

Side by Side Comparison of the HB 1555 and SHB 1555 (Recommendations of the
Joint Legislative Task Force on the Underground Economy in the Construction Industry as introduced and as passed by the Legislature)

	HB 1555	SHB 1555	Result of changes.
Contractor registration requirements	Applicants for registration as a contractor must submit photo identification with his or her application and submit photo identification for renewals. The applicant must also submit a certification that he or she has attended training on state law.	These sections were removed from SHB 1555.	Removes the impact on the general fund.
Training for contractor registration applicants	The Department of Labor and Industries must approve training on state law for applicants for contractor registration.	This section was removed from SHB 1555.	Removes the impact on the general fund.
Continuing education	The Department of Labor and Industries is directed to work with the business community to explore contractor continuing education requirements.	This section was removed from SHB 1555.	Removes the impact on the general fund.
Subcontractor list	A contractor must maintain a list of all direct subcontractors and a copy of their certificate of registration.	No change.	No change.
Penalty for failure to register as a contractor	A person is guilty of a class C felony for a third or subsequent conviction of a violation for failing to register as a contractor.	This section was removed from SHB 1555.	Rather than changing the penalty to a class C felony for a third or subsequent violation, the penalty remains a gross misdemeanor.
City, town, and county requirements relating to business licenses	A city, town or county shall not approve or issue a business license to a person required to be registered as a contractor without verifying that the person is registered with the Department of Labor and Industries.	A city, town or county that issues a business license to a person required to be registered as a contractor may verify that the person is registered with the Department of Labor and Industries and may report violations to the Department. The Department of Licensing shall conduct the verification for entities participating in the master license service.	The requirement that local governments verify contractor registration is made permissive. Local governments may report violations to the Department of Labor and Industries. The Department of Licensing shall conduct the verification for entities

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			participating in the master license service.
Defining independent contractor for purposes of prevailing	A test similar to the test for determining an independent contractor for purposes of construction is added to the prevailing wage statutes.	This section was removed from SHB 1555.	The test for determining independent contractor for prevailing wage purposes was separately enacted in SSB 5904.
Retainage provisions	The Employment Security Department and the Department of Labor and Industries have a priority lien on retainage on public works projects following the Department of Revenue.	Additional sections are brought in to the bill to ensure other lien references are updated.	Other sections may need to be updated.
Education and outreach	The Department of Labor and Industries shall conduct education and outreach to employers on workers' compensation requirements and premium responsibilities, including independent contractor issues.	No change.	No change.
Penalty for failure to keep records	An employer who fails to keep records required by this section is subject to a penalty to be determined by the Commissioner of the Employment Security Department, not to exceed \$250 or two hundred percent of the quarterly tax for each offense, whichever is greater.	The section containing this provision is rearranged, but the penalty structure is the same.	The section containing this provision is rearranged, but the penalty structure is the same.
Interagency Advisory Committee	An interagency advisory committee is created to study the underground economy with the goal of reducing or eliminating the underground economy in the state.	The requirements for the interagency advisory committee are removed.	Removes the impact on the general fund.
Agency reporting requirement	The department of labor and industries, the employment security department, and the department of revenue must annually report to the legislature on the effectiveness of efforts to address the underground economy.	No change.	No change.