Chapter 296-310 WAC
FARM LABOR CONTRACTING RULES

WAC 296-310-010 Definitions. For the purposes of this chapter:

(1) "Agricultural employee" means any person who renders personal services to, or under the direction of, an agricultural employer in connection with the employer's agricultural activity.

(2) "Agricultural employer" means any person engaged in agricultural activity, including the growing, producing, or harvesting of farm or nursery products, or engaged in the forestation or reforestation of lands, which includes but is not limited to the planting, transplanting, tubing, precommercial thinning, and thinning of trees and seedlings, the clearing, piling, and disposal of brush and slash, the harvest of Christmas trees, and other related activities.

(3) "Bonded contractor" means a contractor who obtained a surety bond in order to comply with RCW 19.30.030(5).

(4) "Contractor" means a farm labor contractor.

(5) "Department" means the department of labor and industries.

(6) "Director" means the director of the department of labor and industries.

(7) "Employee" means an agricultural employee.

(8) "Farm labor contractor" means any person, or his or her agent or subcontractor, who, for a fee, performs any farm labor contracting activity.

(9) "License" means a farm labor contractor license.

(10) "Secured contractor" means a contractor who assigned a savings account to, or deposited cash or other security with, the department in order to comply with RCW 19.30.030(5).

(11) "Security" means a savings account assigned to, or cash or other security deposited with, the department.

[Statutory Authority: RCW 19.30.130. WSR 86-01-027 (Order 85-34), § 296-310-010, filed 12/11/85.]

WAC 296-310-020 Application for initial and renewed licenses. (1) To obtain a license, a contractor must:

(a) Complete an application for a license;

(b) Provide the information required by RCW 19.30.030 (1), (6), and (7);

(c) Obtain a surety bond or provide other acceptable security to the department. If the contractor obtains a bond, it must submit the original bond to the department;

(d) Obtain insurance and supply the information required by WAC 296-310-040(2) if the contractor seeks a license to transport workers; and

(e) Pay the fee set by WAC 296-310-060.

(2) The department shall send a renewal notice to the contractor's last recorded address at least forty-five days before the contractor's license expires. The contractor may renew its license if it submits the renewal notice and provides the materials required in subsection (1)(b), (c), (d) if appropriate, and (e) of this section.

(3) The contractor must submit all materials to the department in one package. Each of the materials must name the contractor exactly as it is named on the application for license or the renewal notice. If the contractor is renewing its license, each of the materials must include the contractor's license number. If any of the materials are missing, do not properly name the contractor, or do not include the license number, the department shall refuse to license or renew the license of the contractor.

(4) The bond and the insurance policy must expire no sooner than the expiration date of the license for which the contractor has applied.

(5) Applications for issuance or renewal of a license must be sent to:

Department of Labor and Industries
ESAC Division
General Administration Building
Olympia WA 98504

[Statutory Authority: RCW 19.30.130. WSR 86-01-027 (Order 85-34), § 296-310-020, filed 12/11/85.]

WAC 296-310-030 Denial of license. (1) The department may refuse to issue or renew a license for the reasons listed in RCW 19.30.050 and 19.30.060. If the department refuses a license for any of these reasons, it shall serve on the contractor a notice of denial of license. The notice of denial of license shall:

(12/11/85)
(a) Describe concisely the ground for denial of the license; and

(b) Specify the statutory authority for the denial.

The notice of denial shall inform the contractor that it may request a hearing pursuant to WAC 296-310-160 on the denial. The notice shall specify that if no hearing is requested within thirty days of the date of issuance of the notice the director shall issue a final, unappealable order denying the license.

(2) The department also shall refuse to issue a license to or renew the license of a contractor who fails to comply with WAC 296-310-020. The department shall inform the contractor of the problem either in writing, or, if appropriate, orally. Because compliance with WAC 296-310-020 involves technical requirements that are entirely within the control of the contractor, no hearing shall be granted on a failure to comply.

[Statutory Authority: RCW 19.30.130. WSR 86-01-027 (Order 85-34), § 296-310-030, filed 12/11/85.]

