

WAC 296-310-050 Amount of bond or security. (1) A contractor must provide a bond or security in the following minimum amount:

(a) If the contractor employs or intends to employ:

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| (i) | From one to ten employees: | \$ 5,000 |
| (ii) | From eleven to fifty employees: | \$10,000 |
| (iii) | From fifty-one to one hundred employees: | \$15,000 |
| (iv) | Over one hundred employees: | \$20,000 |

(b) If the contractor does not employ agricultural employees, but only recruits, solicits, supplies, transports, or hires employees for another person, and that person takes complete responsibility for payment of wages to the employees, the contractor shall obtain a \$5,000 bond or other security.

(2) If the contractor obtains a two-year license, the bond or security shall be twice the minimum amounts stated in subsection (1) of this section.

(3) The department may order the contractor to obtain a bond or security for an amount greater than the minimums set by subsections (1) and (2) of this section if the security or bond is insufficient to satisfy the contractor's potential liability for the license period. If the department determines that an increased bond is necessary, it shall serve on the contractor a notice to increase bond or security. The notice shall:

(a) Describe concisely the reasons an increase in the bond or security is necessary;

(b) Specify the statutory authority for the required increase; and

(c) Grant the contractor thirty days from the date of issuance of the notice to obtain and provide to the department the increased bond or security.

The notice shall inform the contractor that it may request a hearing pursuant to WAC 296-310-160 on the order to increase the bond or security. The notice shall specify that if no hearing is requested within thirty days of the date of issuance of the notice the director shall issue a final, unappealable order requiring the contractor to submit the increased bond or security. The notice shall also specify that, if the contractor neither appeals nor obtains the increased bond or security within the thirty days, the department shall suspend the contractor's license.

(4) If the director issues a final, unappealed decision raising the amount of the bond or security, the raised amount shall be required for all license periods after the date of issuance of the final decision unless the decision specifically states otherwise. A contractor may, if the circumstances that led to the increased amount change, file with the department a written petition to lower the amount. The petition shall specify the grounds that justify a lowering of the bond or security. The department shall investigate the petition and shall issue a new notice stating its decision on the bond amount. The contractor, if aggrieved, may appeal this new notice as provided in subsection (3) of this section.

[Statutory Authority: RCW 19.30.130. WSR 86-01-027 (Order 85-34), § 296-310-050, filed 12/11/85.]