

****NEW SECTION. Sec. 4. The department of licensing, the department of labor and industries, and the department of community development shall report to the house of representatives housing committee and the senate economic development and labor committee by July 1, 1990, on the progress being made to transfer functions to the department of community development as required by this act. The report shall be prepared in consultation with local governments. The report shall include a review of the advantages and disadvantages of transferring other mobile home-related functions to the department of community development and make recommendations based on this review regarding such transfer. The report's review shall include the inspection functions performed by the department of labor and industries, inspections pertaining to woodstove and fireplace installation and alterations, and training of local inspectors.***

***Sec. 4 was vetoed, see message at end of chapter.**

Passed the House March 3, 1990.

Passed the Senate March 1, 1990.

Approved by the Governor March 26, 1990, with the exception of certain items which were vetoed.

Filed in Office of Secretary of State March 26, 1990.

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

"I am returning herewith, without my approval as to section 4, Substitute House Bill No. 2861 entitled:

"AN ACT Relating to state agency responsibilities for the regulation of manufactured housing."

The bill consolidates certain administrative responsibilities related to manufactured housing from other state agencies into the Department of Community Development. Section 4 of the bill requires a related report to the Legislature by July 1, 1990.

Although I fully support the merits of the report required by section 4, the July 1, 1990, reporting date provides insufficient opportunity to develop the necessary and relevant information.

For this reason, I have vetoed section 4 of this bill.

I will direct the Department of Licensing, the Department of Labor and Industries and the Department of Community Development to provide a report to the Legislature as envisioned in section 4 of this bill by October 15, 1990.

With the exception of section 4, Substitute House Bill No. 2861 is approved."

CHAPTER 177

[Substitute House Bill No. 2342]

FIRE SPRINKLER SYSTEM CONTRACTORS

AN ACT Relating to fire protection sprinkler systems; amending RCW 9.40.100; adding a new chapter to Title 18 RCW; creating a new section; providing an effective date; and prescribing penalties.

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

Sec. 1. Section 1, chapter 204, Laws of 1967 as amended by section 80, chapter 266, Laws of 1986 and RCW 9.40.100 are each amended to read as follows:

(1) Any person who willfully and without cause tampers with, molests, injures or breaks any public or private fire alarm apparatus, emergency phone, radio, or other wire or signal, or any fire fighting equipment, or who willfully and without having reasonable grounds for believing a fire exists, sends, gives, transmits, or sounds any false alarm of fire, by shouting in a public place or by means of any public or private fire alarm system or signal, or by telephone, is guilty of a misdemeanor. This provision shall not prohibit the testing of fire alarm systems by persons authorized to do so, by a fire department or the director of community development, through the director of fire protection.

(2) Any person who willfully and without cause tampers with, molests, injures, or breaks any public or private fire alarm apparatus, emergency phone, radio, or other wire or signal, or any fire fighting equipment with the intent to commit arson, is guilty of a felony.

NEW SECTION. Sec. 2. The following words or terms shall have the meanings indicated unless the context clearly indicates otherwise.

(1) "Certificate of competency holder" means an individual who has satisfactorily met the qualifications and has received a certificate of competency from the state director of fire protection under the provisions of this chapter.

(2) "Fire protection sprinkler system contractor" means a person or organization that offers to undertake the execution of contracts for the installation, inspection, maintenance, or servicing of a fire protection sprinkler system or any part of such a system.

(3) "Fire protection sprinkler system" means an assembly of underground and/or overhead piping or conduit beginning at the connection to the primary water supply, whether public or private, that conveys water with or without other agents to dispersal openings or devices to extinguish, control, or contain fire and to provide protection from exposure to fire or other products of combustion.

(4) "Fire protection sprinkler system contractor's license" means the license issued by the state director of fire protection to a fire protection sprinkler system contractor upon an application being approved, the fee being paid, and the satisfactory completion of the requirements of this chapter. The license shall be issued in the name of the fire protection sprinkler system contractor with the name or names of the certificate of competency holder noted thereon.

(5) "NFPA 13-D" means whatever standard that is used by the national fire protection association for the installation of fire protection sprinkler systems in one or two-family residential dwellings or mobile homes.