WAC 296-310-040 Requirements for a license to transport employees. (1) A contractor who intends to transport employees must obtain liability insurance. The department shall require public liability and property damage insurance that provides coverage, for each single occurrence and for each vehicle used to transport employees, in the following minimum amounts:

(a) $50,000 for injury or damage to property;
(b) $100,000 for injury or damage, including death, to any one person; and
(c) $500,000 for injury or damage, including death, to more than one person.

(2) The contractor must also provide to the department evidence of the insurance policy or policies.

[Statutory Authority: RCW 19.30.130. WSR 86-01-027 (Order 85-34), § 296-310-050, filed 12/11/85.]

WAC 296-310-050 Amount of bond or security. (1) A contractor must provide a bond or security in the following minimum amounts:

(a) If the contractor employs or intends to employ:

(i) From one to ten employees: $5,000
(ii) From eleven to fifty employees: $10,000
(iii) From fifty-one to one hundred employees: $15,000
(iv) Over one hundred employees: $20,000

(b) If the contractor does not employ agricultural employees, but only recruits, solicits, supplies, transports, or hires employees for another person, and that person takes complete responsibility for payment of wages to the employees, the contractor shall obtain a $5,000 bond or other security.

(2) If the contractor obtains a two-year license, the bond or security shall be twice the minimum amounts stated in subsection (1) of this section.

(3) The department may order the contractor to obtain a bond or security for an amount greater than the minimums set by subsections (1) and (2) of this section if the security or bond is insufficient to satisfy the contractor's potential liability for the license period. If the department determines that an increased bond is necessary, it shall serve on the contractor a notice to increase bond or security. The notice shall:

(a) Describe concisely the reasons an increase in the bond or security is necessary;
(b) Specify the statutory authority for the required increase; and
(c) Grant the contractor thirty days from the date of issuance of the notice to obtain and provide to the department the increased bond or security.

The notice shall inform the contractor that it may request a hearing pursuant to WAC 296-310-160 on the order to increase the bond or security. The notice shall specify that if no hearing is requested within thirty days of the notice the department shall issue a final, unappealable order requiring the contractor to submit the increased bond or security. The notice shall also specify that, if the contractor neither appeals nor obtains the increased bond or security within the thirty days, the department shall suspend the contractor's license.

(4) If the director issues a final, unappealed decision raising the amount of the bond or security, the raised amount shall be required for all license periods after the date of issuance of the final decision unless the decision specifically states otherwise. A contractor may, if the circumstances that led to the increased amount change, file with the department a written petition to lower the amount. The petition shall specify the grounds that justify a lowering of the bond or security. The department shall investigate the petition and shall issue a new notice stating its decision on the bond amount. The contractor, if aggrieved, may appeal this new notice as provided in subsection (3) of this section.

[Statutory Authority: RCW 19.30.130. WSR 86-01-027 (Order 85-34), § 296-310-060, filed 12/11/85.]

WAC 296-310-060 Fees. (1) The fee for a one-year license is:

(a) For a contractor engaged in forestation or reforestation: $100.00
(b) For all other contractors: $35.00

(2) The fee for a two-year license is:

(a) For a contractor engaged in forestation or reforestation: $200.00
(b) For all other contractors: $70.00

[Statutory Authority: RCW 19.30.130. WSR 86-01-027 (Order 85-34), § 296-310-060, filed 12/11/85.]

WAC 296-310-070 Duplicate licenses. If a contractor loses its license, or if the license is stolen or destroyed, the contractor may obtain a duplicate license upon application to the department. The application must specify the reason a duplicate is necessary.

The duplicate license shall be stamped prominently with the word "duplicate." A new contractor license number shall be supplied to the contractor.

[Statutory Authority: RCW 19.30.130. WSR 86-01-027 (Order 85-34), § 296-310-070, filed 12/11/85.]
WAC 296-310-080 Length of license period. A contractor who is obtaining its initial license shall be licensed for one year only. A contractor who is renewing its license may choose to obtain either a one-year or two-year license, unless the department informs the contractor that it may obtain only a one-year license.

All one-year licenses shall expire on December 31 of the year of issuance. All two-year licenses shall expire on December 31 of the year following the year of issuance.

