



**CALIFORNIA CONTRACTORS
INSURANCE SERVICES** an ISC company



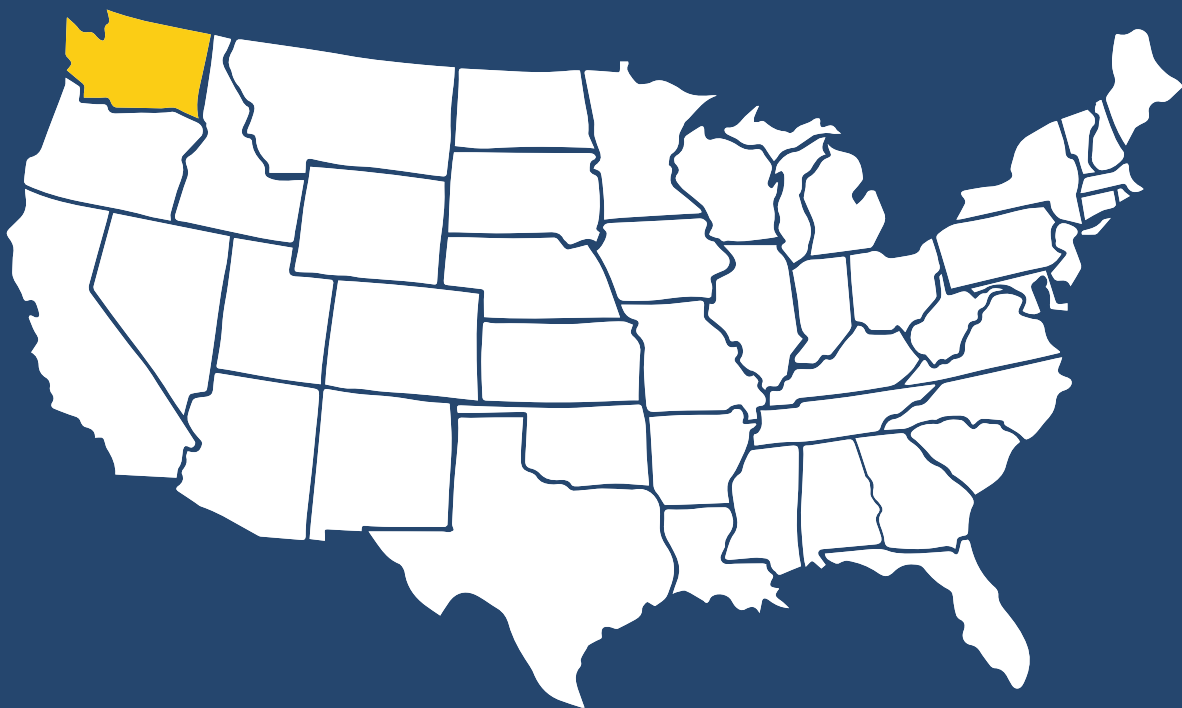
YOUR HOW-TO GUIDE:

Becoming a Licensed Contractor in Washington State

The construction industry provides tremendous opportunities for those looking to establish a career. It pays well, there is a high demand for workers, and you have a choice of various specializations – from general contracting to plumbing, carpentry, electrical, roofing, landscaping, drywalling, and many others. You also gain personal satisfaction in the work you do.

If you're looking to become a contractor in Washington state, the following are steps to help ensure you comply with state regulations and establish a successful construction business from the outset.

This guide provides you with the licensing information you need to start your path to becoming a contractor in Washington.



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Overview

Obtaining a license demonstrates a contractor's ability to perform projects, adhere to building codes, and ensure workplace safety. Furthermore, in addition to meeting compliance requirements, licensing instills confidence in clients and stakeholders by demonstrating that you possess the requisite skills, knowledge, and ethical standards to complete construction projects effectively and ethically.

The state of Washington maintains a strict yet necessary framework for contractor licensing, primarily

managed by the Department of Labor and Industries (L&I). This regulating agency is critical in ensuring that contractors operating inside the state meet the highest levels of professionalism, safety, and ethical behavior.

Contractors are required to register with the Department of Labor & Industries. State law mandates that construction contractors be bonded and insured to safeguard the public. Registered contractors can then bid, advertise, and perform construction work.



Know the Contractor Licensing Requirements in Washington State

It's important to first understand the key requirements for becoming a contractor in Washington:

- ▶ Come up with your business name. Check to see that the name is not already taken.
- ▶ Establish your business structure. Determine whether you will work as a sole proprietor, corporation, partnership, or limited liability company (LLC). Corporation owners should contact the Washington Secretary of State for instructions on how to proceed. If you are unsure about the type of business structure you want, visit business.wa.gov for more information on starting and structuring your business.
- ▶ Register your business with the Washington State Department of Labor & Industries and obtain a Unified Business Identifier (UBI) number from the Department of Revenue.
- ▶ Purchase a Surety bond to protect clients against financial damages due to improper or incomplete work and to ensure that subcontractors and suppliers are paid. Bond amounts and purchase details are as follows:
 - \$30,000 for general contractors
 - \$15,000 for specialty contractors
 - Surety bonds are available through a surety company or agent. The bond cost depends on various factors, including your credit history and business financials.
 - The bond must include the bond number and exact business name.

