

commission or its successor department the sum of five thousand dollars for the biennium ending June 30, 1969, to carry out the provisions of this act, including payment of the proportion of the expenses of the multistate tax commission allocated to the state of Washington.

Passed the Senate February 27, 1967.

Passed the House March 6, 1967.

Approved by the Governor March 21, 1967.

CHAPTER 126.

[Senate Bill No. 245.]

REGISTRATION OF CONTRACTORS.

AN ACT providing for the registration of contractors; amending section 4, chapter 77, Laws of 1963 and RCW 18.27.040; amending section 7, chapter 77, Laws of 1963 and RCW 18.27.070; amending section 9, chapter 77, Laws of 1963 as amended by section 50, chapter 170, Laws of 1965 extraordinary session and RCW 18.27.090; amending section 1, chapter 77, Laws of 1963 and RCW 18.27.010; and adding three new sections to chapter 77, Laws of 1963 and to chapter 18.27 RCW.

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

Section 1. Section 4, chapter 77, Laws of 1963 and RCW 18.27.040 are each amended to read as follows:

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

RCW 18.27.040 amended.

Registration of contractors—
Bond or other security—
Actions against—
—Suspension of registrant upon impairment.

Registration of
contractors—
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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 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. Action upon such bond shall be commenced by serving and filing of the complaint within one year from the date of expiration of the certificate of registration in force at the time the work was completed. 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 re-

quired 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. 2. Section 7, chapter 77, Laws of 1963, and RCW 18.27.070 are each hereby amended to read as follows:

RCW 18.27.070
amended.

The applicant shall pay to the director of licenses a registration or renewal fee of, if a general contractor, or if a specialty contractor, fifteen dollars.

Registration of
contractors—
Registration
and renewal
fees.

Sec. 3. Section 9, chapter 77, Laws of 1963, as amended by section 50, chapter 170, Laws of 1965 extraordinary session and RCW 18.27.090 are each hereby amended to read as follows:

This chapter shall not apply to:

- (1) An authorized representative of the United 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 sur-

Registration of
contractors—
Registration
and renewal
fees.

face 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 two hundred-fifty 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 two hundred-fifty dollars for the purpose of evasion of this chapter 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 dis-

tracts 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 but this exemption shall not apply to any person otherwise covered by this act who constructs an improvement on his own property with the intention and for the purpose of selling the improved property;

(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;

(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;

(16) Contractors on highway projects who have been prequalified 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.

New section.

Sec. 4. There is added to chapter 77, Laws of 1963 and to chapter 18.27 RCW a new section to read as follows:

Contractors
registration—
Required for
public works
contracts.

No city, town or county shall issue a construction building permit for work which is to be done by any contractor required to be registered under chapter 77, Laws of 1963 and chapter 18.27 without proof that such contractor is currently registered as required by law.

RCW 18.27.010
amended.

Sec. 5. Section 1, chapter 77, Laws of 1963 and RCW 18.27.010 are each amended to read as follows:

Definitions.

A “contractor” as used in this chapter 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 term “general contractor” shall not include an individual who does all work personally without employees or other “specialty contractors” as defined herein. 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”.

Sec. 6. There is added to chapter 77, Laws of 1963 and to chapter 18.27 RCW a new section to read as follows: New section.

Notwithstanding the provisions of section 12, chapter 77, Laws of 1963 or any other provision of law, the provisions of section 8, chapter 77, Laws of 1963 and RCW 18.27.080 shall not apply to any agreement or contract or performance of work or breach of contract covering the period from August 1, 1963 to December 24, 1965 or action pending thereon not foreclosed by the entry of a final judgment by or against any person in the business of acting in the capacity of a contractor. Application—
Time period.

Passed the Senate March 8, 1967.

Passed the House March 9, 1967.

Approved by the Governor March 21, 1967.