

# HOUSE BILL REPORT

## SHB 2146

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### As Passed Legislature

**Title:** An act relating to department of labor and industries appeal bonds.

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

**Sponsors:** House Committee on Labor & Workforce Development (originally sponsored by Representative Condotta).

#### **Brief History:**

##### **Committee Activity:**

Labor & Workforce Development: 1/30/14, 1/31/14 [DPS];  
Appropriations: 2/10/14 [DPS(LWD)].

##### **Floor Activity:**

Passed House: 2/17/14, 96-0.  
Senate Amended.  
Passed Senate: 3/5/14, 49-0.  
House Concurred.  
Passed House: 3/10/14, 95-0.  
Passed Legislature.

#### **Brief Summary of Substitute Bill**

- Changes bond amounts 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, with a \$100 minimum.
- Provides that the new bond amounts apply beginning July 1, 2015.

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### HOUSE COMMITTEE ON LABOR & WORKFORCE DEVELOPMENT

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Sells, Chair; Reykdal, Vice Chair; Manweller, Ranking Minority Member; Condotta, Assistant Ranking Minority Member; Christian, Green, G. Hunt, Moeller and Ormsby.

**Staff:** Joan Elgee (786-7106).

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*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.*

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## HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** The substitute bill by Committee on Labor & Workforce Development be substituted therefor and the substitute bill do pass. Signed by 30 members: Representatives Hunter, Chair; Ormsby, Vice Chair; Chandler, Ranking Minority Member; Ross, Assistant Ranking Minority Member; Wilcox, Assistant Ranking Minority Member; Buys, Carlyle, Christian, Cody, Dunshee, Fagan, Green, Haigh, Haler, Harris, Hudgins, G. Hunt, S. Hunt, Jinkins, Kagi, Lytton, Morrell, Parker, Pettigrew, Schmick, Seaquist, Springer, Sullivan, Taylor and Tharinger.

**Staff:** Mary Mulholland (786-7391).

### **Background:**

The Department of Labor and Industries (Department) administers laws related to several trades including: construction contractors; electrical contractors, electricians, and electrical work; and 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 assessing penalties 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 includes performing work without being registered as a contractor, 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. The Department's rules specify the penalties for each violation type subject to some statutory requirements. 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 violation. 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 range is \$50 to \$10,000, 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 or certificate renewal if penalties are owed. Appeal of a denial also requires a \$200 appeal bond. In all cases, 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 Substitute Bill:**

The appeal bond amount for appeals of penalties under the contractor, electrical, and conveyance laws is modified beginning July 1, 2015. The amount is 10 percent of the penalty amount, or \$200, whichever is less, subject to a \$100 minimum.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect on July 1, 2015.

**Staff Summary of Public Testimony (Labor & Workforce Development):**

(In support) This bill will give people more reasonable access to appeal without encouraging frivolous appeals. The primary area where the bond is a problem is elevators. In other areas, however, the fine may be \$150 and the bond \$200. At these small penalty levels, people don't appeal. The Department has agreed to a floor. The bill will affect a narrow range of appeals.

(Opposed) None.

**Staff Summary of Public Testimony (Appropriations):**

(In support) None.

(Opposed) None.

**Persons Testifying (Labor & Workforce Development):** Representative Condotta, prime sponsor.

**Persons Testifying (Appropriations):** None.

**Persons Signed In To Testify But Not Testifying (Labor & Workforce Development):** None.

**Persons Signed In To Testify But Not Testifying (Appropriations):** None.