

Information Packet

Public Hearing: Contractor Registration Rules

Date: March 26, 2024
Time: 9:00 a.m.
Location: Department of Labor & Industries
7273 Linderson Way SW, S117
Tumwater, Washington 98501

To join electronically (Zoom):

<https://lni-wa-gov.zoom.us/j/82737231807?pwd=VmdmTGdkMGh2dDAybGpnbjRsOHBBUT09>
Passcode: hearing1@!

To join by phone (audio only):

253-215-8782
Webinar ID: 827 3723 1807
Passcode: 5064095270

The [Washington State Department of Labor & Industries](#) (L&I) will hold a public hearing on the proposed amendments to the contractor registration rules under chapter 296-200A WAC, Contractor Certificate of Registration Renewals – Security – Insurance. The purpose of the hearing is to receive public comment on the proposed amendments.

The amendments affect the definitions, penalty and bond amounts, and fees for general and specialty contractors. The amendments are necessary because of legislation passed earlier this year and the need to support operating expenses for the Contractor Registration Program.

[2023's Second Substitute House Bill 1534 \(2SHB 1534\) \(Chapter 213, Laws of 2023\)](#) helps to strengthen protections for consumers in the construction industry. Provisions of the bill increase fines, penalties, and bond amounts for contractors. These provisions take effect July 1, 2024.

[2019's Senate Bill 5795 \(SB 5795\) \(Chapter 155, Laws of 2019\)](#) increases bond requirements for contractors. The law gives L&I the authority to require up to three times the normal bond amount if there has been one judgment against a contractor involving a residential single-family dwelling. The law took effect July 28, 2019.

The proposed amendments include:

- Increasing fees by the fiscal growth factor of 6.40% to support operating expenses.
- Amendments for consistency with the statutory amendments under 2SHB 1534. This includes:
 - Adding a new definition to define the meaning of “due diligence” related to a successor of an entity verifying the entity is in good standing related to unsatisfied final judgment against it for work performed under chapter 18.27 RCW or owes money to L&I for assessed penalties or fees as a result of a final judgment.
 - Increasing surety bond and savings account amounts for general and specialty contractors.
 - Increasing the monetary penalty amounts that may be assessed for infractions issued for violations of chapter 18.27 RCW.
- Amendments for consistency with the statutory amendments under SB 5795. This includes:
 - Amending the number of final judgements and single family dwelling structures involved for when a bond or savings account can be increased.

- Amendments for updates and clarification. This includes:
 - Clarifying the service fee for summons and complaints by removing the fee amount and referencing the fee schedule.
 - Clarifying the requirements for collection of penalties from a contractor and payments of restitution.

You can review the proposed amendments at: <https://www.lni.wa.gov/rulemaking-activity/?query=296-200A&cardNo=AO23-26&cardNo=AO23-17> or <https://lni.wa.gov/licensing-permits/contractors/contractor-laws-rules>.

If you require communication or accommodation arrangements, please contact Alicia Curry at 360-902-6244 before March 11, 2024.

Please send written comments as follows:

By mail: Alicia Curry
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 Field Services & Public Safety Division
 P.O. Box 44400
 Olympia, WA 98504-4400

By E-mail: Alicia.Curry@Lni.wa.gov

By fax: 360-704-1980

Submit written comments by 5 p.m. on March 26, 2024.

Details of specific proposed amendments will be published in Washington State Register 24-05 on March 6, 2024. The tentative adoption date for these amendments is April 30, 2024, and the tentative effective date is July 1, 2024.