~((d))~~ (e) Employment security department number.

9 ~~((e))~~ (f) State excise tax registration number.

10 ~~((f))~~ (g) Unified business identifier (UBI) account number may be
11 substituted for the information required by ~~((e))~~ (d) of this
12 subsection if the applicant will not employ employees in Washington,
13 and by ~~((d) and)~~ (e) and (f) of this subsection.

14 ~~((g))~~ (h) Type of contracting activity, whether a general,
15 residential, or a specialty contractor and if the latter, the type of
16 specialty.

17 ~~((h))~~ (i) The name and address of each partner if the applicant
18 is a firm or partnership, or the name and address of the owner if the
19 applicant is an individual proprietorship, or the name and address of
20 the corporate officers and statutory agent, if any, if the applicant is
21 a corporation or the name and address of all members of other business
22 entities. The information contained in such application is a matter of
23 public record and open to public inspection.

24 (2) The department may verify the workers' compensation coverage
25 information provided by the applicant under subsection (1)~~((e))~~ (d)
26 of this section, including but not limited to information regarding the
27 coverage of an individual employee of the applicant. If coverage is
28 provided under the laws of another state, the department may notify the
29 other state that the applicant is employing employees in Washington.

30 (3)(a) The department shall deny an application for registration or
31 licensure if: (i) The applicant has been previously performing work
32 subject to this chapter as a sole proprietor, partnership, corporation,
33 or other entity and the department has notice that the applicant has an
34 unsatisfied final judgment against him or her in an action based on
35 this chapter or the applicant owes the department money for penalties
36 assessed or fees due under this chapter as a result of a final
37 judgment; (ii) the applicant was a principal or officer of a
38 partnership, corporation, or other entity that either has an

1 unsatisfied final judgment against it in an action that was incurred
2 for work performed subject to this chapter or owes the department money
3 for penalties assessed or fees due under this chapter as a result of a
4 final judgment; or (iii) the applicant does not have a valid unified
5 business identifier number, if required by the department of revenue.

6 (b) The department shall suspend an active registration or license
7 if (i) the department has notice that the registrant or licensee is a
8 sole proprietor or a principal or officer of a registered or licensed
9 contractor that has an unsatisfied final judgment against it for work
10 within the scope of this chapter; or (ii) the applicant does not
11 maintain a valid unified business identifier number, if required by the
12 department of revenue.

13 (4) The department shall not deny an application or suspend a
14 registration or license because of an unsatisfied final judgment if the
15 applicant's ~~((or))~~ registrant's, or licensee's unsatisfied final
16 judgment was determined by the director to be the result of the fraud
17 or negligence of another party.

18 NEW SECTION. Sec. 4. A new section is added to chapter 18.27 RCW
19 to read as follows:

20 (1) The state residential construction contractors advisory board
21 is established, consisting of six members appointed by the director.
22 The members of the board shall be selected and appointed as follows:
23 Three members shall be contractors who primarily work on residential
24 structures; two members shall be contractors engaged primarily in the
25 business of residential remodeling; and one member shall represent the
26 public.

27 (2) The members shall serve four-year terms. Of the initial
28 members, two must be appointed for a one-year term, two must be
29 appointed for a two-year term, and two must be appointed for a three-
30 year term. Thereafter, members must be appointed for four-year terms.
31 A member is eligible for reappointment. If there is a vacancy for any
32 cause, the director shall make an appointment immediately effective for
33 the unexpired term.

34 (3) To be eligible for board membership, the residential contractor
35 members of the board shall be licensed under this chapter and shall
36 maintain their licenses in good standing during their terms on the
37 board.

1 (4) The board at its first meeting shall select from its membership
2 a chair and a vice-chair with such duties and powers necessary for the
3 performance of their duties as the board determines.

4 (5) Meetings of the board shall be held at least quarterly in
5 accordance with a schedule established by the board. A majority of the
6 members of the board constitutes a quorum for the transaction of
7 business. Each member of the board shall receive compensation in
8 accordance with RCW 43.03.240 and shall be reimbursed for travel
9 expenses in accordance with RCW 43.03.050 and 43.03.060 which shall be
10 paid out of the construction contractor's license account, upon forms
11 approved by the director.

12 (6) The department shall provide administrative and clerical
13 assistance to the board.

14 (7) The board shall carry out all functions and duties enumerated
15 in this chapter, as well as generally advise the department on all
16 matters relative to this chapter.

17 NEW SECTION. **Sec. 5.** A new section is added to chapter 18.27 RCW
18 to read as follows:

19 (1) The department, with the assistance of the board, shall prepare
20 a written examination to be administered to applicants for a license
21 under this chapter. The examination shall be constructed to determine
22 whether the applicant:

23 (a) Possesses the varied general knowledge of the technical
24 information and practical procedures that are identified with the
25 residential construction contractor's trade; and

26 (b) Is familiar with the applicable state and local building codes
27 and the administrative rules of the department pertaining to
28 residential construction contractors.

29 (2) The department shall administer the examination to all eligible
30 persons. All applicants shall, before taking the examination, pay a
31 fee to the department.

32 (3) The department shall certify the results of the examination,
33 and shall notify the applicant in writing whether he or she has passed
34 or failed. Any applicant who has failed the examination may retake the
35 examination, upon the terms and after a period of time that the
36 director shall set by rule. The director may not limit the number of
37 times a person may take the examination.

1 (4) The department, with the assistance of the board, shall, by
2 rule, impose training requirements for individuals and businesses
3 seeking to be licensed under this chapter. The training required by
4 the department must relate to business practices and laws affecting
5 residential construction contractors. The board shall adopt standards
6 for programs that provide training that meet the requirements of this
7 section.

8 (5) To renew a license under this chapter, the department shall, by
9 rule, require that residential contractors provide evidence of
10 completion of up to twelve hours of continuing education in subjects
11 addressing the varied general knowledge of the technical information
12 and practical procedures that are identified with the residential
13 construction contractor's trade.

14 (6) The department, with assistance of the board, may enter into a
15 contract with a professional testing agency to develop, administer, and
16 score the examinations. The fee for the examination may be set by the
17 department in its contract with the professional testing agency. The
18 department may direct that the applicant pay the fee to the
19 professional testing agency. The fee shall cover but not exceed the
20 costs of preparing and administering the examination.

21 **Sec. 6.** RCW 18.27.040 and 2001 c 159 s 3 are each amended to read
22 as follows:

23 (1) Each applicant for registration or licensure shall file with
24 the department a surety bond issued by a surety insurer who meets the
25 requirements of chapter 48.28 RCW in the sum of twelve thousand dollars
26 if the applicant is a general contractor and six thousand dollars if
27 the applicant is a specialty contractor. If no valid bond is already
28 on file with the department at the time the application is filed, a
29 bond must accompany the registration or license application. The bond
30 shall have the state of Washington named as obligee with good and
31 sufficient surety in a form to be approved by the department. The bond
32 shall be continuous and may be canceled by the surety upon the surety
33 giving written notice to the director. A cancellation or revocation of
34 the bond or withdrawal of the surety from the bond automatically
35 suspends the registration or license issued to the registrant or
36 licensee until a new bond or reinstatement notice has been filed and
37 approved as provided in this section. The bond shall be conditioned

1 that the applicant will pay all persons performing labor, including
2 employee benefits, for the contractor, will pay all taxes and
3 contributions due to the state of Washington, and will pay all persons
4 furnishing labor or material or renting or supplying equipment to the
5 contractor and will pay all amounts that may be adjudged against the
6 contractor by reason of breach of contract including negligent or
7 improper work in the conduct of the contracting business. A change in
8 the name of a business or a change in the type of business entity shall
9 not impair a bond for the purposes of this section so long as one of
10 the original applicants for such bond maintains partial ownership in
11 the business covered by the bond.

12 (2) At the time of initial registration, licensure, or renewal of
13 either, the contractor shall provide a bond or other security deposit
14 as required by this chapter and comply with all of the other provisions
15 of this chapter before the department shall issue or renew the
16 contractor's (~~certificate of~~) registration or license. Any
17 contractor registered as of July 1, 2001, who maintains that
18 registration in accordance with this chapter, until June 30, 2008, is
19 in compliance with this chapter until the next renewal of the
20 contractor's (~~certificate of~~) registration. Any contractor or
21 residential contractor registered or licensed as of July 1, 2008, who
22 maintains that registration or license in accordance with this chapter
23 is in compliance with this chapter until the next renewal of the
24 contractor's registration or license.

25 (3) Any person, firm, or corporation having a claim against the
26 contractor for any of the items referred to in this section may bring
27 suit upon the bond or deposit in the superior court of the county in
28 which the work was done or of any county in which jurisdiction of the
29 contractor or residential contractor may be had. The surety issuing
30 the bond shall be named as a party to any suit upon the bond. Action
31 upon the bond or deposit brought by a residential homeowner for breach
32 of contract by a party to the construction contract shall be commenced
33 by filing the summons and complaint with the clerk of the appropriate
34 superior court within two years from the date the claimed contract work
35 was substantially completed or abandoned. Action upon the bond or
36 deposit brought by any other authorized party shall be commenced by
37 filing the summons and complaint with the clerk of the appropriate
38 superior court within one year from the date the claimed labor was

1 performed and benefits accrued, taxes and contributions owing the state
2 of Washington became due, materials and equipment were furnished, or
3 the claimed contract work was substantially completed or abandoned.
4 Service of process in an action against the contractor or residential
5 contractor, the contractor's or residential contractor's bond, or the
6 deposit shall be exclusively by service upon the department. Three
7 copies of the summons and complaint and a fee adopted by rule of not
8 less than twenty dollars to cover the costs shall be served by
9 registered or certified mail, or other delivery service requiring
10 notice of receipt, upon the department at the time suit is started and
11 the department shall maintain a record, available for public
12 inspection, of all suits so commenced. Service is not complete until
13 the department receives the fee and three copies of the summons and
14 complaint. The service shall constitute service on the registrant or
15 licensee and the surety for suit upon the bond or deposit and the
16 department shall transmit the summons and complaint or a copy thereof
17 to the registrant or licensee at the address listed in the registrant's
18 or licensee's application and to the surety within two days after it
19 shall have been received.

20 (4) The surety upon the bond shall not be liable in an aggregate
21 amount in excess of the amount named in the bond nor for any monetary
22 penalty assessed pursuant to this chapter for an infraction. The
23 liability of the surety shall not cumulate where the bond has been
24 renewed, continued, reinstated, reissued, or otherwise extended. The
25 surety upon the bond may, upon notice to the department and the
26 parties, tender to the clerk of the court having jurisdiction of the
27 action an amount equal to the claims thereunder or the amount of the
28 bond less the amount of judgments, if any, previously satisfied
29 therefrom and to the extent of such tender the surety upon the bond
30 shall be exonerated but if the actions commenced and pending at any one
31 time exceed the amount of the bond then unimpaired, claims shall be
32 satisfied from the bond in the following order:

33 (a) Employee labor and claims of laborers, including employee
34 benefits;

35 (b) Claims for breach of contract by a party to the construction
36 contract;

37 (c) Registered or licensed subcontractors, material, and equipment;

38 (d) Taxes and contributions due the state of Washington;

1 (e) Any court costs, interest, and (~~attorney's~~ [attorneys'])
2 attorneys' fees plaintiff may be entitled to recover. The surety is
3 not liable for any amount in excess of the penal limit of its bond.

4 A payment made by the surety in good faith exonerates the bond to
5 the extent of any payment made by the surety.

6 (5) The total amount paid from a bond or deposit required of a
7 general contractor or general residential contractor by this section to
8 claimants other than residential homeowners must not exceed one-half of
9 the bond amount. The total amount paid from a bond or deposit required
10 of a specialty contractor by this section to claimants other than
11 residential homeowners must not exceed one-half of the bond amount or
12 four thousand dollars, whichever is greater.

13 (6) The prevailing party in an action filed under this section
14 against the contractor and contractor's bond or deposit, for breach of
15 contract by a party to a construction contract, is entitled to costs,
16 interest, and reasonable attorneys' fees. The surety upon the bond is
17 not liable in an aggregate amount in excess of the amount named in the
18 bond nor for any monetary penalty assessed pursuant to this chapter for
19 an infraction.

20 (7) If a final judgment impairs the liability of the surety upon
21 the bond so furnished that there is not in effect a bond in the full
22 amount prescribed in this section, the registration or license of the
23 contractor or residential contractor is automatically suspended until
24 the bond liability in the required amount unimpaired by unsatisfied
25 judgment claims is furnished.

26 (8) In lieu of the surety bond required by this section the
27 contractor or residential contractor may file with the department a
28 deposit consisting of cash or other security acceptable to the
29 department.

30 (9) Any person having filed and served a summons and complaint as
31 required by this section having an unsatisfied final judgment against
32 the registrant or licensee for any items referred to in this section
33 may execute upon the security held by the department by serving a
34 certified copy of the unsatisfied final judgment by registered or
35 certified mail upon the department within one year of the date of entry
36 of such judgment. Upon the receipt of service of such certified copy
37 the department shall pay or order paid from the deposit, through the
38 registry of the superior court which rendered judgment, towards the

1 amount of the unsatisfied judgment. The priority of payment by the
2 department shall be the order of receipt by the department, but the
3 department shall have no liability for payment in excess of the amount
4 of the deposit.

5 (10) The director may require an applicant applying to renew or
6 reinstate a registration or license or applying for a new registration
7 or license to file a bond of up to three times the normally required
8 amount, if the director determines that an applicant, or a previous
9 registration or license of a corporate officer, owner, or partner of a
10 current applicant, has had in the past five years a total of ((~~six~~)
11 three final judgments in actions under this chapter involving a
12 residential single-family dwelling on two or more different structures.

13 (11) The director may adopt rules necessary for the proper
14 administration of the security.

15 **Sec. 7.** RCW 18.27.065 and 1983 1st ex.s. c 2 s 16 are each amended
16 to read as follows:

17 A partnership or joint venture shall be deemed registered or
18 licensed under this chapter if any one of the general partners or
19 venturers whose name appears in the name under which the partnership or
20 venture does business is registered or licensed.

21 **Sec. 8.** RCW 18.27.070 and 1997 c 314 s 7 are each amended to read
22 as follows:

23 The department shall charge fees for issuance, renewal, and
24 reinstatement of ((~~certificates of~~)) a registration or a license; and
25 changes of name, address, or business structure. The department shall
26 set the fees by rule.

27 The entire amount of the fees are to be used solely to cover the
28 full cost of issuing ((~~certificates~~)) registrations or licenses, filing
29 papers and notices, and administering and enforcing this chapter. The
30 costs shall include reproduction, travel, per diem, and administrative
31 and legal support costs.

32 **Sec. 9.** RCW 18.27.075 and 2001 c 159 s 14 are each amended to read
33 as follows:

34 The department shall charge a fee of one hundred nine dollars and
35 seventy cents for issuing or renewing a ((~~certificate of registration~~

1 during the 2001-2003 biennium)) registration or license. The
2 department shall revise this amount at least once every two years for
3 the purpose of recognizing economic changes as reflected by the fiscal
4 growth factor under chapter 43.135 RCW.

