



Washington State Department of  
Labor & Industries

# Underground Economy Task Force

*KICK- OFF MEETING*

*Nov. 18<sup>th</sup>, 2024*

*2:30 PM – 4:30 PM*

# Introduction to Zoom Meeting

- Please remain muted when not speaking.
- Online:
  - Use the Q&A feature for technical questions regarding the presentation.
  - Use the “Raise Hand” option for live questions at the end of the presentation.

## Phone:

- To raise/lower hand use \*9 (star 9).
- To mute/unmute use \*6 (star 6).

# Agenda

- Welcome and Introductions
- Proviso Overview
- Task Force Process and Scope
- WSIPP Presentation
- Next Steps

# Introductions

- Name
- Organization and Role in Task Force

# Proviso Overview

## [ESSB 5950 \(Section 906\) - Making 2023-2025 fiscal biennium supplemental operating appropriations](#)

- This task force was created to study the nature and scope of the underground economy and recommend what policy changes, if any, are needed to address the underground economy within the construction industry and report their findings to the legislature.
- The proviso identifies the membership of the task force with appointments made by the President of the Senate and the Speaker of the House.
- The task force to choose the chair or co-chairs from among its membership at the initial meeting.
- Findings and recommendations are due to the legislature by June 30, 2025

# Proviso Overview

## [ESSB 5950 \(Section 906\) - Making 2023-2025 fiscal biennium supplemental operating appropriations](#)

- The task force shall study the nature and scope of the underground economy and recommend what policy changes, if any, are needed to address the underground economy, including whether greater cohesion and transparency among state agencies is needed.
- "Underground economy" means contracting and construction activities in which payroll is unreported or underreported with consequent nonpayment of payroll taxes to federal and state agencies including nonpayment of workers' compensation and unemployment compensation taxes.

# Task Force Process

- Selection of chair or co-chair
- Process questions for the task force:
  - Use of alternates
  - Decision making
  - Agenda setting
  - Reporting of findings and recommendations
- L&I task force support

# Scope – What's in/out

- Proviso directs:
  - Contract and construction activity
  - Unreported and underreported payroll and taxes
  - Cohesion and transparency between state agencies
- What else?
  - Is it all construction? (commercial/residential/public/private)
  - Is the focus general or sub-contractors or both?
  - Are there specific topics that are a priority?
  - Other?



# WSIPP Presentation

# Next Steps

- Next Meeting Scheduled December 2<sup>nd</sup> from 3:00 pm – 5:00 pm
- Future meetings:
  - All virtual?
  - Cadence
  - Length
  - Capacity during session
- Other

# Topics for Upcoming Meetings

- Next Meeting December 2<sup>nd</sup> from 3:00 pm – 5:00 pm
- Possible agenda items/topics:
  - Who is responsible for reporting hours, wage payment, taxes, etc... on a construction site?
  - How do other states address construction underground economy issues?
  - Summary of administrative changes the agencies have undertaken in response to input from the advisory committee and description of how the agencies work together
  - History of prior underground economy efforts
  - Other

# Closing

- Review Action Items
- Questions
- Public Comment?

# Contacts

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# Additional Material

# Legislative Task Force Members

<b>Member Name</b>	<b>Organization</b>
Sen. Steve Conway (D)	Senate
TBD Sen. (R)	Senate
Rep. Mary Fosse (D)	House of Representatives
Rep. Susanne Schmidt (R)	House of Representatives

# Other Voting Task Force Members

<b>Member Name</b>	<b>Organization</b>
Ellen Austin Hall	Attorney General's Office
Antonio Acosta	Western States Regional Council of Carpenters
Dennis Davis	College Place Heating & Air Conditioning
Gina Carlson	Dunamis Interiors, Inc.
Kerry Cox	ITC Systems
Lisa Stuurmans	IBEW Local 191
Neil Hartman	Washington State Association of the UA Plumbers & Pipefitters
Ryan Likkel	Western Refinery Services
Savannah Palmira	International Union of Painters and Allied Trades District Council 5



# Non – Voting Task Force Members

<b>Member Name</b>	<b>Organization</b>
Randy Littlefield	Dept. of Labor and Industries
Matt Buelow	Employment Security Department
Kate Armstrong	Dept. of Revenue