(6) "NFPA 13-R" means whatever standard that is used by the national fire protection association for the installation of fire protection sprinkler systems in residential dwellings up to four stories in height.

(7) "Inspection" means a visual examination of a fire protection sprinkler system or portion of the system to verify that the system appears to be in operating condition and is free from physical damage and complies with the applicable statutes and regulations adopted by the state director of fire protection.

(8) "Installation" means the initial placement of fire protection sprinkler system equipment or the extension, modification, or alteration of equipment after the initial placement. Installation shall include the work from a street or main water access throughout the entire building.

(9) "Maintenance" means to maintain in the condition of repair that provides performance as originally planned.

(10) "Organization" means a corporation, partnership, firm, or other business association, governmental entity, or any other legal or commercial entity.

(11) "Person" means a natural person, including an owner, manager, partner, officer, employee, or occupant.

(12) "Service" means to repair or test.

NEW SECTION, Sec. 3. (1) A municipality or county may not enact an order, ordinance, rule, or regulation requiring a fire protection sprinkler system contractor to obtain a fire sprinkler contractor license from the municipality or county. However, a municipality or county may require a fire protection sprinkler system contractor to obtain a permit and pay a fee for the installation of a fire protection sprinkler system and require the installation of such systems to conform with the building code or other construction requirements of the municipality or county, but may not impose financial responsibility requirements other than proof of a valid license.

(2) This chapter does not apply to:

(a) United States, state, and local government employees, building officials, fire marshals, fire inspectors, or insurance inspectors when acting in their official capacities;

(b) A person or organization acting under court order;

(c) A person or organization that sells or supplies products or materials to a licensed fire protection sprinkler system contractor;

(d) A registered professional engineer acting solely in a professional capacity;

(e) An employee of a licensed fire protection sprinkler system contractor performing duties for the registered fire protection sprinkler system contractor; and

(f) An owner/occupier of a single-family residence performing his or her own installation in that residence.

NEW SECTION. Sec. 4. (1) This chapter shall be administered by the state director of fire protection.

(2) The state director of fire protection shall have the authority, and it shall be his or her duty to:

(a) Issue such administrative regulations as necessary for the administration of this chapter;

(b) Set reasonable fees for licenses, certificates, testing, and other aspects of the administration of this chapter. However, the license fee for fire protection sprinkler system contractors engaged solely in the installation, inspection, maintenance, or servicing of NFPA 13-D fire protection sprinkler systems shall not exceed one hundred dollars, and the license fee for fire protection sprinkler system contractors engaged solely in the installation, inspection, maintenance, or servicing of NFPA 13-R fire protection sprinkler systems shall not exceed three hundred dollars;

(c) Enforce the provisions of this chapter;

(d) Conduct investigations of complaints to determine if any infractions of this chapter or the regulations developed under this chapter have occurred;

(e) Work with the fire sprinkler advisory committee consisting of fire protection sprinkler system contractors and other related officials;

(f) Assign a certificate number to each certificate of competency holder; and

(g) Adopt rules necessary to implement and administer a program which requires the affixation of a seal any time a fire protection sprinkler system is installed, which seal shall include the certificate number of any certificate of competency holder who installs, in whole or in part, the fire protection sprinkler system.

NEW SECTION. Sec. 5. (1) To become a certificate of competency holder under this chapter, an applicant must have satisfactorily passed an examination administered by the state director of fire protection. A certificate of competency holder can satisfy this examination requirement by presenting a copy of a current certificate of competency from the national institute for certification in engineering technologies showing that the applicant has achieved the classification of engineering technician level 3 or senior engineering technician level 4 in the field of fire protection, automatic sprinkler system layout. The state director of fire protection may accept equivalent proof of qualification in lieu of examination, as recommended by the fire sprinkler advisory committee. This examination requirement is mandatory except as otherwise provided in this chapter.

(2) Every applicant for a certificate of competency shall fulfill the requirements established by the state director of fire protection and the fire protection sprinkler system technical advisory committee under chapter 34-.05 RCW.