5 **Sec. 10.** RCW 18.27.080 and 1988 c 285 s 2 are each amended to read
6 as follows:

7 No person engaged in the business or acting in the capacity of a
8 contractor or residential contractor may bring or maintain any action
9 in any court of this state for the collection of compensation for the
10 performance of any work or for breach of any contract for which
11 registration or licensure is required under this chapter without
12 alleging and proving that he or she was a duly registered or licensed
13 contractor and held a current and valid (~~(certificate of)~~) registration
14 or license at the time he or she contracted for the performance of such
15 work or entered into such contract. For the purposes of this section,
16 the court shall not find a contractor or residential contractor in
17 substantial compliance with the registration or licensing requirements
18 of this chapter unless: (1) The department has on file the information
19 required by RCW 18.27.030; (2) the contractor or residential contractor
20 has a current bond or other security as required by RCW 18.27.040; and
21 (3) the contractor or residential contractor has current insurance as
22 required by RCW 18.27.050. In determining under this section whether
23 a contractor or residential contractor is in substantial compliance
24 with the registration or licensing requirements of this chapter, the
25 court shall take into consideration the length of time during which the
26 contractor or residential contractor did not hold a valid (~~(certificate~~
27 ~~of)~~) registration or license.

28 **Sec. 11.** RCW 18.27.090 and 2003 c 399 s 401 are each amended to
29 read as follows:

30 The registration or licensing provisions of this chapter do not
31 apply to:

32 (1) An authorized representative of the United States government,
33 the state of Washington, or any incorporated city, town, county,
34 township, irrigation district, reclamation district, or other municipal
35 or political corporation or subdivision of this state;

1 (2) Officers of a court when they are acting within the scope of
2 their office;

3 (3) Public utilities operating under the (~~regulations~~) rules of
4 the utilities and transportation commission in construction,
5 maintenance, or development work incidental to their own business;

6 (4) Any construction, repair, or operation incidental to the
7 discovering or producing of petroleum or gas, or the drilling, testing,
8 abandoning, or other operation of any petroleum or gas well or any
9 surface or underground mine or mineral deposit when performed by an
10 owner or lessee;

11 (5) The sale or installation of any finished products, materials,
12 or articles of merchandise that are not actually fabricated into and do
13 not become a permanent fixed part of a structure;

14 (6) Any construction, alteration, improvement, or repair of
15 personal property performed by the registered or legal owner, or by a
16 mobile/manufactured home retail dealer or manufacturer licensed under
17 chapter 46.70 RCW who shall warranty service and repairs under chapter
18 46.70 RCW;

19 (7) Any construction, alteration, improvement, or repair carried on
20 within the limits and boundaries of any site or reservation under the
21 legal jurisdiction of the federal government;

22 (8) Any person who only furnished materials, supplies, or equipment
23 without fabricating them into, or consuming them in the performance of,
24 the work of the contractor;

25 (9) Any work or operation on one undertaking or project by one or
26 more contracts, the aggregate contract price of which for labor and
27 materials and all other items is less than five hundred dollars, such
28 work or operations being considered as of a casual, minor, or
29 inconsequential nature. The exemption prescribed in this subsection
30 does not apply in any instance where(~~in~~) the work or construction is
31 only a part of a larger or major operation, whether undertaken by the
32 same or a different contractor or residential contractor, or in which
33 a division of the operation is made into contracts of amounts less than
34 five hundred dollars for the purpose of evasion of this chapter or
35 otherwise. The exemption prescribed in this subsection does not apply
36 to a person who advertises or puts out any sign or card or other device
37 which might indicate to the public that he or she is a contractor or

1 residential contractor, or that he or she is qualified to engage in the
2 business of contractor or residential contractor;

3 (10) Any construction or operation incidental to the construction
4 and repair of irrigation and drainage ditches of regularly constituted
5 irrigation districts or reclamation districts; or to farming, dairying,
6 agriculture, viticulture, horticulture, or stock or poultry raising; or
7 to clearing or other work upon land in rural districts for fire
8 prevention purposes; except when any of the above work is performed by
9 a registered or licensed contractor;

10 (11) An owner who contracts for a project with a registered or
11 licensed contractor, except that this exemption shall not deprive the
12 owner of the protections of this chapter against registered and
13 unregistered or licensed and unlicensed contractors;

14 (12) Any person working on his or her own property, whether
15 occupied by him or her or not, and any person working on his or her
16 personal residence, whether owned by him or her or not but this
17 exemption shall not apply to any person otherwise covered by this
18 chapter who constructs an improvement on his or her own property with
19 the intention and for the purpose of selling the improved property;

20 (13) Owners of commercial properties who use their own employees to
21 do maintenance, repair, and alteration work in or upon their own
22 properties;

23 (14) A licensed architect or civil or professional engineer acting
24 solely in his or her professional capacity, an electrician licensed
25 under the laws of the state of Washington, or a plumber licensed under
26 the laws of the state of Washington or licensed by a political
27 subdivision of the state of Washington while operating within the
28 boundaries of such political subdivision. The exemption provided in
29 this subsection is applicable only when the licensee is operating
30 within the scope of his or her license;

31 (15) Any person who engages in the activities herein regulated as
32 an employee of a registered or licensed contractor with wages as his or
33 her sole compensation or as an employee with wages as his or her sole
34 compensation;

35 (16) Contractors on highway projects who have been prequalified as
36 required by RCW 47.28.070, with the department of transportation to
37 perform highway construction, reconstruction, or maintenance work;

1 (17) A mobile/manufactured home dealer or manufacturer who
2 subcontracts the installation, set-up, or repair work to actively
3 registered or licensed contractors. This exemption only applies to the
4 installation, set-up, or repair of the mobile/manufactured homes that
5 were manufactured or sold by the mobile/manufactured home dealer or
6 manufacturer;

7 (18) An entity who holds a valid electrical contractor's license
8 under chapter 19.28 RCW that employs a certified journeyman
9 electrician, a certified residential specialty electrician, or an
10 electrical trainee meeting the requirements of chapter 19.28 RCW to
11 perform plumbing work that is incidentally, directly, and immediately
12 appropriate to the like-in-kind replacement of a household appliance or
13 other small household utilization equipment that requires limited
14 electric power and limited waste and/or water connections. An
15 electrical trainee must be supervised by a certified electrician while
16 performing plumbing work.

17 **Sec. 12.** RCW 18.27.100 and 2001 c 159 s 8 are each amended to read
18 as follows:

19 (1) Except as provided in RCW 18.27.065 for partnerships and joint
20 ventures, no person who has registered or is licensed under one name as
21 provided in this chapter shall engage in the business, or act in the
22 capacity, of a contractor or residential contractor under any other
23 name unless such name also is registered or licensed under this
24 chapter.

25 (2) All advertising and all contracts, correspondence, cards,
26 signs, posters, papers, and documents which show a contractor's or
27 residential contractor's name or address shall show the contractor's or
28 residential contractor's name or address as registered or licensed
29 under this chapter.

30 (3)(a) All advertising that shows the contractor's or residential
31 contractor's name or address shall show the contractor's or residential
32 contractor's current registration or license number. The registration
33 or license number may be omitted in an alphabetized listing of
34 registered or licensed contractors stating only the name, address, and
35 telephone number(~~(:—PROVIDED, That)~~). Signs on motor vehicles subject
36 to RCW 46.16.010 and on-premise signs shall not constitute advertising
37 as provided in this section. All materials used to directly solicit

1 business from retail customers who are not businesses shall show the
2 contractor's or residential contractor's current registration or
3 license number. A contractor or residential contractor shall not use
4 a false or expired registration or license number in purchasing or
5 offering to purchase an advertisement for which a contractor or
6 residential contractor registration or license number is required.
7 Advertising by airwave transmission shall not be subject to this
8 subsection (3)(a).

9 (b) The director may issue a subpoena to any person or entity
10 selling any advertising subject to this section for the name, address,
11 and telephone number provided to the seller of the advertising by the
12 purchaser of the advertising. The subpoena must have enclosed a
13 stamped, self-addressed envelope and blank form to be filled out by the
14 seller of the advertising. If the seller of the advertising has the
15 information on file, the seller shall, within a reasonable time, return
16 the completed form to the department. The subpoena must be issued no
17 more than two days after the expiration of the issue or publication
18 containing the advertising or after the broadcast of the advertising.
19 The good-faith compliance by a seller of advertising with a written
20 request of the department for information concerning the purchaser of
21 advertising shall constitute a complete defense to any civil or
22 criminal action brought against the seller of advertising arising from
23 such compliance. Advertising by airwave or electronic transmission is
24 subject to this subsection (3)(b).

25 (4) No contractor or residential contractor shall advertise that he
26 or she is bonded and insured because of the bond required to be filed
27 and sufficiency of insurance as provided in this chapter.

28 (5) A contractor or residential contractor shall not falsify a
29 registration or license number and use it, or use an expired
30 registration or license number, in connection with any solicitation or
31 identification as a contractor or residential contractor. All
32 individual contractors, residential contractors, and all partners,
33 associates, agents, salesmen, solicitors, officers, and employees of
34 contractors or residential contractors shall use their true names and
35 addresses at all times while engaged in the business or capacity of a
36 contractor or residential contractor or related activities (~~related~~
37 ~~thereto~~)).

1 (6) Any advertising by a person, firm, or corporation soliciting
2 work as a contractor or residential contractor when that person, firm,
3 or corporation is not registered (~~(pursuant to)~~) or licensed under this
4 chapter is a violation of this chapter.

5 (7)(a) The finding of a violation of this section by the director
6 at a hearing held in accordance with the administrative procedure act,
7 chapter 34.05 RCW, shall subject the person committing the violation to
8 a penalty of not more than ten thousand dollars as determined by the
9 director.

10 (b) Penalties under this section shall not apply to a violation
11 determined to be an inadvertent error.

12 **Sec. 13.** RCW 18.27.104 and 1997 c 314 s 10 are each amended to
13 read as follows:

14 (1) If, upon investigation, the director or the director's designee
15 has probable cause to believe that a person holding a registration or
16 license, an applicant for a registration or license, or a person acting
17 in the capacity of a contractor or residential contractor who is not
18 otherwise exempted from this chapter, has violated RCW 18.27.100 by
19 unlawfully advertising for work covered by this chapter, the department
20 may issue a citation containing an order of correction. Such order
21 shall require the violator to cease the unlawful advertising.

22 (2) If the person to whom a citation is issued under subsection (1)
23 of this section notifies the department in writing that he or she
24 contests the citation, the department shall afford an opportunity for
25 an adjudicative proceeding under chapter 34.05 RCW within thirty days
26 after receiving the notification.

27 **Sec. 14.** RCW 18.27.110 and 1997 c 314 s 11 are each amended to
28 read as follows:

29 (1) No city, town or county shall issue a construction building
30 permit for work which is to be done by any contractor or residential
31 contractor required to be registered or licensed under this chapter
32 without verification that such contractor or residential contractor is
33 currently registered or licensed as required by law. When such
34 verification is made, nothing contained in this section is intended to
35 be, nor shall be construed to create, or form the basis for any
36 liability under this chapter on the part of any city, town, or county,

1 or its officers, employees, or agents. However, failure to verify the
2 contractor or residential contractor registration or license number
3 results in liability to the city, town, or county to a penalty to be
4 imposed according to RCW 18.27.100(7)(a).

5 (2) At the time of issuing the building permit, all cities, towns,
6 or counties are responsible for:

7 (a) Printing the contractor or residential contractor registration
8 or license number on the building permit; and

9 (b) Providing a written notice to the building permit applicant
10 informing them of contractor or residential contractor registration or
11 license laws and the potential risk and monetary liability to the
12 homeowner for using an unregistered or unlicensed contractor.

13 (3) If a building permit is obtained by an applicant ((~~or~~))
14 contractor, or residential contractor who falsifies information to
15 obtain an exemption provided under RCW 18.27.090, the building permit
16 shall be forfeited.

17 **Sec. 15.** RCW 18.27.114 and 2001 c 159 s 9 are each amended to read
18 as follows:

19 (1) Any contractor or residential contractor agreeing to perform
20 any contracting project: (a) For the repair, alteration, or
21 construction of four or fewer residential units or accessory structures
22 on such residential property when the bid or contract price totals one
23 thousand dollars or more; or (b) for the repair, alteration, or
24 construction of a commercial building when the bid or contract price
25 totals one thousand dollars or more but less than sixty thousand
26 dollars, must provide the customer with the following disclosure
27 statement in substantially the following form using lower case and
28 upper case twelve-point and bold type where appropriate, prior to
29 starting work on the project:

30 "NOTICE TO CUSTOMER

31 This contractor or residential contractor is registered or
32 licensed with the state of Washington, registration or license
33 no. . . . , and has posted with the state a bond or deposit of
34 for the purpose of satisfying claims against the
35 contractor or residential contractor for breach of contract
36 including negligent or improper work in the conduct of the

1 contractor's or residential contractor's business. The
2 expiration date of this contractor's or residential
3 contractor's registration or license is

4 **THIS BOND OR DEPOSIT MIGHT NOT BE SUFFICIENT TO COVER A CLAIM**
5 **THAT MIGHT ARISE FROM THE WORK DONE UNDER YOUR CONTRACT.**

6 This bond or deposit is not for your exclusive use because it
7 covers all work performed by this contractor or residential
8 contractor. The bond or deposit is intended to pay valid
9 claims up to that you and other customers, suppliers,
10 subcontractors, or taxing authorities may have.

11 **FOR GREATER PROTECTION YOU MAY WITHHOLD A PERCENTAGE OF YOUR**
12 **CONTRACT.**

13 You may withhold a contractually defined percentage of your
14 construction contract as retainage for a stated period of time
15 to provide protection to you and help insure that your project
16 will be completed as required by your contract.

17 **YOUR PROPERTY MAY BE LIENED.**

18 If a supplier of materials used in your construction project or
19 an employee or subcontractor of your contractor or residential
20 contractor or subcontractors is not paid, your property may be
21 liened to force payment and you could pay twice for the same
22 work.

23 **FOR ADDITIONAL PROTECTION, YOU MAY REQUEST THE CONTRACTOR OR**
24 **RESIDENTIAL CONTRACTOR TO PROVIDE YOU WITH ORIGINAL "LIEN**
25 **RELEASE" DOCUMENTS FROM EACH SUPPLIER OR SUBCONTRACTOR ON YOUR**
26 **PROJECT.**

27 The contractor or residential contractor is required to provide
28 you with further information about lien release documents if
29 you request it. General information is also available from the
30 state Department of Labor and Industries."

31 (2) A contractor or residential contractor subject to this section
32 shall notify any consumer to whom notice is required under subsection
33 (1) of this section if the contractor's or residential contractor's

1 registration or license has expired or is revoked or suspended by the
2 department prior to completion or other termination of the contract
3 with the consumer.

4 (3) No contractor or residential contractor subject to this section
5 may bring or maintain any lien claim under chapter 60.04 RCW based on
6 any contract to which this section applies without alleging and proving
7 that the contractor or residential contractor has provided the customer
8 with a copy of the disclosure statement as required in subsection (1)
9 of this section.

10 (4) This section does not apply to contracts authorized under
11 chapter 39.04 RCW or to contractors or residential contractors
12 contracting with other contractors or residential contractors.

13 (5) Failure to comply with this section shall constitute an
14 infraction under the provisions of this chapter.

15 (6) The department shall produce model disclosure statements, and
16 public service announcements detailing the information needed to assist
17 contractors, residential contractors, and ~~((contractors⁺))~~ their
18 customers to comply under this section. As necessary, the department
19 shall periodically update these education materials.

