

CHAPTER 77.

[ H. B. 89. ]

REGISTRATION OF CONTRACTORS.

AN ACT providing for the registration of contractors; and prescribing penalties.

*Be it enacted by the Legislature of the State of Washington:*

Registration of contractors. Definitions.

SECTION 1. A "contractor" as used in this act is any person, firm or corporation who or which, in the pursuit of an independent business undertakes to, or offers to undertake, or submits a bid to, construct, alter, repair, add to, subtract from, improve, move, wreck or demolish, for another, any building, highway, road, railroad, excavation or other structure, project, development or improvement attached to real estate or to do any part thereof including the erection of scaffolding or other structures or works in connection therewith; or, who, to do similar work upon his own property, employs members of more than one trade upon a single job or project or under a single building permit except as otherwise provided herein. A "general contractor" is a contractor whose business operations require the use of more than two unrelated building trades or crafts whose work the contractor shall superintend or do in whole or in part. The terms "general contractor" and "builder" are synonymous. A "specialty contractor" is a contractor whose operations as such do not fall within the foregoing definition of "general contractor".

Certificate of registration required—Penalty.

SEC. 2. It shall be unlawful for any person to submit any bid or do any work as a contractor until such person shall have been issued a certificate of registration by the state department of licenses. A partnership or joint venture shall be deemed registered if any one of the general partners or venturers whose name appears in the name under which the

partnership or venture does business shall be registered. A violation of this section shall be a misdemeanor.

SEC. 3. An applicant for registration as a contractor shall submit an application under oath upon a form to be prescribed by the director of licenses and which shall include the following information pertaining to the applicant.

Application  
for registra-  
tion—  
Contents.

- (1) Employer social security number.
- (2) Industrial insurance number.
- (3) Employment security department number.
- (4) State excise tax registration number.
- (5) Type of contracting activity, whether a general or a specialty contractor and if the latter, the type of specialty.

(6) The name and address of each partner if the applicant be a firm or partnership, or the name and address of the owner if the applicant be an individual proprietorship, or the name and address of the corporate officers and statutory agent, if any, if the applicant be a corporation. The information contained in such application shall be a matter of public record and open to public inspection.

SEC. 4. Each applicant shall, at the time of applying for a certificate of registration, file with the director of licenses a surety bond running to the state of Washington if a general contractor, in the sum of two thousand dollars; if a specialty contractor, in the sum of one thousand dollars, conditioned that the applicant will pay all taxes and contributions due to the state of Washington, and will pay all persons furnishing labor or material or renting or supplying equipment to the contractor and will pay all amounts that may be adjudged against the contractor by reason of negligent or improper work or breach of contract in the conduct of the contracting business. Any person having a claim against the contractor for any of the items referred to in this section

Bond sub-  
mitted with  
application—  
Amount—Pro-  
ceedings on.

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Bond sub-  
mitted with  
application—  
Proceedings on  
—Priority in  
satisfaction  
from—In lieu  
deposit.

may bring suit upon such bond in the superior court of the county in which the work is done or of any county in which jurisdiction of the contractor may be had. A copy of the complaint shall be served by registered or certified mail upon the director of licenses at the time suit is started and the director shall maintain a record, available for public inspection, of all suits so commenced. Such service shall constitute service on the surety and the director shall transmit the complaint or a copy thereof to the surety within forty-eight hours after it shall have been received. The surety upon the bond shall not be liable in an aggregate amount in excess of the amount named in the bond, but in case claims pending at any one time exceed the amount of the bond, claims shall be satisfied from the bond in the following order:

- (1) Labor, including employee benefits;
- (2) Taxes and contributions due the state of Washington;
- (3) Material and equipment;
- (4) Claims for breach of contract.

In the event that any final judgment shall impair the liability of the surety upon the bond so furnished that there shall not be in effect a bond undertaking in the full amount prescribed in this section, the director shall suspend the registration of such contractor until the bond liability in the required amount unimpaired by unsatisfied judgment claims shall have been furnished.

In lieu of the surety bond required by this section the contractor may file with the director a cash deposit or other negotiable security acceptable to the director.

In the event of a judgment being entered against such deposit, the director of licenses shall upon receipt of a certified copy of a final judgment, pay from the amount of the deposit said judgment.

SEC. 5. At the time of registration the applicant shall furnish to the director satisfactory evidence that the applicant has procured and has in effect public liability and property damage insurance covering the applicant's contracting operations in the sum of not less than twenty thousand dollars for injury or damage to property and fifty thousand dollars for injury or damage including death to any one person and one hundred thousand dollars for injury or damage including death to more than one person.

Evidence of insurance with application.

In the event that such insurance shall cease to be effective the registration of the contractor shall be suspended until such insurance shall be reinstated.

SEC. 6. A certificate of registration shall be valid for one year and shall be renewed by the same procedure as for an original registration on or before August first of each year. The director shall issue to the applicant a certificate of registration upon compliance with the registration requirements of this act.

Duration of certificate—Renewal, time of.

SEC. 7. The applicant shall pay to the director of licenses a registration or renewal fee of; if a general contractor, thirty-five dollars; if a specialty contractor, twenty dollars.

Registration, renewal, fees.

SEC. 8. No person engaged in the business or acting in the capacity of a contractor may bring or maintain any action in any court of this state for the collection of compensation for the performance of any work or for breach of any contract for which registration is required under this act without alleging and proving that he was a duly registered contractor at the time he contracted for the performance of such work or entered into such contract.

Registration as prerequisite to suit.

SEC. 9. This act shall not apply to:

(1) An authorized representative of the United

Exemptions.