(3) Every applicant for a certificate of competency shall make application to the state director of fire protection and pay the fees required.

(4) Provided the application for the certificate of competency is made prior to ninety days after the effective date of this section, the state director of fire protection, in lieu of the examination requirements of the applicant for a certificate of competency, may accept as satisfactory evidence of competency and qualification, affidavits attesting that the applicant has had a minimum of three years' experience.

(5) The state director of fire protection may, after consultation with the fire sprinkler advisory committee, issue a temporary certificate of competency to an applicant who, in his or her judgment, will satisfactorily perform as a certificate of competency holder under the provisions of this chapter. The temporary certificate of competency shall remain in effect for a period of up to three years. The temporary certificate of competency holder shall, within the three-year period, complete the examination requirements specified in subsection (1) of this section. There shall be no examination exemption for an individual issued a temporary certificate of competency. Prior to the expiration of the three-year period, the temporary certificate of competency holder shall make application for a regular certificate of competency. The procedures and qualifications for issuance of a regular certificate of competency shall be applicable to the temporary certificate of competency holder. When a temporary certificate of competency expires, the holder shall cease all activities associated with the holding of a temporary certificate of competency, subject to the penalties contained in this chapter.

(6) To become a licensed fire protection sprinkler system contractor under this chapter, a person or firm must comply with the following:

(a) Must be or have in his or her full-time employ a holder of a valid certificate of competency;

(b) Comply with the minimum insurance requirements of this chapter; and

(c) Make application to the state director of fire protection for a license and pay the fees required.

(7) Each license and certificate of competency issued under this chapter must be posted in a conspicuous place in the fire protection sprinkler system contractor's place of business.

(8) All bids, advertisements, proposals, offers, and installation drawings for fire protection sprinkler systems must prominently display the fire protection sprinkler system contractor's license number.

(9) A certificate of competency or license issued under this chapter is not transferable.

(10) In no case shall a certificate of competency holder be employed full time by more than one fire protection sprinkler system contractor at the

same time. If the certificate of competency holder should leave the employment of the fire protection sprinkler system contractor, he or she must notify the state director of fire protection within thirty days. If the certificate of competency holder should leave the employment of the fire protection sprinkler system contractor, the contractor shall have six months or until the expiration of the current license, whichever occurs last, to submit a new application identifying another certificate of competency holder who is at the time of application an owner of the fire protection sprinkler system business or a full-time employee of the fire protection sprinkler system contractor, in order to be issued a new license. If such application is not received and a new license issued within the allotted time, the state director of fire protection shall revoke the license of the fire protection sprinkler system contractor.

NEW SECTION. Sec. 6. (1) (a) All certificate of competency holders that desire to continue in the fire protection sprinkler business shall annually, prior to January 1, secure from the state director of fire protection a renewal certificate of competency upon payment of the fee as prescribed by the state director of fire protection. Application for renewal shall be upon a form prescribed by the state director of fire protection and the certificate holder shall furnish the information required by the director.

(b) Failure of any certificate of competency holder to secure his or her renewal certificate of competency within sixty days after the due date shall constitute sufficient cause for the state director of fire protection to suspend the certificate of competency.

(c) The state director of fire protection may, upon the receipt of payment of all delinquent fees including a late charge, restore a certificate of competency that has been suspended for failure to pay the renewal fee.

(d) A certificate of competency holder may voluntarily surrender his or her certificate of competency to the state director of fire protection and be relieved of the annual renewal fee. After surrendering the certificate of competency, he or she shall not be known as a certificate of competency holder and shall desist from the practice thereof. Within two years from the time of surrender of the certificate of competency, he or she may again qualify for a certificate of competency, without examination, by the payment of the required fee. If two or more years have elapsed, he or she shall return to the status of a new applicant.

(2) (a) All licensed fire protection sprinkler system contractors desiring to continue to be licensed shall annually, prior to January 1, secure from the state director of fire protection a renewal license upon payment of the fee as prescribed by the state director of fire protection. Application for renewal shall be upon a form prescribed by the state director of fire protection and the license holder shall furnish the information required by the director.