20 **Sec. 16.** RCW 18.27.117 and 1997 c 314 s 13 are each amended to
21 read as follows:

22 The legislature finds that setting up and siting
23 mobile/manufactured homes must be done properly for the health, safety,
24 and enjoyment of the occupants. Therefore, when any of the following
25 cause a health and safety risk to the occupants of a
26 mobile/manufactured home, or severely hinder the use and enjoyment of
27 the mobile/manufactured home, a violation of RCW 19.86.020 shall have
28 occurred:

29 (1) The mobile/manufactured home has been improperly installed by
30 a contractor or residential contractor registered or licensed under
31 this chapter (~~((18.27—RCW))~~), or a mobile/manufactured dealer or
32 manufacturer licensed under chapter 46.70 RCW;

33 (2) A warranty given under this chapter (~~((18.27—RCW))~~) or chapter
34 46.70 RCW has not been fulfilled by the person or business giving the
35 warranty; and

36 (3) A bonding company that issues a bond under this chapter (~~((18.27~~

1 RCW)) or chapter 46.70 RCW does not reasonably and professionally
2 investigate and resolve claims made by injured parties.

3 **Sec. 17.** RCW 18.27.120 and 2005 c 274 s 221 are each amended to
4 read as follows:

5 (1) The department shall compile a list of all contractors and
6 residential contractors registered or licensed under this chapter and
7 update the list at least bimonthly. The list shall be considered as
8 public record information and shall be available to the public upon
9 request(~~(:—PROVIDED, That)~~). The department may charge a reasonable
10 fee under RCW 42.56.120.

11 (2) The department shall inform any person, firm, or corporation,
12 if a contractor or residential contractor is registered or licensed,
13 and if a contractor or residential contractor is bonded or insured,
14 without charge except for a reasonable fee under RCW 42.56.120 for
15 copies made.

16 **Sec. 18.** RCW 18.27.130 and 1972 ex.s. c 118 s 4 are each amended
17 to read as follows:

18 The provisions of this chapter relating to the registration or
19 licensing of any person, firm, or corporation, including the
20 requirement of a bond with the state of Washington named as obligee
21 (~~(therein)~~) and the collection of a fee (~~(therefor)~~) for the bond,
22 shall be exclusive and no political subdivision of the state of
23 Washington shall require or issue any registrations, licenses, or bonds
24 nor charge any fee for the same or a similar purpose(~~(:—PROVIDED,~~
25 ~~That)~~). Nothing (~~(herein shall)~~) in this section limits or abridges
26 the authority of any city or town to levy and collect a general and
27 nondiscriminatory license fee levied upon all businesses, or to levy a
28 tax based upon gross business conducted by any firm within (~~(said)~~) the
29 city(~~(:—PROVIDED, FURTHER, That nothing herein shall)~~). This section
30 does not limit the authority of any city or town with respect to
31 contractors or residential contractors not required to be registered or
32 licensed under this chapter.

33 **Sec. 19.** RCW 18.27.200 and 2002 c 82 s 6 are each amended to read
34 as follows:

1 (1) It is a violation of this chapter and an infraction for any
2 contractor or residential contractor to:

3 (a) Advertise, offer to do work, submit a bid, or perform any work
4 as a contractor or residential contractor without being registered or
5 licensed as required by this chapter;

6 (b) Advertise, offer to do work, submit a bid, or perform any work
7 as a contractor or residential contractor when ((~~the contractor's~~)) his
8 or her registration or license is suspended or revoked;

9 (c) Transfer a valid registration or license to an unregistered or
10 unlicensed contractor or residential contractor or allow an
11 unregistered or unlicensed contractor or residential contractor to work
12 under a registration or license issued to another contractor or
13 residential contractor; or

14 (d) If the contractor or residential contractor is a contractor as
15 defined in RCW 18.106.010, violate RCW 18.106.320.

16 (2) Each day that a contractor or residential contractor works
17 without being registered or licensed as required by this chapter, works
18 while ((~~the contractor's~~)) his or her registration or license is
19 suspended or revoked, or works under a registration or license issued
20 to another contractor or residential contractor is a separate
21 infraction. Each worksite at which a contractor or residential
22 contractor works without being registered or licensed as required by
23 this chapter, works while ((~~the contractor's~~)) his or her registration
24 or license is suspended or revoked, or works under a registration or
25 license issued to another contractor or residential contractor is a
26 separate infraction.

27 **Sec. 20.** RCW 18.27.210 and 1993 c 454 s 8 are each amended to read
28 as follows:

29 (1) The director shall appoint compliance inspectors to investigate
30 alleged or apparent violations of this chapter. The director, or
31 authorized compliance inspector, upon presentation of appropriate
32 credentials, may inspect and investigate job sites at which a
33 contractor or residential contractor had bid or presently is working to
34 determine whether the contractor or residential contractor is
35 registered or licensed in accordance with this chapter or the rules
36 adopted under this chapter or whether there is a violation of RCW
37 18.27.200. Upon request of the compliance inspector of the department,

1 a contractor, residential contractor, or an employee of the contractor
2 or residential contractor shall provide information identifying the
3 contractor or residential contractor.

4 (2) If the employee of an unregistered or unlicensed contractor is
5 cited by a compliance inspector, that employee is cited as the agent of
6 the employer-contractor or employer-residential contractor, and
7 issuance of the infraction to the employee is notice to the employer-
8 contractor or employer-residential contractor that the contractor or
9 residential contractor is in violation of this chapter. An employee
10 who is cited by a compliance inspector shall not be liable for any of
11 the alleged violations contained in the citation unless the employee is
12 also the contractor or residential contractor.

13 **Sec. 21.** RCW 18.27.225 and 1987 c 419 s 3 are each amended to read
14 as follows:

15 (1) If, upon inspection or investigation, the director or
16 authorized compliance inspector reasonably believes that a contractor
17 or residential contractor has failed to register or obtain a license in
18 accordance with this chapter or the rules adopted under this chapter,
19 the director shall issue an order immediately restraining further
20 construction work at the job site by the contractor or residential
21 contractor. The order shall describe the specific violation that
22 necessitated issuance of the restraining order. The contractor,
23 residential contractor, or representative to whom the restraining order
24 is directed may request a hearing before an administrative law judge,
25 such hearing to be conducted pursuant to chapter 34.05 RCW. A request
26 for hearing shall not stay the effect of the restraining order.

27 (2) In addition to and after having invoked the powers of restraint
28 vested in the director as provided in subsection (1) of this section,
29 the director, through the attorney general, may petition the superior
30 court of the state of Washington to enjoin any activity in violation of
31 this chapter. A prima facie case for issuance of an injunction shall
32 be established by affidavits and supporting documentation demonstrating
33 that a restraining order was served upon the contractor or residential
34 contractor and that the contractor or residential contractor continued
35 to work after service of the order. Upon the filing of the petition,
36 the superior court shall have jurisdiction to grant injunctive or other
37 appropriate relief, pending the outcome of enforcement proceedings

1 under this chapter, or to enforce restraining orders issued by the
2 director. If the contractor or residential contractor fails to comply
3 with any court order, the director shall request the attorney general
4 to petition the superior court for an order holding the contractor or
5 residential contractor in contempt of court and for any other
6 appropriate relief.

7 **Sec. 22.** RCW 18.27.270 and 2000 c 171 s 9 are each amended to read
8 as follows:

9 (1) A contractor or residential contractor who is issued a notice
10 of infraction shall respond within twenty days of the date of issuance
11 of the notice of infraction.

12 (2) If the contractor or residential contractor named in the notice
13 of infraction does not elect to contest the notice of infraction, then
14 (~~the contractor~~) he or she shall pay to the department, by check or
15 money order, the amount of the penalty prescribed for the infraction.
16 When a response which does not contest the notice of infraction is
17 received by the department with the appropriate penalty, the department
18 shall make the appropriate entry in its records.

19 (3) If the contractor or residential contractor named in the notice
20 of infraction elects to contest the notice of infraction, the
21 contractor or residential contractor shall respond by filing an answer
22 of protest with the department specifying the grounds of protest.

23 (4) If any contractor or residential contractor issued a notice of
24 infraction fails to respond within the prescribed response period, the
25 contractor or residential contractor shall be guilty of a misdemeanor
26 and prosecuted in the county where the infraction occurred.

27 (5) After final determination by an administrative law judge that
28 an infraction has been committed, a contractor or residential
29 contractor who fails to pay a monetary penalty within thirty days, that
30 is not waived pursuant to RCW 18.27.340(2), and who fails to file an
31 appeal pursuant to RCW 18.27.310(4), shall be guilty of a misdemeanor
32 and be prosecuted in the county where the infraction occurred.

33 (6) A contractor or residential contractor who fails to pay a
34 monetary penalty within thirty days after exhausting appellate remedies
35 pursuant to RCW 18.27.310(4), shall be guilty of a misdemeanor and be
36 prosecuted in the county where the infraction occurred.

1 (7) If a contractor or residential contractor who is issued a
2 notice of infraction is a contractor or residential contractor who has
3 failed to register or obtain a license as a contractor or residential
4 contractor under this chapter, the contractor or residential contractor
5 is subject to a monetary penalty per infraction as provided in the
6 schedule of penalties established by the department, and each day the
7 person works without becoming registered or licensed is a separate
8 infraction.

9 **Sec. 23.** RCW 18.27.310 and 2001 c 159 s 10 are each amended to
10 read as follows:

11 (1) The administrative law judge shall conduct contractors' or
12 residential contractors' notice of infraction cases pursuant to chapter
13 34.05 RCW.

14 (2) The burden of proof is on the department to establish the
15 commission of the infraction by a preponderance of the evidence. The
16 notice of infraction shall be dismissed if the defendant establishes
17 that, at the time the work was performed, the defendant was registered
18 or licensed by the department, without suspension, or was exempt from
19 registration or licensure.

20 (3) After consideration of the evidence and argument, the
21 administrative law judge shall determine whether the infraction was
22 committed. If it has not been established that the infraction was
23 committed, an order dismissing the notice shall be entered in the
24 record of the proceedings. If it has been established that the
25 infraction was committed, the administrative law judge shall issue
26 findings of fact and conclusions of law in its decision and order
27 determining whether the infraction was committed.

28 (4) An appeal from the administrative law judge's determination or
29 order shall be to the superior court. The decision of the superior
30 court is subject only to discretionary review pursuant to Rule 2.3 of
31 the Rules of Appellate Procedure.

32 **Sec. 24.** RCW 18.27.320 and 2001 c 159 s 11 are each amended to
33 read as follows:

34 The administrative law judge shall dismiss the notice of infraction
35 at any time upon written notification from the department that the

1 contractor or residential contractor named in the notice of infraction
2 was registered or licensed, without suspension, at the time the work
3 was performed.

4 **Sec. 25.** RCW 18.27.340 and 1997 c 314 s 17 are each amended to
5 read as follows:

6 (1) Except as otherwise provided in subsection (3) of this section,
7 a contractor or residential contractor found to have committed an
8 infraction under RCW 18.27.200 shall be assessed a monetary penalty of
9 not less than two hundred dollars and not more than five thousand
10 dollars.

11 (2) The director may waive collection in favor of payment of
12 restitution to a consumer complainant.

13 (3) A contractor or residential contractor found to have committed
14 an infraction under RCW 18.27.200 for failure to register or obtain a
15 license shall be assessed a fine of not less than one thousand dollars,
16 nor more than five thousand dollars. The director may reduce the
17 penalty for failure to register or obtain a license, but in no case
18 below five hundred dollars, if the person becomes registered or
19 licensed within ten days of receiving a notice of infraction and the
20 notice of infraction is for a first offense.

21 (4) Monetary penalties collected under this chapter shall be
22 deposited in the general fund.

23 **Sec. 26.** RCW 18.27.342 and 1997 c 314 s 19 are each amended to
24 read as follows:

25 (~~Beginning December 1, 1997,~~) The department shall report by
26 December 1st each year to the commerce and labor committees of the
27 senate and house of representatives and the ways and means committee of
28 the senate and the appropriations committee of the house of
29 representatives, or successor committees, the following information for
30 the previous three fiscal years:

31 (1) The number of contractors and residential contractors found to
32 have committed an infraction for failure to register or obtain a
33 license;

34 (2) The number of contractors and residential contractors
35 identified in subsection (1) of this section who were assessed a
36 monetary penalty and the amount of the penalties assessed;

1 (3) The amount of the penalties reported in subsection (2) of this
2 section that was collected; and

3 (4) The amount of the penalties reported in subsection (2) of this
4 section that was waived.

5 **Sec. 27.** RCW 18.27.360 and 1996 c 293 s 7 are each amended to read
6 as follows:

7 The director shall suspend the (~~certificate of~~) registration or
8 license of any person who has been certified by a lending agency and
9 reported to the director for nonpayment or default on a federally or
10 state-guaranteed educational loan or service-conditional scholarship.
11 (~~Prior to the~~) Before suspension, the agency must provide the person
12 an opportunity for a brief adjudicative proceeding under RCW 34.05.485
13 through 34.05.494 and issue a finding of nonpayment or default on a
14 federally or state-guaranteed educational loan or service-conditional
15 scholarship. The person's (~~certificate of~~) registration or license
16 shall not be reissued until the person provides the director a written
17 release issued by the lending agency stating that the person is making
18 payments on the loan in accordance with a repayment agreement approved
19 by the lending agency. If the person has continued to meet all other
20 requirements for (~~certification of~~) registration or licensure during
21 the suspension, reinstatement shall be automatic upon receipt of the
22 notice and payment of any reinstatement fee the director may impose.

23 **Sec. 28.** RCW 18.27.370 and 2001 c 159 s 6 are each amended to read
24 as follows:

25 (1) If an unregistered or unlicensed contractor or residential
26 contractor defaults in a payment, penalty, or fine due to the
27 department, the director or the director's designee may issue a notice
28 of assessment certifying the amount due. The notice must be served
29 upon the unregistered or unlicensed contractor or residential
30 contractor by mailing the notice to the unregistered or unlicensed
31 contractor or residential contractor by certified mail to the
32 unregistered or unlicensed contractor's or residential contractor's
33 last known address or served in the manner prescribed for the service
34 of a summons in a civil action.

35 (2) A notice of assessment becomes final thirty days from the date
36 the notice was served upon the unregistered or unlicensed contractor or

1 residential contractor unless a written request for reconsideration is
2 filed with the department or an appeal is filed in a court of competent
3 jurisdiction in the manner specified in RCW 34.05.510 through
4 34.05.598. The request for reconsideration must set forth with
5 particularity the reason for the unregistered or unlicensed
6 contractor's or residential contractor's request. The department,
7 within thirty days after receiving a written request for
8 reconsideration, may modify or reverse a notice of assessment, or may
9 hold a notice of assessment in abeyance pending further investigation.
10 If a final decision of a court in favor of the department is not
11 appealed within the time allowed by law, then the amount of the
12 unappealed assessment, or such amount of the assessment as is found due
13 by the final decision of the court, is final.

14 (3) The director or the director's designee may file with the clerk
15 of any county within the state, a warrant in the amount of the notice
16 of assessment, plus interest, penalties, and a filing fee of twenty
17 dollars. The clerk of the county in which the warrant is filed shall
18 immediately designate a superior court cause number for the warrant,
19 and the clerk shall cause to be entered in the judgment docket under
20 the superior court cause number assigned to the warrant, the name of
21 the unregistered or unlicensed contractor or residential contractor
22 mentioned in the warrant, the amount of payment, penalty, fine due on
23 it, or filing fee, and the date when the warrant was filed. The
24 aggregate amount of the warrant as docketed shall become a lien upon
25 the title to, and interest in, all real and personal property of the
26 unregistered or unlicensed contractor or residential contractor against
27 whom the warrant is issued, the same as a judgment in a civil case
28 docketed in the office of the clerk. The sheriff shall proceed upon
29 the warrant in all respects and with like effect as prescribed by law
30 with respect to execution or other process issued against rights or
31 property upon judgment in a court of competent jurisdiction. The
32 warrant so docketed is sufficient to support the issuance of writs of
33 garnishment in favor of the state in a manner provided by law in case
34 of judgment, wholly or partially unsatisfied. The clerk of the court
35 is entitled to a filing fee which will be added to the amount of the
36 warrant. A copy of the warrant shall be mailed to the unregistered or
37 unlicensed contractor or residential contractor within three days of
38 filing with the clerk.

