
**Labor & Workforce Development
Committee**

HB 2146

Brief Description: Concerning department of labor and industries appeal bonds.

Sponsors: Representative Condotta.

Brief Summary of Bill

- Changes bond requirements to appeal certain decisions of the Department of Labor and Industries from \$200 to 10 percent of the penalty amount, or \$200, whichever is less.

Hearing Date: 1/30/14

Staff: Joan Elgee (786-7106).

Background:

The Department of Labor and Industries (Department) administers laws related to several trades, including: construction contractors; electrical contractors, electricians, and electrical work; conveyance contractors, mechanics, and conveyance work. Each of these laws provides for monetary penalties for specified violations. A party appealing a decision of the Department must accompany the appeal by a certified check for \$200, which is returned to the assessed party if the party prevails. If the Department prevails, the \$200 is applied for various purposes.

Construction Contractors. Violations of the contractor laws including performing work without being registered as a contractor, or advertising when the contractor's registration is suspended or revoked, and other violations. Each day is a separate violation. The penalty range is \$200 to \$10,000, depending on the violation, and the Department's rules specify the penalties for each violation type. Appeals of contractor violations are handled by the Office of Administrative Hearings (OAH). By rule, a separate \$200 appeal bond must be filed to appeal each Notice of

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

Infraction. If the Department's decision is sustained, the \$200 is applied to the expenses of the appeal including costs charged by the OAH.

Electrical. Violations of the electrical laws including installing wiring not in accordance with the law, offering to do electrical work without an electrical contractor's license, and employing a person who does not have a training certificate. The penalty amounts are \$50 to \$10,000, with the penalty range depending on the violation. Similar to contractors, a penalty schedule for each violation type is set forth in rule. Appeals of penalties are heard by the Electrical Board (Board), which has assigned appeals to the OAH. By rule, a separate \$200 bond must be filed for each violation, up to a maximum of \$1,000 for all violations by one entity. The Department may also deny a license renewal if penalties are owed. Appeal of a denial also requires a \$200 appeal bond. If the Department's decision is sustained, the check amount is applied to the payment of the per diem and expenses of the Board, and any balance is paid into the Electrical License Fund.

Conveyances. The Department may assess a penalty for violation of the conveyance laws, with a penalty of not more than \$500. On appeal, if the assessment is sustained, the Department retains the amount of the check.

Summary of Bill:

The appeal bond amount for appeals of penalties under the contractor, electrical, and conveyance laws are modified. The amount of the check is 10 percent of the penalty amount, or \$200, whichever is less. For appeals of denials of license or certificate renewals under the electrical laws for failure to pay penalties, the amount is \$200 or the amount of the outstanding penalties, whichever is less.

Appropriation: None.

Fiscal Note: Requested on January 22, 2014.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.