(b) Failure of any license holder to secure his or her renewal license within sixty days after the due date shall constitute sufficient cause for the state director of fire protection to suspend the license.

(c) The state director of fire protection may, upon the receipt of payment of all delinquent fees including a late charge, restore a license that has been suspended for failure to pay the renewal fee.

(3) The initial certificate of competency or license fee shall be prorated based upon the portion of the year such certificate of competency or license is in effect, prior to renewal on January 1.

(4) The fire protection contractor license fund is created in the custody of the state treasurer. All receipts from license and certificate fees and charges or from the money generated by the rules and regulations promulgated under this chapter shall be deposited into the fund. Expenditures from the fund may be used only for purposes authorized under this chapter. Only the state director of fire protection or the director's designee may authorize expenditures from the fund. The fund is subject to allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures.

NEW SECTION. Sec. 7. The state director of fire protection shall not issue a license under this chapter unless the fire protection sprinkler system contractor files with the state director a surety bond executed by a surety company authorized to do business in this state in the sum of ten thousand dollars conditioned to compensate third-party losses caused by the acts of the principal or the principal's servant, officer, agent, or employee in conducting the business registered or licensed under this chapter. However, the surety bond for a fire protection sprinkler system contractor whose business is restricted solely to NFPA 13-D or NFPA 13-R systems shall be six thousand dollars. Upon approval by the state director of fire protection, property or cash may substitute for a surety bond provided the value is at least ten thousand dollars and the property or cash is not otherwise encumbered.

NEW SECTION. Sec. 8. (1) Nothing in this chapter limits the power of a municipality, county, or the state to regulate the quality and character of work performed by contractors, through a system of permits, fees, and inspections which are designed to assure compliance with and aid in the implementation of state and local building laws or to enforce other local laws for the protection of the public health and safety. Nothing in this chapter limits the power of the municipality, county, or the state to adopt any system of permits requiring submission to and approval by the municipality, county, or the state, of technical drawings and specifications for work to be performed by contractors before commencement of the work. The official authorized to issue building or other related permits shall ascertain

that the fire protection sprinkler system contractor is duly licensed by requiring evidence of a valid fire protection sprinkler system contractor's license.

(2) This chapter applies to any fire protection sprinkler system contractor performing work for any municipality, county, or the state. Officials of any municipality, county, or the state are required to determine compliance with this chapter before awarding any contracts for the installation, repair, service, alteration, fabrication, addition, or inspection of a fire protection sprinkler system.

***NEW SECTION. Sec. 9. (1) There is established the fire protection sprinkler system technical advisory committee to be made up of nine residents of the state of Washington, appointed by the director of the department of community development. The fire protection system technical advisory committee shall include three members, nominated by the Washington fire sprinkler association, who have been actively engaged in the management of a fire protection sprinkler system business for not less than five years preceding their appointment, one registered fire protection engineer, one member of the Washington surveying and rating bureau, one member representing a city fire department, one member representing a county fire marshal or his or her representative, one member representing a residential fire protection sprinkler company, and one member nominated by the Washington state association of fire chiefs.**

(2) The advisory committee, in addition to other duties delegated by the state director of fire protection shall:

(a) Advise and assist the state director of fire protection, after consultation with the fire protection board, in developing the rules necessary to implement and administer this chapter; and

(b) Make recommendations to the state director of fire protection, through the fire protection board, regarding forms and procedures for issuing certificates and licenses.

*Sec. 9 was vetoed, see message at end of chapter.

NEW SECTION. Sec. 10. (1) The state director of fire protection may refuse to issue or renew or may suspend or revoke the privilege of a licensed fire protection sprinkler system contractor or the certificate of a certificate of competency holder to engage in the fire protection sprinkler system business or in lieu thereof, establish penalties as prescribed by Washington state law, for any of the following reasons:

(a) Gross incompetency or gross negligence in the preparation of technical drawings, installation, repair, alteration, maintenance, inspection, service, or addition to fire protection sprinkler systems;

(b) Conviction of a felony;

(c) Fraudulent or dishonest practices while engaging in the fire protection sprinkler systems business;

(d) Use of false evidence or misrepresentation in an application for a license or certificate of competency;

(e) Permitting his or her license to be used in connection with the preparation of any technical drawings which have not been prepared by him or her personally or under his or her immediate supervision, or in violation of this chapter; or

(f) Knowingly violating any provisions of this chapter or the regulations issued thereunder.