1 (4) The director or the director's designee may issue to any
2 person, firm, corporation, other entity, municipal corporation,
3 political subdivision of the state, a public corporation, or any agency
4 of the state, a notice and order to withhold and deliver property of
5 any kind whatsoever when he or she has reason to believe that there is
6 in the possession of the person, firm, corporation, other entity,
7 municipal corporation, political subdivision of the state, public
8 corporation, or agency of the state, property that is or will become
9 due, owing, or belonging to an unregistered or unlicensed contractor or
10 residential contractor upon whom a notice of assessment has been served
11 by the department for payments, penalties, or fines due to the
12 department. The effect of a notice and order is continuous from the
13 date the notice and order is first made until the liability out of
14 which the notice and order arose is satisfied or becomes unenforceable
15 because of lapse of time. The department shall release the notice and
16 order when the liability out of which the notice and order arose is
17 satisfied or becomes unenforceable by reason of lapse of time and shall
18 notify the person against whom the notice and order was made that the
19 notice and order has been released.

20 The notice and order to withhold and deliver must be served by the
21 sheriff of the county or by the sheriff's deputy, by certified mail,
22 return receipt requested, or by an authorized representative of the
23 director. A person, firm, corporation, other entity, municipal
24 corporation, political subdivision of the state, public corporation, or
25 agency of the state upon whom service has been made shall answer the
26 notice within twenty days exclusive of the day of service, under oath
27 and in writing, and shall make true answers to the matters inquired of
28 in the notice and order. Upon service of the notice and order, if the
29 party served possesses any property that may be subject to the claim of
30 the department, the party shall promptly deliver the property to the
31 director or the director's authorized representative. The director
32 shall hold the property in trust for application on the unregistered or
33 unlicensed contractor's or residential contractor's indebtedness to the
34 department, or for return without interest, in accordance with a final
35 determination of a petition for review. In the alternative, the party
36 shall furnish a good and sufficient surety bond satisfactory to the
37 director conditioned upon final determination of liability. If a party
38 served and named in the notice fails to answer the notice within the

1 time prescribed in this section, the court may render judgment by
2 default against the party for the full amount claimed by the director
3 in the notice, together with costs. If a notice is served upon an
4 unregistered or unlicensed contractor or residential contractor and the
5 property subject to it is wages, the unregistered or unlicensed
6 contractor or residential contractor may assert in the answer all
7 exemptions provided for by chapter 6.27 RCW to which the wage earner is
8 entitled.

9 (5) In addition to the procedure for collection of a payment,
10 penalty, or fine due to the department as set forth in this section,
11 the department may recover civil penalties imposed under this chapter
12 in a civil action in the name of the department brought in a court of
13 competent jurisdiction of the county where the violation is alleged to
14 have occurred.

15 NEW SECTION. **Sec. 29.** A new section is added to chapter 18.27 RCW
16 to read as follows:

17 The residential construction contractor's license account is
18 created in the state treasury. All receipts from application fees, the
19 issuance or renewal of residential contractor licenses, training, or
20 other sources related to licensing of residential contractors must be
21 deposited into the account. Moneys in the account may be spent only
22 after appropriation. Expenditures from the account may be used only
23 for the purposes of this chapter.

24 **Sec. 30.** RCW 18.100.140 and 1994 sp.s. c 9 s 717 are each amended
25 to read as follows:

26 Nothing in this chapter shall authorize a director, officer,
27 shareholder, agent or employee of a corporation organized under this
28 chapter, or a corporation itself organized under this chapter, to do or
29 perform any act which would be illegal, unethical or unauthorized
30 conduct under the provisions of the following acts: (1) Physicians and
31 surgeons, chapter 18.71 RCW; (2) anti-rebating act, chapter 19.68 RCW;
32 (3) state bar act, chapter 2.48 RCW; (4) professional accounting act,
33 chapter 18.04 RCW; (5) professional architects act, chapter 18.08 RCW;
34 (6) professional auctioneers act, chapter 18.11 RCW; (7)
35 cosmetologists, barbers, and manicurists, chapter 18.16 RCW; (8)
36 boarding homes act, chapter 18.20 RCW; (9) podiatric medicine and

1 surgery, chapter 18.22 RCW; (10) chiropractic act, chapter 18.25 RCW;
2 (11) registration or licensing of contractors, chapter 18.27 RCW; (12)
3 debt adjusting act, chapter 18.28 RCW; (13) dental hygienist act,
4 chapter 18.29 RCW; (14) dentistry, chapter 18.32 RCW; (15) dispensing
5 opticians, chapter 18.34 RCW; (16) naturopathic physicians, chapter
6 18.36A RCW; (17) embalmers and funeral directors, chapter 18.39 RCW;
7 (18) engineers and land surveyors, chapter 18.43 RCW; (19) escrow
8 agents registration act, chapter 18.44 RCW; (20) (~~maternity homes~~)
9 birthing centers, chapter 18.46 RCW; (21) midwifery, chapter 18.50 RCW;
10 (22) nursing homes, chapter 18.51 RCW; (23) optometry, chapter 18.53
11 RCW; (24) osteopathic physicians and surgeons, chapter 18.57 RCW; (25)
12 pharmacists, chapter 18.64 RCW; (26) physical therapy, chapter 18.74
13 RCW; (27) registered nurses, advanced registered nurse practitioners,
14 and practical nurses, chapter 18.79 RCW; (28) psychologists, chapter
15 18.83 RCW; (29) real estate brokers and salesmen, chapter 18.85 RCW;
16 (30) veterinarians, chapter 18.92 RCW.

17 **Sec. 31.** RCW 18.106.020 and 2006 c 185 s 11 are each amended to
18 read as follows:

19 (1) No person may engage in or offer to engage in the trade of
20 plumbing without having a journeyman certificate, specialty
21 certificate, temporary permit, or trainee certificate. A trainee must
22 be supervised by a person who has a journeyman certificate, specialty
23 certificate, or temporary permit, as specified in RCW 18.106.070. No
24 contractor may employ a person to engage in or offer to engage in the
25 trade of plumbing unless the person employed has a journeyman
26 certificate, specialty certificate, temporary permit, or trainee
27 certificate. This section does not apply to a contractor who is
28 contracting for work on his or her own residence. Until July 1, 2007,
29 the department shall issue a written warning to any specialty plumber
30 defined by RCW 18.106.010(10)(c) not having a valid plumber
31 certification. The warning will state that the individual must apply
32 for a plumber training certificate or be qualified for and apply for
33 plumber certification under the requirements in RCW 18.106.040 within
34 thirty calendar days of the warning. Only one warning will be issued
35 to any individual. If the individual fails to comply with this
36 section, the department shall issue a penalty or penalties as
37 authorized by this chapter.

1 (2) No person may engage in or offer to engage in medical gas
2 piping installation without having a certificate of competency as a
3 journeyman plumber and a medical gas piping installer endorsement. A
4 trainee may engage in medical gas piping installation if he or she has
5 a training certificate and is supervised by a person with a medical gas
6 piping installer endorsement. No contractor may employ a person to
7 engage in or offer to engage in medical gas piping installation unless
8 the person employed has a certificate of competency as a journeyman
9 plumber and a medical gas piping installer endorsement.

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

13 (4) Violation of this section is an infraction. Each day in which
14 a person engages in the trade of plumbing in violation of this section
15 or employs a person in violation of this section is a separate
16 infraction. Each worksite at which a person engages in the trade of
17 plumbing in violation of this section or at which a person is employed
18 in violation of this section is a separate infraction.

19 (5) Notices of infractions for violations of this section may be
20 issued to:

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

23 (b) The contractor in violation of this section; and

24 (c) The contractor's employee who authorized the work assignment of
25 the person employed in violation of this section.

26 **Sec. 32.** RCW 18.106.180 and 2002 c 82 s 3 are each amended to read
27 as follows:

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

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

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

35 (ii) Being registered or licensed as a contractor as required under
36 chapter 18.27 RCW or this chapter, or being employed by a person who is
37 registered or licensed as a contractor or residential contractor;

1 (b) A person who employs anyone, or offers or advertises to employ
2 anyone, to do plumbing work fails to produce evidence of being
3 registered or licensed as a contractor or a residential contractor as
4 required under chapter 18.27 RCW or this chapter; or

5 (c) A contractor violates RCW 18.106.320.

6 (2) A notice of infraction issued under this section shall be
7 personally served on the person named in the notice by an authorized
8 representative of the department or sent by certified mail to the last
9 known address provided to the department of the person named in the
10 notice.

11 **Sec. 33.** RCW 18.106.250 and 2002 c 82 s 4 are each amended to read
12 as follows:

13 (1) The administrative law judge shall conduct notice of infraction
14 cases under this chapter pursuant to chapter 34.05 RCW.

15 (2) The burden of proof is on the department to establish the
16 commission of the infraction by a preponderance of the evidence. The
17 notice of infraction shall be dismissed if the defendant establishes
18 that, at the time the notice was issued:

19 (a) The defendant who was issued a notice of infraction authorized
20 by RCW 18.106.020(5)(a) had a certificate or permit issued by the
21 department in accordance with this chapter, was supervised by a person
22 who has such a certificate or permit, or was exempt from this chapter
23 under RCW 18.106.150; or

24 (b) For the defendant who was issued a notice of infraction
25 authorized by RCW 18.106.020(5) (b) or (c), the person employed or
26 supervised by the defendant has a certificate or permit issued by the
27 department in accordance with this chapter, was supervised by a person
28 who had such a certificate or permit, was exempt from this chapter
29 under RCW 18.106.150, or was registered or licensed as a contractor
30 under chapter 18.27 RCW.

31 (3) After consideration of the evidence and argument, the
32 administrative law judge shall determine whether the infraction was
33 committed. If it has not been established that the infraction was
34 committed, an order dismissing the notice shall be entered in the
35 record of the proceedings. If it has been established that the
36 infraction was committed, the administrative law judge shall issue

1 findings of fact and conclusions of law in its decision and order
2 determining whether the infraction was committed.

3 (4) An appeal from the administrative law judge's determination or
4 order shall be to the superior court. The decision of the superior
5 court is subject only to discretionary review pursuant to Rule 2.3 of
6 the Rules of Appellate Procedure.

7 **Sec. 34.** RCW 18.160.030 and 2003 c 74 s 1 are each amended to read
8 as follows:

9 (1) This chapter shall be administered by the state director of
10 fire protection.

11 (2) The state director of fire protection shall have the authority,
12 and it shall be his or her duty to:

13 (a) (~~Issue such administrative regulations as~~) Adopt rules
14 necessary for the administration of this chapter;

15 (b)(i) Set reasonable fees for licenses, certificates, testing, and
16 other aspects of the administration of this chapter. However, the
17 license fee for fire protection sprinkler system contractors engaged
18 solely in the installation, inspection, maintenance, or servicing of
19 NFPA 13-D fire protection sprinkler systems shall not exceed one
20 hundred dollars, and the license fee for fire protection sprinkler
21 system contractors engaged solely in the installation, inspection,
22 maintenance, or servicing of NFPA 13-R fire protection sprinkler
23 systems shall not exceed three hundred dollars;

24 (ii) Adopt rules establishing a special category restricted to
25 contractors registered or licensed under chapter 18.27 RCW who install
26 underground systems that service fire protection sprinkler systems.
27 The rules shall be adopted within ninety days of March 31, 1992;

28 (iii) Subject to RCW 18.160.120, adopt rules defining infractions
29 under this chapter and fines to be assessed for those infractions;

30 (c) Enforce the provisions of this chapter;

31 (d) Conduct investigations of complaints to determine if any
32 infractions of this chapter or the (~~regulations~~) rules developed
33 under this chapter have occurred;

34 (e) Assign a certificate number to each certificate of competency
35 holder; and

36 (f) Adopt rules necessary to implement and administer a program
37 which requires the affixation of a seal any time a fire protection

1 sprinkler system is installed, which seal shall include the certificate
2 number of any certificate of competency holder who installs, in whole
3 or in part, the fire protection sprinkler system.

4 **Sec. 35.** RCW 19.28.051 and 2006 c 185 s 8 are each amended to read
5 as follows:

6 It shall be the purpose and function of the board to establish, in
7 addition to a general electrical contractors' license, such
8 classifications of specialty electrical contractors' licenses as it
9 deems appropriate with regard to individual sections pertaining to
10 state adopted codes in this chapter. In addition, it shall be the
11 purpose and function of the board to establish and administer written
12 examinations for general electrical administrators' certificates and
13 the various specialty electrical administrators' certificates.
14 Examinations shall be designed to reasonably ensure that general and
15 specialty electrical administrators' certificate holders are competent
16 to engage in and supervise the work covered by this statute and their
17 respective licenses. The examinations shall include questions from the
18 following categories to ensure proper safety and protection for the
19 general public: (1) Safety, (2) state electrical code, and (3)
20 electrical theory. The department with the consent of the board shall
21 be permitted to enter into a contract with a professional testing
22 agency to develop, administer, and score these examinations, or accept
23 certifications or other appropriate demonstrations established by
24 independent entities that otherwise fulfill the examination
25 requirements of this section. Individuals who can provide evidence to
26 the department, prior to January 1, 2007, that they have been employed
27 as a pump installer in the pump and irrigation or domestic pump
28 business by an appropriately licensed electrical contractor, registered
29 or licensed general contractor defined by chapter 18.27 RCW, or
30 appropriate general specialty contractor defined by chapter 18.27 RCW
31 for not less than eight thousand hours in the most recent six calendar
32 years shall be issued the appropriate administrator's certificate by
33 the department upon receiving such documentation and applicable fees.
34 The fee for the examination may be set by the department in its
35 contract with the professional testing agency. The department may
36 direct that the applicant pay the fee to the professional testing
37 agency. The fee shall cover but not exceed the costs of preparing and

1 administering the examination. It shall be the further purpose and
2 function of this board to advise the director as to the need of
3 additional electrical inspectors and compliance officers to be utilized
4 by the director on either a full-time or part-time employment basis and
5 to carry out the duties enumerated in RCW 19.28.161 through 19.28.271
6 as well as generally advise the department on all matters relative to
7 RCW 19.28.161 through 19.28.271.

8 **Sec. 36.** RCW 19.28.161 and 2006 c 224 s 2 and 2006 c 185 s 6 are
9 each reenacted and amended to read as follows:

10 (1) No person may engage in the electrical construction trade
11 without having a valid master journeyman electrician certificate of
12 competency, journeyman electrician certificate of competency, master
13 specialty electrician certificate of competency, or specialty
14 electrician certificate of competency issued by the department in
15 accordance with this chapter. Electrician certificate of competency
16 specialties include, but are not limited to: Residential, pump and
17 irrigation, limited energy system, signs, nonresidential maintenance,
18 restricted nonresidential maintenance, and appliance repair. Until
19 July 1, 2007, the department of labor and industries shall issue a
20 written warning to any specialty pump and irrigation or domestic pump
21 electrician not having a valid electrician certification. The warning
22 will state that the individual must apply for an electrical training
23 certificate or be qualified for and apply for electrician certification
24 under the requirements in RCW 19.28.191(1)((~~g~~)) (d) within thirty
25 calendar days of the warning. Only one warning will be issued to any
26 individual. If the individual fails to comply with this section, the
27 department shall issue a penalty as defined in RCW 19.28.271 to the
28 individual.