WAC 296-310-090 Change in business structure, name, address, or number of employees. (1) If a contractor changes its business structure (for example, if it changes from a partnership to a corporation, or if the partners in a partnership change), the contractor must apply for a new license in the manner required by WAC 296-310-020. If a contractor does not obtain a new license after a change in its business structure, its previous license may be invalid.

(2) If a contractor changes its name or address, it must notify the department within ten days.

(3) If a contractor begins employing agricultural employees, or increases the number of its employees, so that the bond or security is insufficient for that number of employees, the contractor must obtain a new bond or security in the amount required by WAC 296-310-050 and submit it to the department. The department need not issue a notice to increase the amount of bond or security in this situation.

WAC 296-310-100 Cancellation of insurance or bond. (1) No surety company may cancel any bond issued to a contractor pursuant to RCW 19.30.040, unless the contractor previously submits another bond or other security, for the same amount, that covers the contractor's liability for the same period as that for the bond that is to be cancelled.

(2) A cancellation of a surety bond or insurance policy is effective thirty days after the department receives the cancellation notice, if the cancellation notice contains the following information:

(a) The name of the contractor, exactly as it appears on the contractor's license;
(b) The contractor's license number;
(c) The contractor's business address;
(d) The number of the bond or insurance policy that is to be cancelled;
(e) The effective date of the bond or insurance policy that is to be cancelled; and
(f) If the cancellation is of a surety bond, a certification that the contractor has previously obtained and submitted to the department a new bond or other security as required by subsection (1) of this section.

(3) To help the department process cancellations, the information in subsection (2) of this section should be provided in the order shown.

(4) The insurance and bonding companies should send cancellation notices to the department by certified or registered mail.

WAC 296-310-110 Refund of security deposited with the department. (1) If a contractor is secured, the department shall release its interest in the security three years after the contractor's last license expired. The department shall not release its interest, however, if an unsatisfied judgment or claim is outstanding against the contractor.

(2) The department shall in any case release its interest in the security if the contractor provides a surety bond in the same amount that covers all of the periods in which the contractor was licensed for the previous three years, plus for the contractor's current license period if applicable.

WAC 296-310-120 Revocation or suspension of license. (1) The department may revoke a contractor's license for the reasons listed in RCW 19.30.050(1) and 19.30.060. If the department revokes a license, it shall serve on the contractor a notice of revocation. The notice of revocation shall:

(a) Describe concisely the ground for the revocation; and
(b) Specify the statutory authority for the revocation.

The notice of revocation shall inform the contractor that it may request a hearing on the revocation. The notice shall specify that if no hearing is requested within thirty days after the date of issuance of the notice, the director shall issue a final, unappealable order revoking the contractor's license. The hearing may be requested pursuant to WAC 296-310-160.

(2) A contractor is entitled to retain its license only if it remains in compliance with the bonding and insurance requirements of RCW 19.30.030 and 19.30.040. If a contractor's surety bond or other security is impaired or becomes insufficient, the contractor's insurance policy is cancelled, or the contractor transports employees without insurance, the department shall suspend the contractor's license until the contractor obtains a new bond, other security, or insurance policy, eliminates the impairment to the bond or security, or ceases to transport workers. The contractor may not do business while its license is suspended.

The department shall inform the contractor in writing of the suspension and of the steps the contractor must take to remove the suspension. The contractor may not appeal a suspension of licensing.

WAC 296-310-130 Submission of complaint. Any person may submit to the department a complaint alleging a violation of chapter 19.30 RCW or challenging an application for a license. The complaint must describe the alleged violation or ground for denying a license, and must identify the alleged violator or applicant. It would aid the department's investigation if the complaint also specifies:

(1) The name and address of the complainant; and
(2) The address of the alleged violator or applicant.

[Statutory Authority: RCW 19.30.130. WSR 86-01-027 (Order 85-34), § 296-310-130, filed 12/11/85.]
WAC 296-310-140 Investigation of complaint. The department shall investigate a complaint unless the complaint was submitted more than three years after the date of the alleged violation. The department shall not investigate any complaint filed more than three years after the date of the violation.