- ▶ Purchase General Liability insurance:
 - A minimum of \$200,000 in public liability and \$50,000 property damage or \$250,000 combined single limit in coverage is required.
 - The Department of Labor & Industries must be listed as a certificate holder on your Liability insurance.
 - General Liability protects your assets in case of injury, property damage, third-party accidents, or client lawsuits.
- ▶ Buy Workers' Compensation insurance if you plan to hire employees. Workers' Compensation is a safety net that can help cover the costs connected with employee job injuries. If one of your employees is injured on the job, the policy can cover medical expenses and lost wages up to the amount specified in the policy.
- ▶ Complete an application for Contractor Registration. There are separate departments that handle electrical and plumbing licenses. Note: Different types of contracting work will also require training and certifications to ensure you meet the state's requirements. For example, plumbers and electricians require master certification.
- ▶ Pay the required application fee of \$124.70; send a check or money order payable to the Department of Labor & Industries.



Note: Working without registering as a contractor in Washington state carries substantial penalties and fines. A first offense, for example, can result in a \$1,000 fine and the shutdown of the job site.

Determine What Type of Contractor License Your Business Needs

Not all contractor licenses cover the same specialties. Before applying for a license, determine which suits your business best. Applying for the wrong contractor's license can be costly.

There are two main contractor licenses in Washington state:



General Building Contractor

The General Building Contractor license is likely the broadest one available, as it covers many job categories. This license is appropriate for businesses that plan to demolish, build, repair, or remodel. General contractors have the flexibility to subcontract work as needed.

General contractors who want to work in certain specialty fields need to pass state examinations. This is necessary for plumbing, electrical, boilers, elevators, mobile home installation, and asbestos work.



Specialty Contractor

Specialty Contractors in Washington can work only within their designated specialty and typically cannot hire subcontractors to perform tasks outside this specialty. The L&I oversees 63 specialties, each of which requires contractor registration. These specialties include roofing, painting, HVAC, tree removal, mobile home installation, and many more.

Documents Required for Submitting Your Contractor Licensing Registration Form

- Your Social Security number or federal employee ID number
- The UBI number from the Department of Revenue
- Completed business structure registration
- Your Continuous Contractor's Surety Bond (F625-003-000)
- Certificate of insurance for General Liability coverage
- Proof of Workers' Compensation insurance if applicable
- Business and mailing address -- your mailing address can be a post office box number, but your business address must include an actual street name
- Previous registration information if you, your spouse, or anyone acting as a principal owner of your business has ever registered as a general contractor



Make sure your bond and insurance documents are kept up to date and renew them as necessary to maintain continuous protection.

Complete the Contractor License Application Form

When you've obtained the required paperwork, complete the [license application form](#). All signatures on the application must be original and notarized. The Department of Labor & Industries will not accept a copy of your application.

Mail all documents to:
Department of Labor & Industries
Contractor Registration
P.O. BOX 44450
Olympia, WA 98504-4450

It takes about three to four weeks after receipt to process completed applications submitted by mail take to and activate your registration. Once your business is registered, it will be listed in the Department of Labor & Industries' [Verify a Contractor, Tradesperson, or Business](#) tool. You will receive a registration card in about two weeks.

If any required information is missing or incorrect, the Department of Labor & Industries will contact you to help complete your registration.



Exam Requirements for Contractor Licensing in Washington State

Once you know which license you need to apply for, you may need to take the exam related to that license. If your exam doesn't match the license you are applying for, your application will be invalid. Contractor exam requirements vary.

- ▶ General Contractors typically need to take an exam covering general construction knowledge, building codes, safety regulations, and business practices.
- ▶ Electrical Contractors may need to pass an exam focused on electrical codes, wiring methods, electrical systems, safety practices, and related topics.
- ▶ Plumbing Contractors might be required to take an exam that covers plumbing codes, piping systems, fixture installation, drainage systems, and other relevant aspects of plumbing work.
- ▶ Specialty Contractors, such as HVAC (heating, ventilation, and air conditioning) contractors or landscaping contractors, may need to take exams specific to their trade.
- ▶ The Washington State Department of Labor & Industries will arrange your exam following your initial application.



You can find more information about the examination requirements for specific contractor licenses on the Department of Labor & Industries [website](#).

Additional Information for Specific Contract Work



Model Disclosure

You must provide a [Model Disclosure Statement Notice to Customer](#) (F625-030-000) for all residential jobs of \$1,000 or more and for commercial projects of \$1,000 to \$60,000.