29 (2) A person who is indentured in an apprenticeship program
30 approved under chapter 49.04 RCW for the electrical construction trade
31 or who is learning the electrical construction trade may work in the
32 electrical construction trade if supervised by a certified master
33 journeyman electrician, journeyman electrician, master specialty
34 electrician in that electrician's specialty, or specialty electrician
35 in that electrician's specialty. All apprentices and individuals
36 learning the electrical construction trade shall obtain an electrical
37 training certificate from the department. The certificate shall

1 authorize the holder to learn the electrical construction trade while
2 under the direct supervision of a master journeyman electrician,
3 journeyman electrician, master specialty electrician working in that
4 electrician's specialty, or specialty electrician working in that
5 electrician's specialty. The holder of the electrical training
6 certificate shall renew the certificate biennially. At the time of
7 renewal, the holder shall provide the department with an accurate list
8 of the holder's employers in the electrical construction industry for
9 the previous biennial period and the number of hours worked for each
10 employer, and proof of sixteen hours of approved classroom electrical
11 continuing education courses covering this chapter, the national
12 electrical code, or electrical theory, or the equivalent electrical
13 training courses taken as part of an approved apprenticeship program
14 under chapter 49.04 RCW or an approved electrical training program
15 under RCW 19.28.191(1)((~~h~~)) (e). This education requirement is
16 effective July 1, 2007. A biennial fee shall be charged for the
17 issuance or renewal of the certificate. The department shall set the
18 fee by rule. The fee shall cover but not exceed the cost of
19 administering and enforcing the trainee certification and supervision
20 requirements of this chapter. Apprentices and individuals learning the
21 electrical construction trade shall have their electrical training
22 certificates in their possession at all times that they are performing
23 electrical work. They shall show their certificates to an authorized
24 representative of the department at the representative's request.

25 (3) Any person who has been issued an electrical training
26 certificate under this chapter may work if that person is under
27 supervision. Supervision shall consist of a person being on the same
28 job site and under the control of either a certified master journeyman
29 electrician, journeyman electrician, master specialty electrician
30 working in that electrician's specialty, or specialty electrician
31 working in that electrician's specialty. Either a certified master
32 journeyman electrician, journeyman electrician, master specialty
33 electrician working in that electrician's specialty, or specialty
34 electrician working in that electrician's specialty shall be on the
35 same job site as the noncertified individual for a minimum of seventy-
36 five percent of each working day unless otherwise provided in this
37 chapter.

1 (4) The ratio of noncertified individuals to certified master
2 journeymen electricians, journeymen electricians, master specialty
3 electricians, or specialty electricians on any one job site is as
4 follows:

5 (a) When working as a specialty electrician, not more than two
6 noncertified individuals for every certified master specialty
7 electrician working in that electrician's specialty, specialty
8 electrician working in that electrician's specialty, master journeyman
9 electrician, or journeyman electrician, except that the ratio
10 requirements are one certified master specialty electrician working in
11 that electrician's specialty, specialty electrician working in that
12 electrician's specialty, master journeyman electrician, or journeyman
13 electrician working as a specialty electrician to no more than four
14 students enrolled in and working as part of an electrical construction
15 program at public community or technical colleges, or not-for-profit
16 nationally accredited trade or technical schools licensed by the work
17 force training and education coordinating board under chapter 28C.10
18 RCW. In meeting the ratio requirements for students enrolled in an
19 electrical construction program at a trade school, a trade school may
20 receive input and advice from the electrical board; and

21 (b) When working as a journeyman electrician, not more than one
22 noncertified individual for every certified master journeyman
23 electrician or journeyman electrician, except that the ratio
24 requirements shall be one certified master journeyman electrician or
25 journeyman electrician to no more than four students enrolled in and
26 working as part of an electrical construction program at public
27 community or technical colleges, or not-for-profit nationally
28 accredited trade or technical schools licensed by the work force
29 training and education coordinating board under chapter 28C.10 RCW. In
30 meeting the ratio requirements for students enrolled in an electrical
31 construction program at a trade school, a trade school may receive
32 input and advice from the electrical board.

33 An individual who has a current training certificate and who has
34 successfully completed or is currently enrolled in an approved
35 apprenticeship program or in an electrical construction program at
36 public community or technical colleges, or not-for-profit nationally
37 accredited technical or trade schools licensed by the work force

1 training and education coordinating board under chapter 28C.10 RCW, may
2 work without direct on-site supervision during the last six months of
3 meeting the practical experience requirements of this chapter.

4 (5) For the residential (as specified in WAC 296-46B-920(2)(a)),
5 pump and irrigation (as specified in WAC 296-46B-920(2)(b)), sign (as
6 specified in WAC 296-46B-920(2)(d)), limited energy (as specified in
7 WAC 296-46B-920(2)(e)), nonresidential maintenance (as specified in WAC
8 296-46B-920(2)(g)), restricted nonresidential maintenance as determined
9 by the department in rule, or other new nonresidential specialties, not
10 including appliance repair, as determined by the department in rule,
11 either a master journeyman electrician, journeyman electrician, master
12 specialty electrician working in that electrician's specialty, or
13 specialty electrician working in that electrician's specialty must be
14 on the same job site as the noncertified individual for a minimum of
15 seventy-five percent of each working day. Other specialties must meet
16 the requirements specified in RCW 19.28.191 (1)((~~g~~)) (d)(ii). When
17 the ratio of certified electricians to noncertified individuals on a
18 job site is one certified electrician to three or four noncertified
19 individuals, the certified electrician must:

20 (a) Directly supervise and instruct the noncertified individuals
21 and the certified electrician may not directly make or engage in an
22 electrical installation; and

23 (b) Be on the same job site as the noncertified individual for a
24 minimum of one hundred percent of each working day.

25 (6) The electrical contractor shall accurately verify and attest to
26 the electrical trainee hours worked by electrical trainees on behalf of
27 the electrical contractor.

28 **Sec. 37.** RCW 19.28.191 and 2006 c 185 s 7 are each amended to read
29 as follows:

30 (1) Upon receipt of the application, the department shall review
31 the application and determine whether the applicant is eligible to take
32 an examination for the master journeyman electrician, journeyman
33 electrician, master specialty electrician, or specialty electrician
34 certificate of competency.

35 (a) (~~Before July 1, 2005, an applicant who possesses a valid~~
36 ~~journeyman electrician certificate of competency in effect for the~~

1 ~~previous four years and a valid general administrator's certificate may~~
2 ~~apply for a master journeyman electrician certificate of competency~~
3 ~~without examination.~~

4 ~~(b) Before July 1, 2005, an applicant who possesses a valid~~
5 ~~specialty electrician certificate of competency, in the specialty~~
6 ~~applied for, for the previous two years and a valid specialty~~
7 ~~administrator's certificate, in the specialty applied for, may apply~~
8 ~~for a master specialty electrician certificate of competency without~~
9 ~~examination.~~

10 ~~(c) Before December 1, 2003, the following persons may obtain an~~
11 ~~equipment repair specialty electrician certificate of competency~~
12 ~~without examination:~~

13 ~~(i) A person who has successfully completed an apprenticeship~~
14 ~~program approved under chapter 49.04 RCW for the machinist trade; and~~

15 ~~(ii) A person who provides evidence in a form prescribed by the~~
16 ~~department affirming that: (A) He or she was employed as of April 1,~~
17 ~~2003, by a factory authorized equipment dealer or service company; and~~
18 ~~(B) he or she has worked in equipment repair for a minimum of four~~
19 ~~thousand hours.~~

20 ~~(d))~~ To be eligible to take the examination for a master
21 journeyman electrician certificate of competency the applicant must
22 have possessed a valid journeyman electrician certificate of competency
23 for four years.

24 ~~((e))~~ (b) To be eligible to take the examination for a master
25 specialty electrician certificate of competency the applicant must have
26 possessed a valid specialty electrician certificate of competency, in
27 the specialty applied for, for two years.

28 ~~((f))~~ (c) To be eligible to take the examination for a journeyman
29 certificate of competency the applicant must have:

30 (i) Worked in the electrical construction trade for a minimum of
31 eight thousand hours, of which four thousand hours shall be in
32 industrial or commercial electrical installation under the supervision
33 of a master journeyman electrician or journeyman electrician and not
34 more than a total of four thousand hours in all specialties under the
35 supervision of a master journeyman electrician, journeyman electrician,
36 master specialty electrician working in that electrician's specialty,
37 or specialty electrician working in that electrician's specialty.

1 Speciality electricians with less than a four thousand hour work
2 experience requirement cannot credit the time required to obtain that
3 specialty towards qualifying to become a journeyman electrician; or

4 (ii) Successfully completed an apprenticeship program approved
5 under chapter 49.04 RCW for the electrical construction trade.

6 ~~((g))~~ (d) To be eligible to take the examination for a specialty
7 electrician certificate of competency the applicant must have:

8 (i) Worked in the residential (as specified in WAC 296-46B-
9 920(2)(a)), pump and irrigation (as specified in WAC 296-46B-
10 920(2)(b)), sign (as specified in WAC 296-46B-920(2)(d)), limited
11 energy (as specified in WAC 296-46B-920(2)(e)), nonresidential
12 maintenance (as specified in WAC 296-46B-920(2)(g)), or other new
13 nonresidential specialties as determined by the department in rule
14 under the supervision of a master journeyman electrician, journeyman
15 electrician, master specialty electrician working in that electrician's
16 specialty, or specialty electrician working in that electrician's
17 specialty for a minimum of four thousand hours;

18 (ii) Worked in the appliance repair specialty as determined by the
19 department in rule, restricted nonresidential maintenance as determined
20 by the department in rule, the equipment repair specialty as determined
21 by the department in rule, the pump and irrigation specialty other than
22 as defined by ~~((g))~~ (d)(i) of this subsection or domestic pump
23 specialty as determined by the department in rule, or a specialty other
24 than the designated specialties in ~~((g))~~ (d)(i) of this subsection
25 for a minimum of the initial ninety days, or longer if set by rule by
26 the department. The restricted nonresidential maintenance specialty is
27 limited to a maximum of 277 volts and 20 amperes for lighting branch
28 circuits and/or a maximum of 250 volts and 60 amperes for other
29 circuits, but excludes the replacement or repair of circuit breakers.
30 The initial period must be spent under one hundred percent supervision
31 of a master journeyman electrician, journeyman electrician, master
32 specialty electrician working in that electrician's specialty, or
33 specialty electrician working in that electrician's specialty. After
34 this initial period, a person may take the specialty examination. If
35 the person passes the examination, the person may work unsupervised for
36 the balance of the minimum hours required for certification. A person
37 may not be certified as a specialty electrician in the appliance repair
38 specialty or in a specialty other than the designated specialties in

1 ((~~g~~)) (d)(i) of this subsection, however, until the person has worked
2 a minimum of two thousand hours in that specialty, or longer if set by
3 rule by the department;

4 (iii) Successfully completed an approved apprenticeship program
5 under chapter 49.04 RCW for the applicant's specialty in the electrical
6 construction trade; or

7 (iv) In meeting the training requirements for the pump and
8 irrigation or domestic pump specialties, the individual shall be
9 allowed to obtain the experience required by this section at the same
10 time the individual is meeting the experience required by RCW
11 18.106.040(1)(c). After meeting the training requirements provided in
12 this section, the individual may take the examination and upon passing
13 the examination, meeting additional training requirements as may still
14 be required for those seeking a pump and irrigation, or a domestic pump
15 specialty certificate as defined by rule, and paying the applicable
16 fees, the individual must be issued the appropriate certificate. The
17 department may include an examination for specialty plumbing
18 certificate defined in RCW 18.106.010(10)(c) with the examination
19 required by this section. The department, by rule and in consultation
20 with the electrical board, may establish additional equivalent ways to
21 gain the experience requirements required by this subsection.
22 Individuals who are able to provide evidence to the department, prior
23 to January 1, 2007, that they have been employed as a pump installer in
24 the pump and irrigation or domestic pump business by an appropriately
25 licensed electrical contractor, ((~~registered~~)) licensed general
26 contractor defined by chapter 18.27 RCW, or appropriate general
27 specialty contractor defined by chapter 18.27 RCW for not less than
28 eight thousand hours in the most recent six calendar years shall be
29 issued the appropriate certificate by the department upon receiving
30 such documentation and applicable fees. The department shall establish
31 a single document for those who have received both an electrical
32 specialty certification as defined by this subsection and have also met
33 the certification requirements for the specialty plumber as defined by
34 RCW 18.106.010(10)(c), showing that the individual has received both
35 certifications. No other experience or training requirements may be
36 imposed.

37 ((~~h~~)) (e) Any applicant for a journeyman electrician certificate
38 of competency who has successfully completed a two-year program in the

1 electrical construction trade at public community or technical
2 colleges, or not-for-profit nationally accredited technical or trade
3 schools licensed by the work force training and education coordinating
4 board under chapter 28C.10 RCW may substitute up to two years of the
5 technical or trade school program for two years of work experience
6 under a master journeyman electrician or journeyman electrician. The
7 applicant shall obtain the additional two years of work experience
8 required in industrial or commercial electrical installation prior to
9 the beginning, or after the completion, of the technical school
10 program. Any applicant who has received training in the electrical
11 construction trade in the armed service of the United States may be
12 eligible to apply armed service work experience towards qualification
13 to take the examination for the journeyman electrician certificate of
14 competency.

15 ~~((+i))~~ (f) An applicant for a specialty electrician certificate of
16 competency who, after January 1, 2000, has successfully completed a
17 two-year program in the electrical construction trade at a public
18 community or technical college, or a not-for-profit nationally
19 accredited technical or trade school licensed by the work force
20 training and education coordinating board under chapter 28C.10 RCW, may
21 substitute up to one year of the technical or trade school program for
22 one year of work experience under a master journeyman electrician,
23 journeyman electrician, master specialty electrician working in that
24 electrician's specialty, or specialty electrician working in that
25 electrician's specialty. Any applicant who has received training in
26 the electrical construction trade in the armed services of the United
27 States may be eligible to apply armed service work experience towards
28 qualification to take the examination for an appropriate specialty
29 electrician certificate of competency.

30 ~~((+j))~~ (g) The department must determine whether hours of training
31 and experience in the armed services or school program are in the
32 electrical construction trade and appropriate as a substitute for hours
33 of work experience. The department must use the following criteria for
34 evaluating the equivalence of classroom electrical training programs
35 and work in the electrical construction trade:

36 (i) A two-year electrical training program must consist of three
37 thousand or more hours.

1 (ii) In a two-year electrical training program, a minimum of two
2 thousand four hundred hours of student/instructor contact time must be
3 technical electrical instruction directly related to the scope of work
4 of the electrical specialty. Student/instructor contact time includes
5 lecture and in-school lab.

6 (iii) The department may not allow credit for a program that
7 accepts more than one thousand hours transferred from another school's
8 program.

9 (iv) Electrical specialty training school programs of less than two
10 years will have all of the above student/instructor contact time hours
11 proportionately reduced. Such programs may not apply to more than
12 fifty percent of the work experience required to attain certification.

13 (v) Electrical training programs of less than two years may not be
14 credited towards qualification for journeyman electrician unless the
15 training program is used to gain qualification for a four thousand hour
16 electrical specialty.

17 (~~(k)~~) (h) No other requirement for eligibility may be imposed.