[Statutory Authority: RCW 19.30.130. WSR 86-01-027 (Order 85-34), § 296-310-140, filed 12/11/85.]

WAC 296-310-150 Notice of violation. (1) If the department determines that there is reasonable cause to believe that chapter 19.30 RCW has been violated, the department shall serve on the violator a notice of violation. The notice of violation shall:

(a) Describe concisely the violation;
(b) Specify which statute was violated;
(c) If known, identify the employees who were affected by the violation;
(d) If known and applicable, state the amount of unpaid wages or damages the violator owes;
(e) State the penalty, if any, the department will assess for the violation; and
(f) State whether the contractor's license is being revoked as a result of the violation.

(2) If the notice alleges that the contractor owes unpaid wages or damages, the department shall serve a copy of the notice of violation on the contractor's surety bond company.

(3) The notice of violation shall inform the violator and, if applicable, its surety that they may request a hearing on the violation, the amount of unpaid wages or damages owed, or the penalty assessed. The notice shall specify that if no hearing is requested within thirty days after the date the notice was issued the director shall issue a final, unappealable order finding that the violation did occur, ordering the violator to pay any unpaid wages or damages, and assessing penalties.

[Statutory Authority: RCW 19.30.130. WSR 86-01-027 (Order 85-34), § 296-310-150, filed 12/11/85.]

WAC 296-310-160 Appeal of notices. (1) The contractor or violator, or the violator's surety if the surety has an interest in the matter, may request a hearing on the matter asserted in a notice of denial of license, a notice of revocation, a notice of increased bond amount, or a notice of violation. One original and four copies of the request must be filed with the director within thirty days after the date the department issued the notice. A party requesting a hearing on a notice of violation must also serve a copy of the request on the surety or the violator as appropriate.

(2) The request for hearing must be in writing and must specify:

(a) The name and address of the party requesting the hearing;
(b) The name and date of issuance of the notice that is being appealed;
(c) The matters contained in the notice that the requestor believes are erroneous;
(d) The reasons the notice is erroneous; and
(e) If a surety is appealing a notice of violation, the name and address of the violating contractor.

[Statutory Authority: RCW 19.30.130. WSR 86-01-027 (Order 85-34), § 296-310-160, filed 12/11/85.]

WAC 296-310-170 Hearing on appeal of notice. (1) The director may hear an appeal personally or may delegate the authority to hold the hearing and draft a proposed decision to an administrative law judge pursuant to chapter 34.12 RCW. The plaintiff at the hearing shall be the department and the defendant shall be the contractor or the violator and its surety. The department shall have the burden of proving, by a preponderance of the evidence, that the matters stated in the notice occurred.

(2) Any person who has standing may, upon motion, be allowed to intervene as a plaintiff in a hearing on a notice of violation. Any interested person, whether or not admitted as a plaintiff, may submit written arguments and affidavits in any hearing.

(3) The hearing shall be conducted in accordance with the uniform procedure rules, chapter 1-08 WAC.

(4) If the director presides over the hearing, the director shall issue a final decision that includes findings of fact and conclusions of law and, if appropriate for a violation, an order to pay unpaid wages, damages, or a penalty.

(5) If an administrative law judge presides over the hearing, she or he shall issue a proposed decision that includes findings of fact and conclusions of law and, if appropriate for a violation, an order to pay unpaid wages, damages, or a penalty. The proposed decision shall be served on the contractor or the violator and its surety, the department, and any persons who have intervened as plaintiffs. Any of these parties, if aggrieved by the proposed decision, may appeal to the director within thirty days after the date of issuance of the proposed decision. If none of the parties appeals within thirty days, the proposed decision may not be appealed either to the director or the courts. A copy of the proposed decision shall also be mailed to all persons who submitted written arguments or affidavits at the hearing.

(6) An appellant must file with the director an original and four copies of its notice of appeal. The notice of appeal must specify which findings and conclusions are erroneous. The appellant must attach to the notice the written arguments supporting its appeal.

The appellant must serve a copy of the notice of appeal and the arguments on the other parties. The respondent parties must file with the director their written arguments within thirty days after the date the notice of appeal and the arguments were served upon them.