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States government, the state of Washington, or any incorporated city, town, county, township, irrigation district, reclamation district or other municipal or political corporation or subdivision of this state;

(2) Officers of a court when they are acting within the scope of their office;

(3) Public utilities operating under the regulations of the public service commission in construction, maintenance or development work incidental to their own business;

(4) Any construction, repair or operation incidental to the discovering or producing of petroleum or gas, or the drilling, testing, abandoning or other operation of any petroleum or gas well or any surface or underground mine or mineral deposit when performed by an owner or lessee;

(5) The sale or installation of any finished products, materials or articles of merchandise which are not actually fabricated into and do not become a permanent fixed part of a structure;

(6) Any construction, alteration, improvement or repair of personal property;

(7) Any construction, alteration, improvement, or repair carried on within the limits and boundaries of any site or reservation under the legal jurisdiction of the federal government;

(8) Any person who only furnished materials, supplies or equipment without fabricating them into, or consuming them in the performance of, the work of the contractor;

(9) Any work or operation on one undertaking or project by one or more contracts, the aggregate contract price of which for labor and materials and all other items is less than one hundred dollars, such work or operations being considered as of a casual, minor, or inconsequential nature. The exemption prescribed in this subsection does not apply in any instance wherein the work or construction is only

a part of a larger or major operation, whether undertaken by the same or a different contractor, or in which a division of the operation is made into contracts of amounts less than one hundred dollars for the purpose of evasion of this act or otherwise. The exemption prescribed in this subsection does not apply to a person who advertises or puts out any sign or card or other device which might indicate to the public that he is a contractor, or that he is qualified to engage in the business of contractor;

(10) Any construction or operation incidental to the construction and repair of irrigation and drainage ditches of regularly constituted irrigation districts or reclamation districts; or to farming, dairying, agriculture, viticulture, horticulture, or stock or poultry raising; or to clearing or other work upon land in rural districts for fire prevention purposes; except when any of the above work is performed by a registered contractor;

(11) An owner who contracts for a project with a registered contractor;

(12) Any person working on his own property, whether occupied by him or not, and any person working on his residence, whether owned by him or not;

(13) Owners of commercial properties who use their own employees to do maintenance, repair and alteration work in or upon their own properties;

(14) A licensed architect or civil or professional engineer acting solely in his professional capacity, an electrician licensed under the laws of the state of Washington, or a plumber licensed under the laws of the state of Washington or licensed by a political subdivision of the state of Washington while operating within the boundaries of such political subdivision. The exemption provided in this subsection is applicable only when the licensee is operating within the scope of his license;

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(15) Any person who engages in the activities herein regulated as an employee of a registered contractor with wages as his sole compensation or as an employee with wages as his sole compensation.

Vetoed.

(16) *Contractors on highway projects who have been pre-qualified as required by chapter 13 of the Laws of 1961, RCW 47.28.070, with the Highway Department to perform highway construction, reconstruction or maintenance work.*

Business  
practices.

SEC. 10. Except as provided in section 2 for partnerships and joint ventures, no person who has registered under one name as provided in this act shall engage in the business, or act in the capacity of a contractor under any other name unless such name also is registered hereunder. All advertising and all contracts, correspondence, cards, signs, posters, papers and documents prepared by a contractor which show a contractor's name or address shall show the contractor's name or address as registered hereunder. No contractor shall advertise that he is bonded and insured because of the bond required to be filed and sufficiency of insurance as provided in this act. All individual contractors and all partners, associates, agents, salesmen, solicitors, officers and employees of contractors shall use their true names and addresses at all times while engaged in the business or capacity of a contractor or activities related thereto.

Severability.

SEC. 11. If any provision of this act is declared unconstitutional, or the applicability thereof to any person or circumstances is held invalid, the constitutionality of the remainder of the act and the applicability thereof to other persons and circumstances shall not be affected thereby.

Effective date.

SEC. 12. This act shall take effect August 1, 1963.

Passed the House March 12, 1963.

Passed the Senate March 11, 1963.

Approved by the Governor March 22, 1963, with the exception of Section 9, Subsection (16) which was vetoed.

NOTE: Governor's explanation of partial veto is as follows:

Veto message, excerpt.

"House Bill 89 provides for the registration of contractors doing business in the State of Washington. As originally introduced, the bill was a comprehensive act requiring that, with certain reasonable exceptions, all persons doing any work as a contractor must first be licensed by the Department of Licenses. Information supplied on the license application will be available for public inspection.

"An amendment to the bill, however, exempted from the operation of the act, all contractors on highway projects who had prequalified as required by laws relating to highway construction contracts. By removing a substantial group of contractors from the operation of the act, much of the intended protection is lost.

"While the present act provides minimum protection to the people of our state, by making available a centralized listing of all contractors meeting the standards indicated, prequalification for highway contracts serves only to provide information concerning bidders on highway projects and is not readily available to the general public. I find nothing inconsistent in requiring all contractors to be licensed, and in addition requiring that contractors on costly highway projects submit to further prequalification with the Highway Commission.

"With the exception of the foregoing item, which is vetoed, the remainder of House Bill 89 is approved."

ALBERT D. ROSELLINI,  
Governor.

CHAPTER 78.

[ S. B. 168. ]

WASHINGTON STATE UNIVERSITY—SALE OR LEASE  
OF CERTAIN LANDS.

AN ACT relating to public lands; and authorizing the sale or lease of certain properties by the board of regents of Washington State University.

*Be it enacted by the Legislature of the State of Washington:*

SECTION 1. The board of regents of Washington State University is authorized to sell or lease all or any part or parts of the following described premises in Whitman county, state of Washington:

Sale or lease of university lands authorized—Description.

- (1) Lots seven and eight, Block three, College Park Addition to Pullman together with vacated street adjoining, excepting the right of way of PSH No. 3.