(2) The state director of fire protection shall revoke the license of a licensed fire protection sprinkler system contractor or the certificate of a certificate of competency holder who engages in the fire protection sprinkler system business while the license or certificate of competency is suspended.

(3) Any licensee or certificate of competency holder who is aggrieved by an order of the state director of fire protection suspending or revoking a license may, within thirty days after notice of such suspension or revocation, appeal under chapter 34.05 RCW.

NEW SECTION. Sec. 11. Sections 2 through 10 of this act shall constitute a new chapter in Title 18 RCW.

NEW SECTION. Sec. 12. Sections 2 through 10 of this act apply prospectively only and not retroactively. A municipal or county order, ordinance, rule, or regulation that is in effect as of May 1, 1991, is not invalid because of the provisions of this chapter. This act does not prohibit municipalities or counties from adopting stricter guidelines that will assure the proper installation of fire sprinkler systems within their jurisdictions.

NEW SECTION. Sec. 13. Sections 2 through 10 of this act shall take effect May 1, 1991.

NEW SECTION. Sec. 14. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

Passed the House March 3, 1990.

Passed the Senate March 1, 1990.

Approved by the Governor March 26, 1990, with the exception of certain items which were vetoed.

Filed in Office of Secretary of State March 26, 1990.

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

"I am returning herewith, without my approval as to section 9, Substitute House Bill No. 2342 entitled:

"AN ACT Relating to fire sprinkler system contractors."

Section 9 requires the director of the Department of Community Development to create a statutory advisory committee for fire protection sprinkler systems. The committee is to be composed of local representatives, county representatives, and individuals involved with the industry. Although I concur with the need to involve affected parties and will direct the department to pursue this goal, the director of the

Department of Community Development has existing authority to create advisory committees, as required, and there is no need to mandate this committee in statute.

For this reason, I have vetoed section 9 of Substitute House Bill No. 2342.

With the exception of section 9, Substitute House Bill No. 2342 is approved."

CHAPTER 178

[Substitute Senate Bill No. 6389]

BUSINESS CORPORATION ACT AMENDMENTS

AN ACT Relating to revising the Washington business corporations act; amending RCW 23B.01.220, 23B.01.410, 23B.01.510, 23B.01.580, 23B.14.200, 23B.14.340, 23B.15.010, 23B.15.020, 23B.15.300, 23B.06.400, 23B.07.270 and 23B.12.010; and providing an effective date.

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

Sec. 1. Section 5, chapter 165, Laws of 1989 and RCW 23B.01.220 are each amended to read as follows:

(1) The secretary of state shall collect in accordance with the provisions of this title:

- (a) Fees for filing documents and issuing certificates;
- (b) Miscellaneous charges;
- (c) License fees as provided in RCW 23B.01.500 through 23B.01.550;
- (d) Penalty fees; and
- (e) Other fees as the secretary of state may establish by rule adopted under chapter 34.05 RCW.

(2) The secretary of state shall collect the following fees when the documents described in this subsection are delivered for filing:

(a) One hundred seventy-five dollars, pursuant to RCW 23B.01.520 and 23B.01.540, for:

- (i) Articles of incorporation; and
- (ii) Application for certificate of authority;
- (b) Fifty dollars for an application for reinstatement;
- (c) Twenty-five dollars for:

- (i) Articles of correction;
- (ii) Amendment of articles of incorporation;
- (iii) Restatement of articles of incorporation, with or without amendment;

- (iv) Articles of merger or share exchange;
- (v) Articles of revocation of dissolution; and
- (vi) Application for amended certificate of authority; (~~and~~

~~(vii) Application for reinstatement;~~

~~(c) Ten)) (d) Twenty dollars for((:~~

~~(i)) an application for reservation, registration, or assignment of reserved name;~~

~~((i)) (e) Ten dollars for:~~