(7) The director shall review the proposed decision in accordance with the Administrative Procedure Act, chapter 34.04 RCW. The director may: Require the parties to specify the portions of the record on which the parties rely; require the parties to submit additional information by affidavit or certificate; remand the matter to the administrative law judge for further proceedings; and require a department employee to prepare a summary of the record for the department to review. The director may allow the parties to present oral arguments as well as the written arguments. The director shall issue a final decision that can affirm, modify, or reverse the proposed decision.

(8) The director shall serve the final decision on all parties. Any aggrieved party may appeal the final decision to superior court pursuant to RCW 34.04.130 unless the final decision affirms an unappealed proposed decision. If no party appeals within the period set by RCW 34.04.130, the direc-
tor's decision is conclusive and binding on all parties. The director shall also mail a copy of the final decision to all persons who submitted written arguments or affidavits at the hearing.

[Statutory Authority: RCW 19.30.130. WSR 86-01-027 (Order 85-34), § 296-310-170, filed 12/11/85.]

WAC 296-310-180 Effect of final decision. If the director issues a final decision that includes a finding that a violator owes unpaid wages or damages, and the finding is not appealed or is affirmed by the courts, the finding and the decision are res judicata in any action by the department, or by any other person who was a plaintiff at the hearing, against the violator and its surety to recover the unpaid wages or damages. The finding and decision are not res judicata in any action by a person who was not a party at the hearing.

[Statutory Authority: RCW 19.30.130. WSR 86-01-027 (Order 85-34), § 296-310-180, filed 12/11/85.]

WAC 296-310-190 Suit by department for unpaid wages or damages. (1) RCW 19.30.160(4) authorizes the department to sue a violator and its surety on behalf of an employee to recover unpaid wages and other damages. The department is not required to bring suit and, in its sole discretion, may decide not to do so in any case. The department also shall not sue on behalf of any employee who has already brought a suit against the violator and its surety in the matter.

(2) The department may file a suit against the violator and its surety at any time and without regard to whether administrative proceedings have been exhausted.

(3) The department may include in any suit a request for an injunction against the violator.

[Statutory Authority: RCW 19.30.130. WSR 86-01-027 (Order 85-34), § 296-310-190, filed 12/11/85.]

WAC 296-310-200 Procedures for filing suit against a contractor. (1) A suit against a contractor and its bond or security for unpaid wages or damages may be brought in any court with jurisdiction. The venue may be in the county in which the claim arose, or in which either the damaged person or the defendant resides.

(2) When a contractor is sued, the plaintiff must serve the summons and complaint on the contractor and its surety by serving three copies of the summons and complaint by certified or registered mail on the department. The department shall not accept personal service of the summons and complaint.

(3) The department may be unable to process a summons and complaint if the summons and complaint do not contain the following information:

(a) The contractor's name exactly as it appears on the contractor's license;

(b) The contractor's business address;

(c) The names of the owners, partners, or officers of the contractor; and

(d) The contractor's license number.

If the suit names a surety as a defendant, the summons and complaint should also include:

(e) The name and address of the surety that issued the contractor's bond;

(f) The bond number; and

(g) The effective date of the bond.

If the information is insufficient for the department to identify the contractor or surety that is being sued, the department shall not attempt to serve the summons and complaint and shall return them to the plaintiff.

[Statutory Authority: RCW 19.30.130. WSR 86-01-027 (Order 85-34), § 296-310-200, filed 12/11/85.]

WAC 296-310-210 Collection of judgments. (1) If a contractor is secured, a plaintiff who has received a final judgment against a contractor may satisfy the judgment out of the security held by the department.

(2) The department shall satisfy a final judgment if the plaintiff serves on the department three certified copies of the judgment. The plaintiff must include the following information with the copies of the judgment:

(a) The name of the contractor, exactly as it appears on the contractor's license;

(b) The contractor's business address;

(c) The names of the owners, partners, or officers of the contractor;

(d) The contractor's license number; and

(e) The exact amount of the judgment awarded by the court, including attorney's fees and interest.

If the department does not receive sufficient information to enable it to pay the judgment, it shall inform the plaintiff that more information is needed.