18 (2) The department shall establish reasonable rules for the
19 examinations to be given applicants for certificates of competency. In
20 establishing the rules, the department shall consult with the board.
21 Upon determination that the applicant is eligible to take the
22 examination, the department shall so notify the applicant, indicating
23 the time and place for taking the examination.

24 (3) No noncertified individual may work unsupervised more than one
25 year beyond the date when the trainee would be eligible to test for a
26 certificate of competency if working on a full-time basis after
27 original application for the trainee certificate. For the purposes of
28 this section, full-time basis means two thousand hours.

29 **Sec. 38.** RCW 19.28.420 and 2000 c 238 s 206 are each amended to
30 read as follows:

31 (1) It is unlawful for any person, firm, partnership, corporation,
32 or other entity to advertise, offer to do work, submit a bid, engage
33 in, conduct, or carry on the business of installing or maintaining
34 telecommunications systems without having a telecommunications
35 contractor license. Electrical contractors licensed as general
36 electrical (01) or specialty electrical (06) contractors under chapter
37 19.28 RCW and their designated administrators qualify to perform all

1 telecommunications work defined in this chapter. Telecommunications
2 contractors licensed under this chapter are not required to be
3 registered or licensed under chapter 18.27 RCW. All telecommunications
4 licenses expire twenty-four calendar months following the day of their
5 issue. A telecommunications contractor license is not required for a
6 licensed specialty electrical contractor to perform telecommunications
7 installations or maintenance integral to the equipment or occupancy
8 limitations of their electrical specialty. A telecommunications
9 contractor license is not required for persons making
10 telecommunications installations or performing telecommunications
11 maintenance on their own property or for regularly employed employees
12 working on the premises of their employer, unless on a new building
13 intended for rent, sale, or lease.

14 (2) Application for a telecommunications contractor license shall
15 be made in writing to the department accompanied by the required fee.
16 The applications shall state:

17 (a) The name and address of the applicant. In the case of firms or
18 partnerships, the applications shall state the names of the individuals
19 composing the firm or partnership. In the case of corporations, the
20 applications shall state the names of the corporation's managing
21 officials;

22 (b) The location of the place of business of the applicant and the
23 name under which the business is conducted;

24 (c) The employer social security number or tax identification
25 number;

26 (d) Evidence of workers' compensation coverage for the applicant's
27 employees working in Washington, as follows:

28 (i) The applicant's industrial insurance account number issued by
29 the department;

30 (ii) The applicant's self-insurer number issued by the department;
31 or

32 (iii) For applicants domiciled in a state or province of Canada
33 subject to an agreement entered into under RCW 51.12.120(7), as
34 permitted by the agreement, filing a certificate of coverage issued by
35 the agency that administers the workers' compensation law in the
36 applicant's state or province of domicile certifying that the applicant
37 has secured the payment of compensation under the other state's or
38 province's workers' compensation law;

1 (e) The employment security department number; and

2 (f) The state excise tax registration number.

3 (3) The unified business identifier account number may be
4 substituted for the information required by subsection (2)(d), (e), and
5 (f) of this section if the applicant will not employ employees in
6 Washington.

7 (4) The department may verify the workers' compensation coverage
8 information provided by the applicant under subsection (2)(d) of this
9 section including, but not limited to, information regarding the
10 coverage of an individual employee of the applicant. If coverage is
11 provided under the laws of another state, the department may notify the
12 other state that the applicant is employing employees in Washington.

13 (5) To obtain a telecommunications contractor license the applicant
14 must designate an individual who currently possesses a
15 telecommunications administrator certificate. To obtain an
16 administrator's certificate an individual must pass an examination as
17 set forth in this chapter. Examination criteria will be determined by
18 the board.

19 (6) No examination may be required of any applicant for an initial
20 telecommunications administrator certificate qualifying under this
21 section. Applicants qualifying under this section shall be issued an
22 administrator certificate by the department upon making an application
23 and paying the required fee. Individuals must apply before July 1,
24 2001, to qualify for an administrator certificate without examination
25 under this section. The board shall certify to the department the
26 names of all persons entitled to this administrator certificate.

27 Prior to July 1, 2001, bona fide registered contractors under
28 chapter 18.27 RCW engaged in the business of installing or maintaining
29 telecommunications wiring in this state on or before June 8, 2000, may
30 designate the following number of persons to receive a
31 telecommunications administrator certificate without examination:

32 (a) One owner or officer of a contractor, registered under chapter
33 18.27 RCW on or before June 8, 2000, currently engaged in the business
34 of installing telecommunications wiring;

35 (b) One employee, principal, or officer, with a minimum of two
36 years experience performing telecommunications installations, per
37 registered (~~telecommunication[s]~~) telecommunications contractor; and

1 (c) One employee for each one hundred employees, or fraction
2 thereof, with a minimum of two years experience performing
3 telecommunications installations.

4 (7) The application for a contractor license shall be accompanied
5 by a bond in the sum of four thousand dollars with the state of
6 Washington named as obligee in the bond, with good and sufficient
7 surety, to be approved by the department. The bond shall at all times
8 be kept in full force and effect, and any cancellation or revocation
9 thereof, or withdrawal of the surety therefrom, suspends the license
10 issued to the principal until a new bond has been filed and approved as
11 provided in this section. Upon approval of a bond, the department
12 shall, on the next business day, deposit the fee accompanying the
13 application in the electrical license fund and shall file the bond in
14 the office. The department shall, upon request, furnish to any person,
15 firm, partnership, corporation, or other entity a certified copy of the
16 bond upon the payment of a fee that the department shall set by rule.
17 The fee shall cover but not exceed the cost of furnishing the certified
18 copy. The bond shall be conditioned that the principal will pay for
19 all labor, including employee benefits, and material furnished or used
20 upon the work, taxes, and contributions to the state of Washington, and
21 all damages that may be sustained by any person, firm, partnership,
22 corporation, or other entity due to a failure of the principal to make
23 the installation or maintenance in accordance with this chapter. In
24 lieu of the surety bond required by this section the applicant may file
25 with the department a cash deposit or other negotiable security
26 acceptable to the department. If the applicant has filed a cash
27 deposit, the department shall deposit the funds in a special trust
28 savings account in a commercial bank, mutual savings bank, or savings
29 and loan association and shall pay annually to the depositor the
30 interest derived from the account.

31 (8) Any person, firm, or corporation sustaining any damage or
32 injury by reason of the principal's breach of the conditions of the
33 bond required under this section may bring an action against the surety
34 named therein, joining in the action the principal named in the bond;
35 the action shall be brought in the superior court of any county in
36 which the principal on the bond resides or transacts business, or in
37 the county in which the work was performed as a result of which the
38 breach is alleged to have occurred; the action shall be maintained and

1 prosecuted as other civil actions. Claims or actions against the
2 surety on the bond shall be paid in full in the following order of
3 priority: (a) Labor, including employee benefits, (b) materials and
4 equipment used upon such work, (c) taxes and contributions due to the
5 state, (d) damages sustained by any person, firm, or corporation due to
6 the failure of the principal to make the installation in accordance
7 with this chapter, or any ordinance, building code, or regulation
8 applicable thereto. However, the total liability of the surety on any
9 bond may not exceed the sum of four thousand dollars, and the surety on
10 the bond may not be liable for monetary penalties. Any action shall be
11 brought within one year from the completion of the work in the
12 performance of which the breach is alleged to have occurred. The
13 surety shall mail a conformed copy of the judgment against the bond to
14 the department within seven days. In the event that a cash or
15 securities deposit has been made in lieu of the surety bond, and in the
16 event of a judgment being entered against the depositor and deposit,
17 the director shall upon receipt of a certified copy of a final
18 judgment, pay the judgment from the deposit.

19 (9) The department shall issue a telecommunications contractor
20 license to applicants meeting all of the requirements of this chapter
21 applicable to electrical and telecommunications installations. The
22 provisions of this chapter relating to the licensing of any person,
23 firm, partnership, corporation, or other entity including the
24 requirement of a bond with the state of Washington named as obligee and
25 the collection of a fee for that bond, are exclusive, and no political
26 subdivision of the state of Washington may require or issue any
27 licenses or bonds or charge any fee for the same or a similar purpose.

28 **Sec. 39.** RCW 19.158.020 and 2003 c 39 s 12 are each amended to
29 read as follows:

30 Unless the context requires otherwise, the definitions in this
31 section apply throughout this chapter.

32 (1) A "commercial telephone solicitor" is any person who engages in
33 commercial telephone solicitation, including service bureaus.

34 (2) "Commercial telephone solicitation" means:

35 (a) An unsolicited telephone call to a person initiated by a
36 salesperson and conversation for the purpose of inducing the person to
37 purchase or invest in property, goods, or services;

1 (b) Other communication with a person where:
2 (i) A free gift, award, or prize is offered to a purchaser who has
3 not previously purchased from the person initiating the communication;
4 and
5 (ii) A telephone call response is invited; and
6 (iii) The salesperson intends to complete a sale or enter into an
7 agreement to purchase during the course of the telephone call;
8 (c) Other communication with a person which misrepresents the
9 price, quality, or availability of property, goods, or services and
10 which invites a response by telephone or which is followed by a call to
11 the person by a salesperson;
12 (d) For purposes of this section, "other communication" means a
13 written or oral notification or advertisement transmitted through any
14 means.
15 (3) A "commercial telephone solicitor" does not include any of the
16 following:
17 (a) A person engaging in commercial telephone solicitation where:
18 (i) The solicitation is an isolated transaction and not done in the
19 course of a pattern of repeated transactions of like nature; or
20 (ii) Less than sixty percent of such person's prior year's sales
21 were made as a result of a commercial telephone solicitation as defined
22 in this chapter. Where more than sixty percent of a seller's prior
23 year's sales were made as a result of commercial telephone
24 solicitations, the service bureau contracting to provide commercial
25 telephone solicitation services to the seller shall be deemed a
26 commercial telephone solicitor;
27 (b) A person making calls for religious, charitable, political, or
28 other noncommercial purposes;
29 (c) A person soliciting business solely from purchasers who have
30 previously purchased from the business enterprise for which the person
31 is calling;
32 (d) A person soliciting:
33 (i) Without the intent to complete or obtain provisional acceptance
34 of a sale during the telephone solicitation; and
35 (ii) Who does not make the major sales presentation during the
36 telephone solicitation; and
37 (iii) Who only makes the major sales presentation or arranges for

1 the major sales presentation to be made at a later face-to-face meeting
2 between the salesperson and the purchaser;

3 (e) A person selling a security which is exempt from registration
4 under RCW 21.20.310;

5 (f) A person licensed under RCW 18.85.090 when the solicited
6 transaction is governed by that law;

7 (g) A person registered or licensed under RCW 18.27.060 when the
8 solicited transaction is governed by that law;

9 (h) A person licensed under RCW 48.17.150 when the solicited
10 transaction is governed by that law;

11 (i) Any person soliciting the sale of a franchise who is registered
12 under RCW 19.100.140;

13 (j) A person primarily soliciting the sale of a newspaper of
14 general circulation, a magazine or periodical, or contractual plans,
15 including book or record clubs: (i) Under which the seller provides
16 the consumer with a form which the consumer may use to instruct the
17 seller not to ship the offered merchandise; and (ii) which is regulated
18 by the federal trade commission trade regulation concerning "use of
19 negative option plans by sellers in commerce";

20 (k) Any supervised financial institution or parent, subsidiary, or
21 affiliate thereof. As used in this section, "supervised financial
22 institution" means any commercial bank, trust company, savings and loan
23 association, mutual savings banks, credit union, industrial loan
24 company, personal property broker, consumer finance lender, commercial
25 finance lender, or insurer, provided that the institution is subject to
26 supervision by an official or agency of this state or the United
27 States;

28 (l) A person soliciting the sale of a prearrangement funeral
29 service contract registered under RCW 18.39.240 and 18.39.260;

30 (m) A person licensed to enter into prearrangement contracts under
31 RCW 68.05.155 when acting subject to that license;

32 (n) A person soliciting the sale of services provided by a cable
33 television system operating under authority of a franchise or permit;

34 (o) A person or affiliate of a person whose business is regulated
35 by the utilities and transportation commission or the federal
36 communications commission;

37 (p) A person soliciting the sale of agricultural products, as
38 defined in RCW 20.01.010 where the purchaser is a business;

1 (q) An issuer or subsidiary of an issuer that has a class of
2 securities that is subject to section 12 of the securities exchange act
3 of 1934 (15 U.S.C. Sec. 781) and that is either registered or exempt
4 from registration under paragraph (A), (B), (C), (E), (F), (G), or (H)
5 of subsection (g) of that section;

6 (r) A commodity broker-dealer as defined in RCW 21.30.010 and
7 registered with the commodity futures trading commission;

8 (s) A business-to-business sale where:

9 (i) The purchaser business intends to resell the property or goods
10 purchased, or

11 (ii) The purchaser business intends to use the property or goods
12 purchased in a recycling, reuse, remanufacturing or manufacturing
13 process;

14 (t) A person licensed under RCW 19.16.110 when the solicited
15 transaction is governed by that law;

16 (u) A person soliciting the sale of food intended for immediate
17 delivery to and immediate consumption by the purchaser;

18 (v) A person soliciting the sale of food fish or shellfish when
19 that person is licensed pursuant to the provisions of Title 77 RCW.

20 (4) "Purchaser" means a person who is solicited to become or does
21 become obligated to a commercial telephone solicitor.

22 (5) "Salesperson" means any individual employed, appointed, or
23 authorized by a commercial telephone solicitor, whether referred to by
24 the commercial telephone solicitor as an agent, representative, or
25 independent contractor, who attempts to solicit or solicits a sale on
26 behalf of the commercial telephone solicitor.

27 (6) "Service bureau" means a commercial telephone solicitor who
28 contracts with any person to provide commercial telephone solicitation
29 services.

30 (7) "Seller" means any person who contracts with any service bureau
31 to purchase commercial telephone solicitation services.

32 (8) "Person" includes any individual, firm, association,
33 corporation, partnership, joint venture, sole proprietorship, or any
34 other business entity.

35 (9) "Free gift, award, or prize" means a gratuity which the
36 purchaser believes of a value equal to or greater than the value of the
37 specific product, good, or service sought to be sold to the purchaser
38 by the seller.

1 (10) "Solicit" means to initiate contact with a purchaser for the
2 purpose of attempting to sell property, goods or services, where such
3 purchaser has expressed no previous interest in purchasing, investing
4 in, or obtaining information regarding the property, goods, or services
5 attempted to be sold.

6 **Sec. 40.** RCW 39.04.155 and 2001 c 284 s 1 are each amended to read
7 as follows:

8 (1) This section provides uniform small works roster provisions to
9 award contracts for construction, building, renovation, remodeling,
10 alteration, repair, or improvement of real property that may be used by
11 state agencies and by any local government that is expressly authorized
12 to use these provisions. These provisions may be used in lieu of other
13 procedures to award contracts for such work with an estimated cost of
14 two hundred thousand dollars or less. The small works roster process
15 includes the limited public works process authorized under subsection
16 (3) of this section and any local government authorized to award
17 contracts using the small works roster process under this section may
18 award contracts using the limited public works process under subsection
19 (3) of this section.