Lead-Based Paint

Contact the Washington State Department of Commerce Lead Paint Program at 360-586-5323(LEAD) or visit www.commerce.wa.gov/lead before renovating or remodeling activities in pre-1978 residential or child-occupied facilities, to ensure compliance with applicable lead regulations.



Pesticides

If you will be applying pesticides, contact the Washington State Department of Agriculture, Licensing and Recertification Program at (877) 301-4555 or license@agr.wa.gov to ensure you are in compliance with state and federal pesticide law or visit <https://agr.wa.gov>.

Advertising Your Construction Business



After you have registered, include your contractor registration number in all business communications. When you advertise, request bids, or offer to perform work, you are required by law to disclose your contractor registration number. This includes business cards, Yellow Pages advertisements, newspaper ads, websites, digital ads, estimates, and bid proposals.

Renewing Your Washington State Contractor's License

The Washington state contractor registration is **valid for two years** from the issue date. You will receive a renewal card by mail. To continue your operations in the state, you must renew the registration before its expiration date. Keep track of when your registration expires and ensure you renew it on time. Additionally, stay informed about any changes in regulations or requirements that might affect your registration status.

The state requires all licensees to complete **continuing education** before each renewal (every two or three years, depending on license type). For example, 24 hours of continuing education are required for Electrical Administrators, Master Electricians, and General Electricians licensed in Washington. Sixteen hours of continuing education are required every three years for Journey & Residential Specialty Plumbers, and eight hours annually are required for Plumber Trainees for each renewal.

Online Renewals

To [renew online](#), you will need the following information:

- Your 12-digit contractor registration number
- Your UBI number
- The required fee of \$124.70
 - The Department of Labor & Industries accepts the following to renew licenses online: Visa, MasterCard, Discover, and American Express credit or debit cards. It also accepts E-Check, a one-time withdrawal from your checking account.

Renewals by Mail

Review the information on the contractor registration renewal card you received in the mail. If your information is correct and your required documentation is current, mail the renewal card with a check or money order in the amount of \$124.70 to:

Department of Labor & Industries
Contractor Registration Section
P.O. Box 44450
Olympia, WA 98504-4450

In-Person Renewals

Bring your renewal card to your nearest [local L&I office](#). You can pay by cash, check, money order, or credit/debit card.

Helpful Tips for Your Contractor Business in Washington

- ▶ Create a separate bank account for company and personal use.
 - ▶ Establish a system for invoicing, tracking spending, and managing cash flow.
 - ▶ Hire an accountant or bookkeeper to help with financial management responsibilities.
 - ▶ To ensure safety compliance, familiarize yourself with Washington state's standards for construction sites. Also, a safety program should be created and implemented to protect workers and comply with state regulations.
 - ▶ Obtain building permits from local authorities. Schedule inspections to ensure compliance with codes and regulations.
 - ▶ Develop detailed contracts for clients specifying project scope, dates, payment terms, and other relevant elements.
 - ▶ Consult an attorney to ensure your contracts meet Washington state laws and safeguard your interests.
 - ▶ Create a marketing strategy to showcase your construction services to prospective clients.
- Build your reputation and network with other experts in the construction sector by joining trade associations and attending events. In addition, create a website to showcase your services and feature your work. Leverage digital marketing to gain new clients, including social media, blogs, and email campaigns.

Frequently Asked Questions About Contractor Licensing

What is the role of the Washington State Department of Labor & Industries?

The Department is responsible for registering, regulating, and enforcing contractor licenses in Washington, assuring compliance with state and industry standards.

What type of projects can general contractors perform in Washington?

General contractors can undertake a wide range of construction work but must adhere to specific regulations for specialty areas like plumbing, electrical, and asbestos.

Are there any additional requirements for contractors to perform in Washington?

Contractors working in fields like plumbing, electrical, and asbestos need to meet extra education, examination, and licensing requirements.

What are the financial and insurance requirements for Washington contractors?

General contractors must provide proof of a \$30,000 Surety bond. Specialty contractors must provide proof of a \$15,000 Surety bond. These are the new amounts effective July 1, 2024.

General Liability insurance with a minimum of \$200,000 in public liability and \$50,000 property damage or \$250,000 combined single limit must be purchased.

Why the increase in the bond amounts?

The 2023 Washington Legislature raised the required dollar amount of surety bonds to strengthen consumer protections. Despite the increased cost of construction, the minimum amounts had not been raised since 2001 when the original law went into effect.

About CCIS

CCIS is a licensed construction bond and insurance agency, providing Washington contractors with bonds and General Liability and Excess Liability insurance.

Our goal is to obtain license bonds, surety, and insurance for our contractor clientele with optimal premium rates and structure. CCIS writes with several insurance companies, allowing us the resources to find the best fit for our clients. We always deliver prompt, professional service so that contractors can quickly address their bonding and insurance requirements in a simple, hassle-free way and so they can focus their attention on their contracting business.

Call:

800-432-2641

Apply Online:

www.ccisbonds.com



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