
SUBSTITUTE HOUSE BILL 1554

State of Washington 61st Legislature 2009 Regular Session

By House Commerce & Labor (originally sponsored by Representatives Conway, Chase, Dickerson, Green, Goodman, Rolfes, Morrell, Cody, Simpson, Campbell, Ormsby, Van De Wege, Appleton, Flannigan, Sequist, Miloscia, Hunt, Blake, Williams, Hudgins, Kenney, Priest, Sullivan, Eddy, White, Hasegawa, and Wood)

READ FIRST TIME 02/23/09.

1 AN ACT Relating to authorizing the department of labor and
2 industries to issue stop work orders for violations of certain workers'
3 compensation provisions; and adding a new section to chapter 51.48 RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 51.48 RCW
6 to read as follows:

7 (1) In addition to the penalties provided by this chapter, an
8 employer performing services that require registration under chapter
9 18.27 RCW or licensing under chapter 19.28 RCW who violates RCW
10 51.14.010 may be subject to a stop work order issued under this
11 section.

12 (2) If the director determines after an investigation that an
13 employer is in violation of RCW 51.14.010, the director may issue a
14 stop work order against the employer requiring the cessation of
15 business operations of the employer. Service of the order must be in
16 accordance with subsection (3) of this section.

17 (3) When a stop work order is served on a worksite by posting a
18 copy of the stop work order in a conspicuous location at the worksite,
19 it is effective as to the employer's operations on that worksite. When

1 a stop work order is served on the employer, the order is effective to
2 all employer worksites for which the employer is not in compliance.
3 Business operations of the employer must cease immediately upon service
4 consistent with the stop work order. The order remains in effect until
5 the director issues an order releasing the stop work order upon finding
6 that the employer has come into compliance and has paid any premiums,
7 penalties, and interest under this title or issues an order of
8 conditional release pursuant to subsection (6) of this section.

9 (4) An employer who violates a stop work order is subject to a one
10 thousand dollar penalty for each day not in compliance.

11 (5) An employer against whom a stop work order has been issued may
12 request reconsideration from the department or may appeal to the board
13 of industrial insurance appeals. The request must be made in writing
14 to the department or the board within ten days of receiving the stop
15 work order at the worksite or in person. If the department conducts a
16 reconsideration, it must be concluded within ten days of receiving the
17 request for reconsideration by the employer. The stop work order
18 remains in effect during the period of reconsideration or appeal,
19 unless the employer furnishes to the department a cash deposit or bond
20 in the amount of five thousand dollars or one thousand dollars per
21 covered worker identified, whichever is greater. At time of a final
22 order upholding a stop work order, the bond or cash deposit will be
23 seized and applied to the premium, penalty, and interest balance of
24 that employer. In an appeal before the board, the appellant has the
25 burden of proceeding with the evidence to establish a prima facie case
26 for the relief sought in such appeal. RCW 51.52.080 through 51.52.106
27 govern appeals under this section. Further appeals taken from a final
28 decision of the board under this section are governed by the provisions
29 relating to judicial review of administrative decisions contained in
30 RCW 34.05.510 through 34.05.598, and the department has the same right
31 of review from the board's decisions as do employers.

32 (6) The director may issue an order of conditional release from the
33 stop work order if the employer has complied with the coverage
34 requirements of this title and agreed to pay premiums, penalties, and
35 interest through a payment schedule. If the terms of the schedule are
36 not met, the stop work order may be reinstated and the unpaid balance
37 will become due.

1 (7) Stop work orders and penalties assessed under this chapter
2 remain in effect against any successor corporation or business entity
3 that has one or more of the same principals or officers as the employer
4 against whom the stop work order was issued and which is engaged in the
5 same or equivalent trade or activity.

6 (8) The department may adopt rules to carry out this section.

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