20 (2)(a) A state agency or authorized local government may create a
21 single general small works roster, or may create a small works roster
22 for different specialties or categories of anticipated work. Where
23 applicable, small works rosters may make distinctions between
24 contractors based upon different geographic areas served by the
25 contractor. The small works roster or rosters shall consist of all
26 responsible contractors who have requested to be on the list, and where
27 required by law are properly licensed or registered to perform such
28 work in this state. A state agency or local government establishing a
29 small works roster or rosters may require eligible contractors desiring
30 to be placed on a roster or rosters to keep current records of any
31 applicable licenses, certifications, registrations, bonding, insurance,
32 or other appropriate matters on file with the state agency or local
33 government as a condition of being placed on a roster or rosters. At
34 least once a year, the state agency or local government shall publish
35 in a newspaper of general circulation within the jurisdiction a notice
36 of the existence of the roster or rosters and solicit the names of
37 contractors for such roster or rosters. In addition, responsible

1 contractors shall be added to an appropriate roster or rosters at any
2 time they submit a written request and necessary records. Master
3 contracts may be required to be signed that become effective when a
4 specific award is made using a small works roster.

5 (b) A state agency establishing a small works roster or rosters
6 shall adopt rules implementing this subsection. A local government
7 establishing a small works roster or rosters shall adopt an ordinance
8 or resolution implementing this subsection. Procedures included in
9 rules adopted by the department of general administration in
10 implementing this subsection must be included in any rules providing
11 for a small works roster or rosters that is adopted by another state
12 agency, if the authority for that state agency to engage in these
13 activities has been delegated to it by the department of general
14 administration under chapter 43.19 RCW. An interlocal contract or
15 agreement between two or more state agencies or local governments
16 establishing a small works roster or rosters to be used by the parties
17 to the agreement or contract must clearly identify the lead entity that
18 is responsible for implementing the provisions of this subsection.

19 (c) Procedures shall be established for securing telephone,
20 written, or electronic quotations from contractors on the appropriate
21 small works roster to assure that a competitive price is established
22 and to award contracts to the lowest responsible bidder, as defined in
23 RCW 43.19.1911. Invitations for quotations shall include an estimate
24 of the scope and nature of the work to be performed as well as
25 materials and equipment to be furnished. However, detailed plans and
26 specifications need not be included in the invitation. This subsection
27 does not eliminate other requirements for architectural or engineering
28 approvals as to quality and compliance with building codes. Quotations
29 may be invited from all appropriate contractors on the appropriate
30 small works roster. As an alternative, quotations may be invited from
31 at least five contractors on the appropriate small works roster who
32 have indicated the capability of performing the kind of work being
33 contracted, in a manner that will equitably distribute the opportunity
34 among the contractors on the appropriate roster. However, if the
35 estimated cost of the work is from one hundred thousand dollars to two
36 hundred thousand dollars, a state agency or local government, other
37 than a port district, that chooses to solicit bids from less than all
38 the appropriate contractors on the appropriate small works roster must

1 also notify the remaining contractors on the appropriate small works
2 roster that quotations on the work are being sought. The government
3 has the sole option of determining whether this notice to the remaining
4 contractors is made by: (i) Publishing notice in a legal newspaper in
5 general circulation in the area where the work is to be done; (ii)
6 mailing a notice to these contractors; or (iii) sending a notice to
7 these contractors by facsimile or other electronic means. For purposes
8 of this subsection (2)(c), "equitably distribute" means that a state
9 agency or local government soliciting bids may not favor certain
10 contractors on the appropriate small works roster over other
11 contractors on the appropriate small works roster who perform similar
12 services.

13 (d) A contract awarded from a small works roster under this section
14 need not be advertised.

15 (e) Immediately after an award is made, the bid quotations obtained
16 shall be recorded, open to public inspection, and available by
17 telephone inquiry.

18 (3) In lieu of awarding contracts under subsection (2) of this
19 section, a state agency or authorized local government may award a
20 contract for work, construction, alteration, repair, or improvement
21 projects (~~(+projects)~~) estimated to cost less than thirty-five
22 thousand dollars using the limited public works process provided under
23 this subsection. Public works projects awarded under this subsection
24 are exempt from the other requirements of the small works roster
25 process provided under subsection (2) of this section and are exempt
26 from the requirement that contracts be awarded after advertisement as
27 provided under RCW 39.04.010.

28 For limited public works projects, a state agency or authorized
29 local government shall solicit electronic or written quotations from a
30 minimum of three contractors from the appropriate small works roster
31 and shall award the contract to the lowest responsible bidder as
32 defined under RCW 43.19.1911. After an award is made, the quotations
33 shall be open to public inspection and available by electronic request.
34 A state agency or authorized local government shall attempt to
35 distribute opportunities for limited public works projects equitably
36 among contractors willing to perform in the geographic area of the
37 work. A state agency or authorized local government shall maintain a
38 list of the contractors contacted and the contracts awarded during the

1 previous twenty-four months under the limited public works process,
2 including the name of the contractor, the contractor's registration or
3 license number, the amount of the contract, a brief description of the
4 type of work performed, and the date the contract was awarded. For
5 limited public works projects, a state agency or authorized local
6 government may waive the payment and performance bond requirements of
7 chapter 39.08 RCW and the retainage requirements of chapter 60.28 RCW,
8 thereby assuming the liability for the contractor's nonpayment of
9 laborers, mechanics, subcontractors, materialmen, suppliers, and taxes
10 imposed under Title 82 RCW that may be due from the contractor for the
11 limited public works project, however the state agency or authorized
12 local government shall have the right of recovery against the
13 contractor for any payments made on the contractor's behalf.

14 (4) The breaking of any project into units or accomplishing any
15 projects by phases is prohibited if it is done for the purpose of
16 avoiding the maximum dollar amount of a contract that may be let using
17 the small works roster process or limited public works process.

18 (5) As used in this section, "state agency" means the department of
19 general administration, the state parks and recreation commission, the
20 department of natural resources, the department of fish and wildlife,
21 the department of transportation, any institution of higher education
22 as defined under RCW 28B.10.016, and any other state agency delegated
23 authority by the department of general administration to engage in
24 construction, building, renovation, remodeling, alteration,
25 improvement, or repair activities.

26 **Sec. 41.** RCW 39.06.010 and 1997 c 54 s 1 are each amended to read
27 as follows:

28 No agency of the state or any of its political subdivisions may
29 execute a contract:

30 (1) With any contractor who is not registered or licensed as may be
31 required by the laws of this state other than contractors on highway
32 projects who have been prequalified as required by RCW 47.28.070, with
33 the department of transportation to perform highway construction,
34 reconstruction, or maintenance; or

35 (2) For two years from the date that a violation is finally
36 determined, with any person or entity who has been determined by the
37 respective administering agency to have violated RCW 50.12.070(1)(b),

1 51.16.070(1)(b), or 82.32.070(~~(1)(b)~~) (2). During this two-year
2 period, the person or entity may not be permitted to bid, or have a bid
3 considered, on any public works contract.

4 **Sec. 42.** RCW 49.26.100 and 1995 c 218 s 3 are each amended to read
5 as follows:

6 Unless the context clearly requires otherwise, the definitions in
7 this section apply throughout this chapter.

8 (1) "Asbestos abatement project" means an asbestos project
9 involving three square feet or three linear feet, or more, of asbestos-
10 containing material.

11 (2) "Asbestos project" means the construction, demolition, repair,
12 maintenance, remodeling, or renovation of any public or private
13 building or mechanical piping equipment or systems involving the
14 demolition, removal, encapsulation, salvage, or disposal of material,
15 or outdoor activity, releasing or likely to release asbestos fibers
16 into the air.

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

18 (4) "Director" means the director of the department of labor and
19 industries or the director's designee.

20 (5) "Person" means any individual, partnership, firm, association,
21 corporation, sole proprietorship, or the state of Washington or its
22 political subdivisions.

23 (6) "Certified asbestos supervisor" means an individual who is
24 certified by the department to supervise an asbestos project. A
25 certified asbestos supervisor is not required for projects involving
26 less than three square feet or three linear feet of asbestos-containing
27 material.

28 (7) "Certified asbestos worker" means an individual who is
29 certified by the department to work on an asbestos project.

30 (8) "Certified asbestos contractor" means any partnership, firm,
31 association, corporation or sole proprietorship registered or licensed
32 under chapter 18.27 RCW that submits a bid or contracts to remove or
33 encapsulate asbestos for another and is certified by the department to
34 remove or encapsulate asbestos.

35 (9) "Owner" means the owner of any public or private building,
36 structure, facility or mechanical system, or the agent of such owner,

1 but does not include individuals who work on asbestos projects on their
2 own single-family residences no part of which is used for any
3 commercial purpose.

4 **Sec. 43.** RCW 50.04.145 and 1983 1st ex.s. c 23 s 25 are each
5 amended to read as follows:

6 The term "employment" shall not include services rendered by any
7 person, firm, or corporation currently engaging in a business which is
8 registered or licensed under chapter 18.27 (~~(RCW or licensed under~~
9 ~~chapter)) or 19.28 RCW when:~~

10 (1) Contracting to perform work for any contractor registered or
11 licensed under chapter 18.27 (~~(RCW or licensed under chapter)) or 19.28
12 RCW;~~

13 (2) The person, firm, or corporation has a principal place of
14 business which would be eligible for a business deduction for internal
15 revenue service tax purposes other than that furnished by the
16 contractor for which the business has contracted to furnish services;

17 (3) The person, firm, or corporation maintains a separate set of
18 books or records that reflect all items of income and expenses of the
19 business;

20 (4) The work which the person, firm, or corporation has contracted
21 to perform is:

22 (a) The work of a contractor as defined in RCW 18.27.010; or

23 (b) The work of installing wires or equipment to convey electric
24 current or installing apparatus to be operated by such current as it
25 pertains to the electrical industry as described in chapter 19.28 RCW;
26 and

27 (5) A contractor registered or licensed under chapter 18.27 (~~(RCW~~
28 ~~or licensed under chapter)) or 19.28 RCW does not supervise or control
29 the means by which the result is accomplished or the manner in which
30 the work is performed.~~

31 **Sec. 44.** RCW 50.24.130 and 1982 1st ex.s. c 18 s 15 are each
32 amended to read as follows:

33 No employing unit which contracts with or has under it any
34 contractor or subcontractor who is an employer under the provisions of
35 this title shall make any payment or advance to, or secure any credit
36 for, such contractor or subcontractor or on account of any contract or

1 contracts to which (~~said~~) the employing unit is a party unless such
2 contractor or subcontractor has paid contributions, due or to become
3 due for wages paid or to be paid by such contractor or subcontractor
4 for personal services performed pursuant to such contract or
5 subcontract, or has furnished a good and sufficient bond acceptable to
6 the commissioner for payment of contributions, interest, and penalties.
7 Failure to comply with the provisions of this section (~~shall~~) renders
8 (~~said~~) the employing unit directly liable for such contributions,
9 interest, and penalties and the commissioner shall have all of the
10 remedies of collection against (~~said~~) the employing unit under the
11 provisions of this title as though the services in question were
12 performed directly for (~~said~~) the employing unit.

13 For the purposes of this section, a contractor registered or
14 licensed under chapter 18.27 (~~RCW or licensed under chapter~~) or 19.28
15 RCW shall not be responsible for any contributions for the work of any
16 subcontractor if:

17 (1) The subcontractor is currently engaging in a business which is
18 registered or licensed under chapter 18.27 (~~RCW or licensed under~~
19 ~~chapter~~) or 19.28 RCW;

20 (2) There is no other person, firm or corporation doing the same
21 work at the same time on the same project except two or more persons,
22 firms or corporations may contract and do the same work at the same
23 time on the same project if each person, firm, or corporation has
24 employees;

25 (3) The subcontractor has a principal place of business which would
26 be eligible for a business deduction for internal revenue service tax
27 purposes other than that furnished by the contractor for which the
28 business has contracted to furnish services;

29 (4) The subcontractor maintains a separate set of books or records
30 that reflect all items of income and expenses of the business; and

31 (5) The subcontractor has contracted to perform:

32 (a) The work of a contractor as defined in RCW 18.27.010; or

33 (b) The work of installing wires or equipment to convey electric
34 current or installing apparatus to be operated by such current as it
35 pertains to the electrical industry as described in chapter 19.28 RCW.

36 **Sec. 45.** RCW 51.08.070 and 1991 c 246 s 2 are each amended to read
37 as follows:

1 "Employer" means any person, body of persons, corporate or
2 otherwise, and the legal representatives of a deceased employer, all
3 while engaged in this state in any work covered by the provisions of
4 this title, by way of trade or business, or who contracts with one or
5 more workers, the essence of which is the personal labor of such worker
6 or workers. Or as a separate alternative, persons or entities are not
7 employers when they contract or agree to remunerate the services
8 performed by an individual who meets the tests set forth in subsections
9 (1) through (6) of RCW 51.08.195.

10 For the purposes of this title, a contractor registered or licensed
11 under chapter 18.27 (~~((RCW or licensed under chapter))~~) or 19.28 RCW is
12 not an employer when:

13 (1) Contracting with any other person, firm, or corporation
14 currently engaging in a business which is registered or licensed under
15 chapter 18.27 (~~((RCW or licensed under chapter))~~) or 19.28 RCW;

16 (2) The person, firm, or corporation has a principal place of
17 business which would be eligible for a business deduction for internal
18 revenue service tax purposes other than that furnished by the
19 contractor for which the business has contracted to furnish services;

20 (3) The person, firm, or corporation maintains a separate set of
21 books or records that reflect all items of income and expenses of the
22 business; and

23 (4) The work which the person, firm, or corporation has contracted
24 to perform is:

25 (a) The work of a contractor as defined in RCW 18.27.010; or

26 (b) The work of installing wires or equipment to convey electric
27 current or installing apparatus to be operated by such current as it
28 pertains to the electrical industry as described in chapter 19.28 RCW.

29 **Sec. 46.** RCW 51.08.180 and 1991 c 246 s 3 are each amended to read
30 as follows:

31 (1) "Worker" means every person in this state who is engaged in the
32 employment of an employer under this title, whether by way of manual
33 labor or otherwise in the course of his or her employment; also every
34 person in this state who is engaged in the employment of or who is
35 working under an independent contract, the essence of which is his or
36 her personal labor for an employer under this title, whether by way of
37 manual labor or otherwise, in the course of his or her employment, or

1 as a separate alternative, a person is not a worker if he or she meets
2 the tests set forth in (~~subsections (1) through (6) of~~) RCW
3 51.08.195(~~PROVIDED, That~~) (1) through (6). A person is not a
4 worker for the purpose of this title, with respect to his or her
5 activities attendant to operating a truck which he or she owns, and
6 which is leased to a common or contract carrier.

7 (2) For the purposes of this title, any person, firm, or
8 corporation currently engaging in a business which is registered or
9 licensed under chapter 18.27 (~~RCW or licensed under chapter~~) or 19.28
10 RCW is not a worker when:

11 (a) Contracting to perform work for any contractor registered or
12 licensed under chapter 18.27 (~~RCW or licensed under chapter~~) or 19.28
13 RCW;

14 (b) The person, firm, or corporation has a principal place of
15 business which would be eligible for a business deduction for internal
16 revenue service tax purposes other than that furnished by the
17 contractor for which the business has contracted to furnish services;

18 (c) The person, firm, or corporation maintains a separate set of
19 books or records that reflect all items of income and expenses of the
20 business; and

21 (d) The work which the person, firm, or corporation has contracted
22 to perform is:

23 (i) The work of a contractor as defined in RCW 18.27.010; or

24 (ii) The work of installing wires or equipment to convey electric
25 current or installing apparatus to be operated by such current as it
26 pertains to the electrical industry as described in chapter 19.28 RCW.