(3) If a contractor is bonded, a plaintiff can satisfy a final judgment only against the contractor or the bonding company. The department can neither satisfy the judgment nor, unless the department itself is the plaintiff, force the contractor or the bonding company to pay the judgment. The plaintiff must join the bonding company in the suit if it wants the bonding company to pay the judgment.

[Statutory Authority: RCW 19.30.130. WSR 86-01-027 (Order 85-34), § 296-310-210, filed 12/11/85.]

WAC 296-310-220 Priority for payment of judgments. RCW 19.30.170 contains two different provisions for priority in paying judgments from the contractor's bond or security.

(1) If a contractor is secured, the department shall satisfy final judgments against the contractor in the order the department receives the judgments.

(2) If a contractor is bonded, claims for unpaid wages and benefits are satisfied first, claims for damages are satisfied second, and claims for costs and attorney's fees are satisfied last. No claim in a lesser category may be satisfied until all pending claims in the preceding categories are satisfied, unless the total amount of all pending claims in the preceding categories is less than the amount of the bond that remains unimpaired.

[Statutory Authority: RCW 19.30.130. WSR 86-01-027 (Order 85-34), § 296-310-220, filed 12/11/85.]

WAC 296-310-230 Civil penalties. (1) In determining the amount of any civil penalty to be imposed under RCW 19.30.160 the department shall consider the following factors:

(2) [Ch. 296-310 WAC p. 5]
(a) Previous violations by the violator;
(b) The history of the violator in taking all necessary measures to prevent or correct violations;
(c) The magnitude and seriousness of the violation;
(d) The remedial purpose of chapter 19.30 RCW;
(e) Any mitigating circumstances; and
(f) Any other factors the department considers relevant.

(2) It is the violator's responsibility to inform the department of mitigating evidence.

(3) The penalties for acting as a contractor without a license, or for transporting employees without an endorsement to do so, are:
(a) Up to $500 for the first violation;
(b) Up to $750 for the second violation; and
(c) Up to $1000 for the third and any further violations.

WAC 296-310-240 Adjustment of controversies.

(1) Upon receipt of a complaint or on its own motion, the department shall attempt to adjust equitably a controversy between a contractor and its employees.

(2) No particular form of proceeding is necessary for resolving disputes. The supervisor of employment standards shall, in each case, use his or her best judgment in designing a procedure. However, in every case in which the supervisor determines that a hearing should be held, the supervisor shall notify the affected persons, or their representatives, of the time, date, place, and purpose of the hearing.

(3) A hearing shall be informal and shall not be subject to chapter 34.04 RCW. The supervisor's suggestions for resolution are advisory and not binding, and may not be appealed to any person or court.

(4) The director may delegate the resolution of any particular case to a person other than the supervisor of employment standards. That person shall have the same authority as the supervisor to determine the form of the proceeding.

WAC 296-310-250 Filing and service. All papers required to be filed with the director under this chapter or chapter 19.30 RCW shall be addressed to Director, Department of Labor and Industries, General Administration Building, Olympia, WA 98504.

Filing and service may be made as provided in WAC 1-08-090 through 1-08-140.

WAC 296-310-260 Liability of person who uses services of unlicensed contractor. (1) A person who knowingly uses the services of an unlicensed contractor is liable for unpaid wages, damages, and civil and criminal penalties to the same extent as the unlicensed contractor.

(2) Pursuant to RCW 19.30.200, a person may prove lack of knowledge by proving that she or he relied on a license issued by the department under chapter 19.30 RCW, or upon the department's representation that the contractor was licensed. The department shall not make oral representations that a contractor is or is not licensed. All representations by the department that a contractor is licensed shall be made in writing and shall be signed by the director or the employment standards supervisor or the assistant director. The department shall not accept reliance on a supposed oral representation as proof in any administrative enforcement proceeding.

WAC 296-310-270 Inspection of records. A contractor or any person using a contractor's services shall allow a representative of the department to inspect at any reasonable time the records it is required to keep by chapter 19.30 RCW.

[Statutory Authority: RCW 19.30.130. WSR 86-01-027 (Order 85-34), § 296-310-270, filed 12/11/85.]