

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action: Do Pass as Amended and Be Printed Engrossed
Vote: 7 - 0 - 0
Yeas: Bonamici, Galizio, Gilliam, Girod, Nelson, Riley, Holvey
Nays: 0
Exc.: 0
Prepared By: Steve Dixon, Administrator
Meeting Dates: 4/4, 4/20, 4/30

WHAT THE MEASURE DOES: Creates two new CCB license endorsements: General Commercial Contractor and Specialty Commercial Contractor. Each endorsement has two levels-level I and level II contractor (entry level contractor). Sets new bonding requirements: General Commercial Contractor Level I -\$75,000; Specialty Commercial Contractor Level I-\$50,000; General and Specialty Commercial Contractors Level II-\$20,000. Requires new liability coverage at the following levels: General Commercial Contractor Level I- \$2 million aggregate; General Commercial Contractor Level II/ Specialty Commercial Level I- \$ 1 million aggregate; Specialty Commercial Contractor Level II- \$500,000.

Sets new experience and continuing education requirements as follow: General and Specialty Commercial Contractors level I must have 8 years experience and/or education and 40 hours of continuing education per company per year; General and Specialty Commercial Contractors Level II must have 4 years experience and/or education and 16 hours of continuing education per company per year. Experience must be as a construction worker, supervising employee or licensed contractor. Education, including graduating from an apprenticeship program, may substitute for a portion of required experience. Continuing education requirements must be completed by key employees on construction means, methods business practices and ethics.

HB 3242 A also creates a new construction building envelope warranty of 2 years on the envelope and penetration component for new large commercial projects, including annual inspection of property. This measure also requires Commercial Independent Contractors to be required to provide personal election workers' compensation insurance as a condition of licensure.

ISSUES DISCUSSED:

- Impact of HB 3242 on commercial, residential and remodeling industry.
- Impact of measure on emerging and small contractors.
- Need for continuing education and expansion of warranty provisions.
- Affect of measure on consumers.

EFFECT OF COMMITTEE AMENDMENT: Changes requirement for small commercial contractor so that they may be licensed to do construction and renovation work on buildings that are 10,000 square feet or less and 20 feet high from interior floor to interior ceiling. Changes requirement for renovation/remodel/reconstruction or tenant improvements on a leasehold or rental unit that is 12,000 square feet or less within a large commercial structure.

BACKGROUND: Under current law General contractors and specialty contractor licensing allows work on all structures. A General Contractor bond requirement is \$ 15,000 and specialty is \$10,000. Liability insurance requirements are \$500,000 aggregate for all contractors. Education and training requirements are 16 hours of education and a test on business practices and laws. There are currently no experience requirements for contractors, no warranty provisions for new construction building envelope and no requirement for independent contractor workers' compensation insurance. Contractors may elect a two year or four year license term based upon a fees paid at the time of licensure/renewal.