27 (3) Any person, firm, or corporation registered or licensed under
28 chapter 18.27 (~~RCW or licensed under chapter~~) or 19.28 RCW including
29 those performing work for any contractor registered or licensed under
30 chapter 18.27 (~~RCW or licensed under chapter~~) or 19.28 RCW is a
31 worker when the contractor supervises or controls the means by which
32 the result is accomplished or the manner in which the work is
33 performed.

34 (4) For the purposes of this title, any person participating as a
35 driver or back-up driver in commuter ride sharing, as defined in RCW
36 46.74.010(1), is not a worker while driving a ride-sharing vehicle on
37 behalf of the owner or lessee of the vehicle.

1 **Sec. 47.** RCW 51.12.070 and 2004 c 243 s 2 are each amended to read
2 as follows:

3 The provisions of this title apply to all work done by contract;
4 the person, firm, or corporation who lets a contract for such work is
5 responsible primarily and directly for all premiums upon the work. The
6 contractor and any subcontractor are subject to the provisions of this
7 title and the person, firm, or corporation letting the contract is
8 entitled to collect from the contractor the full amount payable in
9 premiums and the contractor in turn is entitled to collect from the
10 subcontractor his or her proportionate amount of the payment.

11 For the purposes of this section, a contractor registered or
12 licensed under chapter 18.27 (~~((RCW or licensed under chapter))~~) or 19.28
13 RCW is not responsible for any premiums upon the work of any
14 subcontractor if:

15 (1) The subcontractor is currently engaging in a business which is
16 registered or licensed under chapter 18.27 (~~((RCW or licensed under~~
17 ~~chapter))~~) or 19.28 RCW;

18 (2) The subcontractor has a principal place of business which would
19 be eligible for a business deduction for internal revenue service tax
20 purposes other than that furnished by the contractor for which the
21 business has contracted to furnish services;

22 (3) The subcontractor maintains a separate set of books or records
23 that reflect all items of income and expenses of the business;

24 (4) The subcontractor has contracted to perform:

25 (a) The work of a contractor as defined in RCW 18.27.010; or

26 (b) The work of installing wires or equipment to convey electric
27 current or installing apparatus to be operated by such current as it
28 pertains to the electrical industry as described in chapter 19.28 RCW;
29 and

30 (5) The subcontractor has an industrial insurance account in good
31 standing with the department or is a self-insurer. For the purposes of
32 this subsection, a contractor may consider a subcontractor's account to
33 be in good standing if, within a year prior to letting the contract or
34 master service agreement, and at least once a year thereafter, the
35 contractor has verified with the department that the account is in good
36 standing and the contractor has not received written notice from the
37 department that the subcontractor's account status has changed.
38 Acceptable documentation of verification includes a department document

1 which includes an issued date or a dated printout of information from
2 the department's internet web site showing a subcontractor's good
3 standing. The department shall develop an approach to provide
4 contractors with verification of the date of inquiries validating that
5 the subcontractor's account is in good standing.

6 It is unlawful for any county, city, or town to issue a
7 construction building permit to any person who has not submitted to the
8 department an estimate of payroll and paid premium thereon as provided
9 by chapter 51.16 RCW of this title or proof of qualification as a self-
10 insurer.

11 **Sec. 48.** RCW 51.12.120 and 1999 c 394 s 1 are each amended to read
12 as follows:

13 (1) If a worker, while working outside the territorial limits of
14 this state, suffers an injury on account of which he or she, or his or
15 her beneficiaries, would have been entitled to compensation under this
16 title had the injury occurred within this state, the worker, or his or
17 her beneficiaries, shall be entitled to compensation under this title
18 if at the time of the injury:

19 (a) His or her employment is principally localized in this state;
20 or

21 (b) He or she is working under a contract of hire made in this
22 state for employment not principally localized in any state; or

23 (c) He or she is working under a contract of hire made in this
24 state for employment principally localized in another state whose
25 workers' compensation law is not applicable to his or her employer; or

26 (d) He or she is working under a contract of hire made in this
27 state for employment outside the United States and Canada.

28 (2) The payment or award of compensation or other recoveries,
29 including settlement proceeds, under the workers' compensation law of
30 another state, territory, province, or foreign nation to a worker or
31 his or her beneficiaries otherwise entitled on account of such injury
32 to compensation under this title shall not be a bar to a claim for
33 compensation under this title if that claim under this title is timely
34 filed. If compensation is paid or awarded under this title, the total
35 amount of compensation or other recoveries, including settlement
36 proceeds, paid or awarded the worker or beneficiary under such other

1 workers' compensation law shall be credited against the compensation
2 due the worker or beneficiary under this title.

3 (3)(a) An employer not domiciled in this state who is employing
4 workers in this state in work for which the employer must be registered
5 or licensed under chapter 18.27 (~~(RCW or licensed under chapter)~~) or
6 19.28 RCW, or prequalified under RCW 47.28.070, must secure the payment
7 of compensation under this title by:

8 (i) Insuring the employer's workers' compensation obligation under
9 this title with the department;

10 (ii) Being qualified as a self-insurer under this title; or

11 (iii) For employers domiciled in a state or province of Canada
12 subject to an agreement entered into under subsection (7) of this
13 section, as permitted by the agreement, filing with the department a
14 certificate of coverage issued by the agency that administers the
15 workers' compensation law in the employer's state or province of
16 domicile certifying that the employer has secured the payment of
17 compensation under the other state's or province's workers'
18 compensation law.

19 (b) The department shall adopt rules to implement this subsection.

20 (4) If a worker or beneficiary is entitled to compensation under
21 this title by reason of an injury sustained in this state while in the
22 employ of an employer who is domiciled in another state or province of
23 Canada and the employer:

24 (a) Is not subject to subsection (3) of this section and has
25 neither opened an account with the department nor qualified as a self-
26 insurer under this title, the employer or his or her insurance carrier
27 shall file with the director a certificate issued by the agency that
28 administers the workers' compensation law in the state of the
29 employer's domicile, certifying that the employer has secured the
30 payment of compensation under the workers' compensation law of the
31 other state and that with respect to the injury the worker or
32 beneficiary is entitled to the benefits provided under the other
33 state's law.

34 (b) Has filed a certificate under subsection (3)(a)(iii) of this
35 section or (a) of this subsection (4):

36 (i) The filing of the certificate constitutes appointment by the
37 employer or his or her insurance carrier of the director as its agent

1 for acceptance of the service of process in any proceeding brought by
2 any claimant to enforce rights under this title;

3 (ii) The director shall send to such employer or his or her
4 insurance carrier, by registered or certified mail to the address shown
5 on such certificate, a true copy of any notice of claim or other
6 process served on the director by the claimant in any proceeding
7 brought to enforce rights under this title;

8 (iii) If the employer is a self-insurer under the workers'
9 compensation law of the other state or province of Canada, the employer
10 shall, upon submission of evidence or security, satisfactory to the
11 director, of his or her ability to meet his or her liability to the
12 claimant under this title, be deemed to be a qualified self-insurer
13 under this title; and

14 (iv) If the employer's liability under the workers' compensation
15 law of the other state or province of Canada is insured:

16 (A) The employer's carrier, as to such claimant only, shall be
17 deemed to be subject to this title. However, unless the insurer's
18 contract with the employer requires the insurer to pay an amount
19 equivalent to the compensation benefits provided by this title, the
20 insurer's liability for compensation shall not exceed the insurer's
21 liability under the workers' compensation law of the other state or
22 province; and

23 (B) If the total amount for which the employer's insurer is liable
24 under (b)(iv)(A) of this subsection is less than the total of the
25 compensation to which the claimant is entitled under this title, the
26 director may require the employer to file security satisfactory to the
27 director to secure the payment of compensation under this title.

28 (c) If subject to subsection (3) of this section, has not complied
29 with subsection (3) of this section or, if not subject to subsection
30 (3) of this section, has neither qualified as a self-insurer nor
31 secured insurance coverage under the workers' compensation law of
32 another state or province of Canada, the claimant shall be paid
33 compensation by the department and the employer shall have the same
34 rights and obligations, and is subject to the same penalties, as other
35 employers subject to this title.

36 (5) As used in this section:

37 (a) A person's employment is principally localized in this or
38 another state when: (i) His or her employer has a place of business in

1 this or the other state and he or she regularly works at or from the
2 place of business; or (ii) if (a)(i) of this subsection is not
3 applicable, he or she is domiciled in and spends a substantial part of
4 his or her working time in the service of his or her employer in this
5 or the other state;

6 (b) "Workers' compensation law" includes "occupational disease law"
7 for the purposes of this section.

8 (6) A worker whose duties require him or her to travel regularly in
9 the service of his or her employer in this and one or more other states
10 may agree in writing with his or her employer that his or her
11 employment is principally localized in this or another state, and,
12 unless the other state refuses jurisdiction, the agreement shall govern
13 as to any injury occurring after the effective date of the agreement.

14 (7) The director is authorized to enter into agreements with the
15 appropriate agencies of other states and provinces of Canada that
16 administer their workers' compensation law with respect to conflicts of
17 jurisdiction and the assumption of jurisdiction in cases where the
18 contract of employment arises in one state or province and the injury
19 occurs in another. If the other state's or province's law requires
20 Washington employers to secure the payment of compensation under the
21 other state's or province's workers' compensation laws for work
22 performed in that state or province, then employers domiciled in that
23 state or province must purchase compensation covering their workers
24 engaged in that work in this state under this state's industrial
25 insurance law. When an agreement under this subsection has been
26 executed and adopted as a rule of the department under chapter 34.05
27 RCW, it binds all employers and workers subject to this title and the
28 jurisdiction of this title is governed by this rule.

29 **Sec. 49.** RCW 60.04.041 and 1992 c 126 s 4 are each amended to read
30 as follows:

31 A contractor or subcontractor required to be registered or licensed
32 under chapter 18.27 (~~(RCW or licensed under chapter)~~) or 19.28 RCW, or
33 otherwise required to be registered or licensed by law, shall be deemed
34 the construction agent of the owner for the purposes of establishing
35 the lien created by this chapter only if so (~~(registered or)~~) licensed.
36 Persons dealing with contractors or subcontractors may rely, for the
37 purposes of this section, upon a (~~(certificate of)~~) registration or

1 license issued pursuant to chapter 18.27 (~~RCW or license issued~~
2 ~~pursuant to chapter~~) or 19.28 RCW, or other certificate or license
3 issued pursuant to law, covering the period when the labor,
4 professional services, material, or equipment shall be furnished, and
5 the lien rights shall not be lost by suspension or revocation of
6 registration or license without their knowledge. No lien rights
7 described in this chapter shall be lost or denied by virtue of the
8 absence, suspension, or revocation of such registration or license with
9 respect to any contractor or subcontractor not in immediate contractual
10 privity with the lien claimant.

11 **Sec. 50.** RCW 70.87.220 and 2003 c 143 s 7 are each amended to read
12 as follows:

13 (1) The department may adopt the rules necessary to establish and
14 administer the elevator safety advisory committee. The purpose of the
15 advisory committee is to advise the department on the adoption of rules
16 that apply to conveyances; methods of enforcing and administering this
17 chapter; and matters of concern to the conveyance industry and to the
18 individual installers, owners, and users of conveyances.

19 (2) The advisory committee shall consist of seven persons. The
20 director of the department or his or her designee with the advice of
21 the chief elevator inspector shall appoint the committee members as
22 follows:

23 (a) One representative of licensed elevator contractors;

24 (b) One representative of elevator mechanics licensed to perform
25 all types of conveyance work;

26 (c) One representative of owner-employed mechanics exempt from
27 licensing requirements under RCW 70.87.270;

28 (d) One registered architect or professional engineer
29 representative;

30 (e) One building owner or manager representative;

31 (f) One registered or licensed general commercial contractor
32 representative; and

33 (g) One ad hoc member representing a municipality maintaining
34 jurisdiction of conveyances in accordance with RCW (~~(70.87.210~~
35 ~~{70.87.200})~~) 70.87.200.

36 (3) The committee members shall serve terms of four years.

1 (4) The committee shall meet on the third Tuesday of February, May,
2 August, and November of each year, and at other times at the discretion
3 of the chief elevator inspector. The committee members shall serve
4 without per diem or travel expenses.

5 (5) The chief elevator inspector shall be the secretary for the
6 advisory committee.

7 **Sec. 51.** RCW 70.87.240 and 2004 c 66 s 2 are each amended to read
8 as follows:

9 (1) Any person, firm, public agency, or company wishing to engage
10 in the business of performing conveyance work within the state must
11 apply for an elevator contractor license with the department on a form
12 provided by the department and be a registered or licensed general or
13 specialty contractor under chapter 18.27 RCW.

14 (2) Except as provided by RCW 70.87.270, any person wishing to
15 perform conveyance work within the state must apply for an elevator
16 mechanic license with the department on a form provided by the
17 department.

18 (3) An elevator contractor license may not be granted to any person
19 or firm who does not possess the following qualifications:

20 (a) Five years' experience performing conveyance work, as verified
21 by current and previous elevator contractors licensed to do business;
22 or

23 (b) Satisfactory completion of a written examination administered
24 by the department on this chapter and the rules adopted under this
25 chapter.

26 (4) Except as provided in subsection (5) of this section, RCW
27 70.87.305, and 70.87.245, an elevator mechanic license may not be
28 granted to any person who does not possess the following
29 qualifications:

30 (a) An acceptable combination of documented experience and
31 education credits: Not less than three years' experience performing
32 conveyance work, as verified by current and previous employers licensed
33 to do business in this state or public agency employers; and

34 (b) Satisfactory completion of a written examination administered
35 by the department on this chapter and the rules adopted under this
36 chapter.

1 (5) Any person who furnishes the department with acceptable proof
2 that he or she has performed conveyance work in the category for which
3 a license is sought shall upon making application for a license and
4 paying the license fee receive a license without an examination. The
5 person must have:

6 (a) Worked without direct and immediate supervision for a general
7 or specialty contractor registered or licensed under chapter 18.27 RCW
8 and engaged in the business of performing conveyance work in this
9 state. This employment may not be less than each and all of the three
10 years immediately before March 1, 2004. The person must apply within
11 ninety days after the effective date of rules adopted under this
12 chapter establishing licensing requirements;

13 (b) Worked without direct and immediate supervision for an owner
14 exempt from licensing requirements under RCW 70.87.270 or a public
15 agency as an individual responsible for maintenance of conveyances
16 owned by the owner exempt from licensing requirements under RCW
17 70.87.270 or the public agency. This employment may not be less than
18 each and all of the three years immediately before March 1, 2004. The
19 person must apply within ninety days after the effective date of rules
20 adopted under this chapter establishing licensing requirements;

21 (c) Obtained a certificate of completion and successfully passed
22 the mechanic examination of a nationally recognized training program
23 for the elevator industry such as the national elevator industry
24 educational program or its equivalent; or

25 (d) Obtained a certificate of completion of an apprenticeship
26 program for an elevator mechanic, having standards substantially equal
27 to those of this chapter, and registered with the Washington state
28 apprenticeship and training council.

29 (6) A license must be issued to an individual holding a valid
30 license from a state having entered into a reciprocal agreement with
31 the department and having standards substantially equal to those of
32 this chapter, upon application and without examination.

33 NEW SECTION. **Sec. 52.** A new section is added to chapter 18.27 RCW
34 to read as follows:

35 All residential contractors who have been registered before July 1,
36 2008, must file an application for a license on or before July 1, 2008.

1 All applicants for a license under this chapter are required to take
2 and pass an examination if he or she, on and after July 1, 2008,
3 applies for a license under this chapter.

4 NEW SECTION. **Sec. 53.** Except for section 52 of this act, this act
5 takes effect July 1, 2008.

--- END ---