RULE-MAKING ORDER
PERMANENT RULE ONLY

CR-103P (December 2017)
(Implements RCW 34.05.360)

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: April 21, 2026
TIME: 8:27 AM

WSR 26-09-115

Agency: Department of Labor & Industries (L&I) / AO 25-07

Effective date of rule:

Permanent Rules

☐ 31 days after filing.

☒ Other (specify) July 1, 2026 **(If less than 31 days after filing, a specific finding under RCW 34.05.380(3) is required and should be stated below)**

Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?

☐ Yes ☒ No If Yes, explain:

Purpose: L&I is adopting amendments to the contractor registration rules to implement a new Homeowner Recovery Program. The program provides a safeguard and a path to financial recovery for consumers harmed by registered construction contractors.

In 2023, the legislature passed Second Substitute House Bill 1534 (2SHB 1534) (Chapter 213, Laws of 2023), concerning strengthening protections for consumers in the construction industry. The legislation directed L&I to establish a new Homeowner Recovery Fund and begin depositing all fines and penalties received or collected under chapter 18.27 RCW to the fund by July 1, 2024. Beginning July 1, 2026, eligible homeowners can apply for recovery payments from the program for financial losses stemming from work by registered construction contractors. This rulemaking adopts new sections to administer the newly established program and ensure eligible 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 protection in Washington's construction industry. L&I is adopting rules to implement the legislation in three phases. This rulemaking completes the final stage. The phase one rulemaking was adopted under WSR 23-17-145 and phase two was adopted under WSR 24-10-086.

The adopted amendments to chapter 296-200A WAC establish the following:

- New definitions to define terms that are applicable to the homeowner recovery program.
- Eligibility requirements for claimants applying to the homeowner recovery program.
- Process for filing a claim and documentation required.
- L&I's process for approving and denying claims and when funds are not available.
- The amount of an unpaid judgement that L&I will compensate a claimant.
- Reasons that L&I may deny a claim.
- Criteria for when an applicant is placed on the waitlist and L&I's notification process.
- Payment and reimbursement requirements for claimants and contractors.

Citation of rules affected by this order:

New: WAC 296-200A-9100, 296-200A-9105, 296-200A-9110, 296-200A-9115, 296-200A-9120, 296-200A-9125, 296-200A-9130, and 296-200A-9135

Repealed:

Amended:

Suspended:

Statutory authority for adoption: 2SHB 1534 (Chapter 213, Laws of 2023), SB 5795 (Chapter 155, Laws of 2019), and Chapter 18.27 RCW

Other authority: None

PERMANENT RULE (Including Expedited Rule Making)

Adopted under notice filed as WSR 26-03-091 on January 20, 2026 (date).

Describe any changes other than editing from proposed to adopted version: None

If a preliminary cost-benefit analysis was prepared under RCW 34.05.328, a final cost-benefit analysis is available by contacting:

Name:
Address:
Phone:
Fax:
TTY:
Email:
Web site:
Other:

Note: If any category is left blank, it will be calculated as zero. No descriptive text.

Count by whole WAC sections only, from the WAC number through the history note. A section may be counted in more than one category.

The number of sections adopted in order to comply with:

	New	Amended	Repealed
Federal statute:			
Federal rules or standards:			
Recently enacted state statutes:	8		

The number of sections adopted at the request of a nongovernmental entity:

New	Amended	Repealed

The number of sections adopted on the agency's own initiative:

New	Amended	Repealed

The number of sections adopted in order to clarify, streamline, or reform agency procedures:

New	Amended	Repealed

The number of sections adopted using:

	New	Amended	Repealed
Negotiated rule making:			
Pilot rule making:			
Other alternative rule making:			

Date Adopted: April 21, 2026

Name: Joel Sacks

Title: Director

Signature:

Joel Sacks