



PREPROPOSAL STATEMENT OF INQUIRY

CR-101 (October 2017)
(Implements RCW 34.05.310)

Do **NOT** use for expedited rule making

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STATE OF WASHINGTON
FILED

DATE: May 06, 2025

TIME: 10:52 AM

WSR 25-10-080

Agency: Department of Labor & Industries (L&I)

Subject of possible rule making: Homeowner Recovery Program under the contractor registration rule. Chapter 296-200A WAC, Contractor Certificate of Registration Renewals – Security – Insurance.

Statutes authorizing the agency to adopt rules on this subject: 2SHB 1534, Chapter 213, Laws of 2023; and Chapter 18.27 RCW.

Reasons why rules on this subject may be needed and what they might accomplish: This rulemaking considers amendments to the Contractor Registration rules for new legislation. In 2023, the legislature passed Second Substitute House Bill 1534 (2SHB 1534) (Chapter 213, Laws of 2023) to strengthen protections for consumers in the construction industry. The legislation directed L&I to establish and administer a new Homeowner Recovery Program by July 1, 2024. The program provides a safeguard and a path to financial recovery for consumers harmed by construction contractors. Beginning July 1, 2026, eligible construction consumers can apply for recovery payments from the program for financial losses stemming from work by construction contractors. This rulemaking considers amendments to administer the newly established program and ensure construction consumers have access to the program's recovery payments.

In addition to the Homeowner Recovery Program, 2SHB 1534 introduced several other statutory amendments that strengthen consumer protections in Washington's construction industry. L&I is adopting rules to implement the legislation in three phases. This rulemaking initiates the final stage. The phase 1 rule was adopted under WSR 23-17-145 and phase 2 was adopted under WSR 24-10-086.

Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies: None.

Process for developing new rule (check all that apply):

☐ Negotiated rule making

☐ Pilot rule making

☐ Agency study

☒ Other (describe) Interested parties can participate in the decision to adopt the new rules and formulation of the proposed rules before publication by contacting the individual listed below. The public can also participate after amendments are proposed by providing written comments and/or testimony during the public hearing and comment process.

Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication by contacting:

Name: Alicia Curry

Address: Department of Labor & Industries
Field Services & Public Safety Division
PO Box 44400
Olympia, WA 98504-4400

Phone: 360-902-6244

Fax: 360-902-6134

TTY:

Email: FSPSRules@Lni.wa.gov

(If necessary)

Name:

Address:

Phone:

Fax:

TTY:

Email:

Web site: <https://lni.wa.gov/licensing-permits/contractors/contractor-laws-rules>

Web site:

Other:

Other:

Additional comments:

Date: May 6, 2025

Name: Joel Sacks

Title: Director

Signature:

