

Fiscal: No fiscal impact
Revenue: No Revenue Impact

Action Date: 02/05/16

Action: Do Pass.

Meeting Dates: 02/05

Vote:

Yeas: 11 - Barreto, Barton, Doherty, Esquivel, Evans, Fagan, Heard, Holvey, Kennemer, Nosse, Weidner

Prepared By: Jan Nordlund, Committee Administrator

WHAT THE MEASURE DOES:

Maintains current dispute resolution process at Construction Contractors Board that otherwise would be replaced in 2017 with process used prior to 2011.

ISSUES DISCUSSED:

- 2011 legislation in response to budget shortfalls at Board
- Percentage of complaints resulting in settlement under new process

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

Since the Construction Contractors Board was established in 1971, it has operated a dispute resolution services program. Agency staff facilitates resolution of disputes between licensed residential contractors and customers. Prior to 2011, the dispute resolution process involved hearings through the Office of Administrative Hearings (OAH). In an attempt to address the agency's budget shortfall, legislation enacted in 2011 (Senate Bill 939) simplified the dispute resolution process, requiring customers filing complaints against residential contractors to obtain a court judgment if mediation failed instead of holding an administrative hearing. After receiving a court judgment, the customer submits the judgment to the Board and the contractor or contractor's surety is responsible to make payment.

The change in the dispute resolution made in 2011 was written to be temporary and was designed to allow time for the Board's budget to stabilize; in 2017 the dispute process is scheduled to revert to process that includes hearings before an administrative law judge. Though the Board's revenue has stabilized, it reports that it lacks the revenue to return to the old process. In addition, the Board believes the new process has proven to be more effective and there is greater incentive for the parties to reach a settlement.

House Bill 4121 makes permanent the dispute resolution process that would otherwise sunset July 1, 2017.