## *New and renewing general and specialty construction contractors:*

## Questions and answers to prepare for higher contractor bonds in July 2024

On July 1, 2024, contractor registration bonds will increase.

* General Contractors
* Bond amount: Before July 2024, $12,000. **Starting July 2024, $30,000.**
* Assignment of savings: Before July 2024, $12,000 cash. **Starting July 2024, $30,000 cash.**
* Specialty Contractors
* Bond amount: Before July 2024, $6,000. **Starting July 2024, $15,000.**
* Assignment of savings: Before July 2024, $6,000 cash. **Starting July 2024, $15,000 cash.**

Increases to bonds and assignment of savings accounts will **not apply to** **plumbing or electrical contractor licenses.**

**Frequently asked questions**

**Why the increase?**

The 2023 state Legislature raised the required dollar amount of surety bonds and assignment of savings to strengthen consumer protections. Despite the rising cost of construction, the minimum amounts had notbeen raised since 2001 when the original law went into effect.

**What if my registration expires before July 1, 2024?**

If you renew as required before July 1, you don’t need to increase your bond or assignment of savings until your next time to renew in two years.

**What if my registration expires on or after July 1, 2024, but I renew early?**

You can’t avoid the new bond or assignment of savings requirement. You still must meet the new requirement, even if you renew early.

**My contractor registration does not expire until after July 1, 2024. Do I need to increase the bond amount by July 1, 2024, or at the time of my renewal?**

**At the time of renewal. You don’t need to renew early.**

**What if my registration is suspended after July 1, 2024, but I haven’t yet had to renew under the new bond requirement?**

Even if you have not yet had to renew under the new requirement, if your registration is suspended at any time on or after July 1, 2024, you must provide the new bond amount to have your registration reinstated.

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| **General and specialty contractors:**  **New bond requirement when renewing your registration** | | | |
| **If your registration expires** | **And you renew** | **Your bond or assigned savings account must meet** | **If** **registration is suspended July 1, 2024, or later, reinstatement requires meeting** |
| **Before July 1, 2024** | **Before July 1, 2024** | **Pre-July 2024 requirement** | **New requirement** |
| **On or after July 1, 2024** | **Before July 1, 2024** | **New requirement** | **New requirement** |
| **On or after July 1, 2024** | **By date of your renewal. No need to renew on July 1, unless that’s your expiration date.** | **New requirement** | **New requirement** |

**What must I provide to show that I increased my bond?**

If you are increasing the bond you currently have on file, give us the *Increase Rider* document that your bonding company gave you. Or, if you decide to purchase a new bond, provide the new bond for the required amount. Contact Contractor Registration (contact information below) for details.

**Assignment of savings accounts**

**What if I have an assignment of savings?**

To increase the amount of the current assignment on file, you must submit a [*Re-assignment of Savings*](https://www.lni.wa.gov/forms-publications/search?group-translations=true&index=Forms_Pubs&pg=1&limit=20&query=F625-011-000) form available at Lni.wa.gov/go/F625-011-000**.** Or, you may provide a bond for the remaining required amount or a new bond for the total amount. For details, contact Contractor Registration (contact information below).

**I have an assigned savings account. If I purchase a bond instead of increasing the assigned account, when will I get back my money from the assigned account?**

**A consumer has two years after a construction job was completed or “substantially abandoned” to file a claim or lawsuit against the contractor or the bond. Therefore, there must be a bond or assignment of savings on file to cover that period.**

**If two years have passed since the registration period when you had the assigned savings account, you can then get your money if no judgments or claims are pending.Or, you can get the account money back by providing a surety bond covering both the previous and current registration periods.**

**With the updated bond requirements, may I create an assignment of savings account with a national bank, such as Bank of America, or does it have to be with a local Washington bank?**

The account can be created with any bank that has a branch physically located in Washington.

**Approval times**

**How long does it take for my application to be approved and my registration activated?**

It typically takes two weeks if sent by mail. If you bring all your properly completed paperwork into an L&I office, your registration could be activated as soon as the same day, but it may take longer.

**Are there any grace periods to meet the new bond requirement?**

No. If we have not received required information on or before the date of your renewal, your contractor registration will go into expired status. You cannot work as a registered contractor until we have received and processed all required information, including your renewal payment.

**What if I submit paperwork before June 30, but my registration is not activated by July 1? Or what if I register at an L&I office on June 30, but my registration can’t be activated that day? Will I have to meet the higher bond requirement?**

Yes, in both cases. If your registration is activated July 1, 2024, or later, the new bond amount is required, no matter when the application is turned in.

**For more information**

* Go to our [contractor registration](ttps://www.lni.wa.gov/licensing-permits/contractors/register-as-a-contractor/) page at Lni.wa.gov/RegisterAsAContractor.
* Call Contractor Registration at 1-800-647-0982 oremail us at **contreg@lni.wa.gov**.
* Contact your [local L&I office](https://www.lni.wa.gov/agency/contact/#office-locations) at Lni.wa.gov/Offices, call 360-902-5800, or schedule an [in-person appointment](https://secure.lni.wa.gov/ScheduleOfficeVisit/#/) at Lni.wa.gov/SkipTheLine.
* Read legislation [2SHB 1534](https://lawfilesext.leg.wa.gov/biennium/2023-24/Pdf/Bills/Session%20Laws/House/1534-S2.SL.pdf?q=20240202104820) for bond and other contractor-related changes on our [contractor laws & rules](http://www.Lni.wa.gov/licensing-permits/contractors/contractor-laws-rules) page at Lni.wa.gov/licensing-permits/contractors/contractor-laws-rules.

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