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**Has a small business economic impact statement been prepared under chapter 19.85 RCW? No**

We did not prepare a Small Business Economic Impact Statement for this rulemaking because the rule will not impose costs on any business. Per subsection (1)(a) of RCW 19.85.030, an agency must “prepare a small businesses economic impact statement... if the proposed rule will impose more than minor costs on businesses in an industry.”

Chapter 436, Laws of 2007 (Substitute House Bill 1843), passed during the 2007 session of the Washington State Legislature and made several changes to chapter 18.27 RCW. Some of these changes are listed below:

- Added included the term “develop” to the definition of a contractor
- Altered the definition of a general contractor to include a person whose business operations require the use of more than one building trade or craft upon a single job or project or under a single building permit.

The effective date of these changes was July 22<sup>nd</sup>, 2007. Previous to this date the law defined a general contractor as a contractor whose business operations required the use of more than two unrelated building trades of crafts.

The proposed new section WAC 296-200A-015 provides definitions, including a definition of a developer. This definition serves only to clarify the application of the statutory inclusion of developers as contractors pursuant to the statute. Additionally it serves to limit the application of the term to include only residential development. As such, these rules impose no additional costs on any business.

The proposed new section WAC 296-200A-016 provides definitions for “specialty contractor” for the purpose of contractor registration. The department uses these definitions to classify businesses into the “building trades or crafts” governed by the statute described above. The definitions also outline the scope of work each specialty may perform. The department is publishing the proposed definitions only to help contractors identify their proper classification and scope of work, but will not alter agency interpretation of the classifications. They will not alter the type of business a firm does or how they do that business, nor will they alter the agency’s compliance activities. As such, they impose no additional costs on any business.

The remaining proposed sections simply clarify the rule without altering its intent, and provide mechanisms for citations, suspensions, and appeals, etc. As such, acting in compliance with the law imposes no new costs on any business.