

# Before Hiring a Contractor

If you are a consumer interested in having work done by a contractor, this pamphlet can help you by:

- Explaining how the Washington State contractor registration program works.
- Describing how the contractor registration law protects you, the consumer.
- Outlining the legal requirements for contractors.

Consumers and businesses need to learn about prospective contractors before contracts are signed, and before money is paid. If you have questions about a contractor or need more information about the contractor registration law, call the Department of Labor and Industries on their state-wide toll-free contractor registration information line (800) 647-0982 or visit their website [lni.wa.gov](http://lni.wa.gov).

It is a good idea to check with the Better Business Bureau to see if there are any unresolved issues regarding a contractor. In the Tri-Cities area, call (800) 248-2356 or visit [bbb.org/eastern-washington](http://bbb.org/eastern-washington).



Home Builders Association  
of Tri-Cities  
1001 W. Clearwater Ave.  
Kennewick, WA 99336  
(509) 735-2745



Building Industry Association  
of Washington  
111 21st Avenue SW  
Olympia, WA 98501  
(800) 228-4229

## REQUIREMENTS

Washington State law requires all contractors to be registered. General contractors must maintain a \$12,000 bond and specialty contractors must maintain a \$6,000 bond. (Specialty contractors are those who participate in no more than two trades.)

It is against state law for any contractor to submit bids or perform any contracting work without being registered with the Department of Labor and Industries. It also is illegal for contractors to advertise without including their 12-character contractor registration number in the advertisement.

## CONSUMER PROTECTION

The contractor registration law exists to protect consumers from incompetent and/or fraudulent contractors.

Requiring contractors to be bonded gives consumers some financial protections against unsatisfactory or incomplete work. Dissatisfied consumers may take civil action to obtain restitution by taking action against a contractor's bond in superior court.

The law also requires contractors to carry insurance for property damage and public liability. It also ensures that contractors have a current Unified Business Identifier (UBI) Account Number and Federal Employer Account Number.

Any correspondence you send to a contractor should clearly state that bids will not be accepted unless that contractor provides a valid registration number.

While the law does not guarantee perfect performance, it improves the likelihood that the contractor does competent work.

## REGISTRATION PENALTIES

A maximum \$5,000 fine and a misdemeanor infraction can be levied against any contractor who performs work or submits a bid without being registered with the Department of Labor and Industries.

## INSURANCE PROTECTION

Contractors are required to carry at least \$50,000 in property damage insurance coverage and \$200,000 in public liability.

You are encouraged to verify the contractor's insurance coverage with his or her agent, as printed records may not reflect current coverage.

## 12 TIPS TO REMEMBER

1. Make sure your contractor is properly registered.
2. Investigate the reputation and experience of the contractor.
3. Be wary of contractors who ask you apply for building permits.
4. Plan your project carefully, including detailed plans, if necessary.
5. Don't compare apples to oranges when evaluating bids. Make sure bids are based on identical project specifications.
6. Ask what inconveniences might arise.
7. Obtain a written contract.
8. Make sure you understand the terms before you sign anything.
9. Be cautious about paying for work not yet completed.
10. Put all change orders in writing.
11. Make frequent inspections and consult your local building department.
12. Avoid making final payment until you have received a lien release from suppliers and subcontractors.

## INFORMATION LINE

The Washington Department of Labor and Industries contractor registration information line: 1 (800) 647-0982 operates weekdays from 8 am until noon and 1 pm to 5 pm, excluding state holidays. The information line allows you to verify whether commercial and residential contractors are registered and properly bonded.

The Labor and Industries staff can tell you if the contractor is currently registered, if action against the bond is pending, or legal action has been taken against the contractor's bond in the past. They can also tell you how long a contractor has been registered. This information may also be accessed online at [lni.wa.gov](http://lni.wa.gov).

## IMPORTANT PHONE NUMBERS

Department of Labor & Industries

Tri-Cities Office: (509) 735-0100

Electrical Inspections: (509) 735-0100

Factory Assembled Structures: (509) 735-0100

Tri-Cities Area Building Departments

Benton City: (509) 588-3322

Kennewick: (509) 585-4276

Pasco: (509) 543-5726

Richland: (509) 942-7794

West Richland: (509) 967-5902

College Place: (509) 394-8522

Walla Walla: (509) 524-4710

Benton County: (509) 735-3500

Franklin County: (509) 545-3521

Walla Walla County: (509) 524-2610

Better Business Bureau: (800) 248-2356

WA Attorney General Consumer Protection: (800) 551-4636