



Washington State Legislature

JOINT LEGISLATIVE TASK FORCE on the UNDERGROUND ECONOMY in the CONSTRUCTION INDUSTRY

AGENDA

August 1, 2007
1:00 p.m. – 4:00 p.m.

John A. Cherberg Building
Conference Rooms A,B,C

Work Session:

1. Reports from agencies, including field auditors, on impediments to collection of taxes and recommendations for improvement.

Presenters:

Department of Labor and Industries

Carl Hammersburg, Fraud and Prevention Compliance Manager
Scott Nielson, Construction Compliance Inspector
Theresa Bunten, L&I Auditor 3

Employment Security Department

Lisa Marsh, Director, Unemployment Insurance Tax Branch
Diana Johnson, Certified Management Accountant, Auditor 4

Department of Revenue

Drew Shirk, Legislative Policy Coordinator
Donald Gutmann, Revenue Analysis Manager
Kevin Dickson, Revenue Auditor 3

Major Barriers (Each agency to address each barrier.)

- A. Lack of clear, consistent, cross-agency definitions of “worker,” “employee,” and “independent contractor” and court decisions which have resulted in differing treatment among agencies.
- B. The definition of “licensed contractor” and the requirements to become a contractor.
- C. The complexity of legally sharing data among agencies under state and federal privacy requirements.
- D. Recruitment and retention of investigators and auditors and limited resources to hire staff.
- E. The nature of the construction industry – the “layering” of subcontractors which makes identification and enforcement difficult.
- F. Obtaining access to important financial records – Miles decision.
- G. The nature of the unregistered businesses and the cash economy.

2. BREAK
3. Staff report on experiences from other states.
4. Public Comment.
5. Other business.

Task Force Members:

Senator Jeanne Kohl-Welles
Senator Jim Clements
Representative Steve Conway
Representative Cary Condotta

John Bratton
Craig Munson
Rick Slunaker
Hilary Stern

Bob Abbott
David Johnson
John Littel
Randy Loomans

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