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CONTRACTOR REGISTRATION EXEMPTIONS

The contractor registration statute and related rules are the heart of construction law in Washington. However, the statute, RCW 18.27, specifically exempts sixteen different activities or persons from contractor registration. RCW 18.27.090. Among those exemptions are the following:

1. authorized representatives of governments at the local to federal level;
2. officers of the court;
3. public utilities;
4. petroleum or natural gas operations;
5. sale or installation of finished products that do not become a permanent fixed part of a structure;
6. materialmen whose materials are not fabricated or consumed in the work of the contractor;
7. casual, minor, or inconsequential labor and materials less than \$500.00;
8. irrigation and drainage ditches, agricultural work, and fire prevention work;
9. an owner who contracts for a project with a registered contractor;
10. a person working on his own property, except that this exemption does not apply if the intention of the work is to sell the improved property;
11. owners of commercial properties who use their own employees to do maintenance, repair, and alteration on their own property;
12. a licensed architect or professional engineer, electrician or plumber;
13. employees of a registered contractor;
14. contractors on highway projects;
15. construction projects on federal property;
16. and the subject of this article: Construction, alteration, improvement, or repair of personal property, except this chapter shall apply to all mobile/manufactured housing.

The statute notes that “a mobile/manufactured home may be installed, set up, or repaired by the registered or legal owner, by a contractor licensed under this chapter, or by a mobile/manufactured home retail dealer or manufacturer licensed under Chapter 46.70 RCW who shall warranty service and repairs under Chapter 46.70 RCW.

What does all this mean for the mobile/manufactured home dealer and those who work with mobile/manufactured homes?

The Department Of Labor and Industries has responded in a series of letters and policy statements, as follows:

“Manufactured home dealers are required to have a \$30,000.00 dealer bond that is regulated by the Department of Licensing, Dealer and Manufacturer services section. Customers who experience problems with their dealer or manufacturer are being directed to the Department of Licensing as well as the Department of Community, Trade, and Economic Development.

“Manufactured home dealers who contract with a registered contractor for the work of installing, set-up, and repair of the manufactured home they warranty are exempt from registration. This exemption **does not** allow a dealer to superintend contract work for work activity other than the installation, set-up, and repair of the manufactured or mobile home itself. Under these circumstances, dealers would be required to register as a contractor.”

Moreover, a “mobile/manufactured home dealer or manufacturer who is licensed under Chapter 46.70 RCW may install, set-up, or repair a mobile/manufactured home without contractor registration. They may also sub-contract or superintend other **registered** contractors performing installation, set-up, or repair work when the dealership or manufacturer has covered all of these work elements detailed in their contract with the consumer.

“When work outside of installation, set-up, or repair of a mobile/manufactured home occurs, i.e., garages, septic systems, etc., registration as a contractor shall be required. Registration is required under these circumstances as the \$30,000.00 dealer/manufacturer bond will not cover work other than installation, set-up, or repair of the mobile/manufactured home.”

This is a complicated issue that seems ripe for litigation because of the ambiguity inherent in the statute. We all hope that a workable solution will ensue that makes sense and works for all concerned.