

## 2008 Task Force Recommendations: Items not addressed in 2009 enacted legislation

RECOMMENDATION	STATUS/NOTES
<p><b>1. Contractor registration - identification requirements.</b> A valid photo identification should be required for contractor registration and renewal. The registration should be available for review by consumers to verify the identity of the contractor.</p>	<p>Deleted from HB 1555. GF-State</p>
<p><b>2. Unregistered contractor criminal penalty.</b> The unregistered contractor criminal penalty should be increased from a gross misdemeanor to a class C felony for the 3rd offense.</p>	<p>Deleted from HB 1555.</p>
<p><b>3. Construction training and outreach team.</b> The Department of Labor &amp; Industries (L&amp;I) should establish a construction training and outreach team. Add two staff to provide direct contractor education/outreach to put on contractor training days, attend home shows, perform outreach to consumers and contractors. This also requires funding for travel, mailings, and materials.</p>	<p>Some funding as carry forward from 2008.</p>
<p><b>4. Education and outreach.</b> Requirements should be explored for new and out-of-state contractors to attend a contractor training class before allowing registration/licensing, as well as a minimum of 8 hours of ongoing education on law/regulations each year. Add one staff person to implement these changes.</p>	<p>Deleted from HB 1555. GF-State</p>
<p><b>5. Master business application system funding.</b> Funding for the Master Business Application Systems should be enhanced.</p>	<p>As introduced, HB 1555 directed interagency advisory committee (IAC) to study. IAC deleted.</p>
<p><b>6. Homeowner penalty.</b> The issue of whether penalties should be created for homeowners who intentionally do not follow the rules should be deferred for long-term consideration. (In its discussions of this issue, the Task Force noted that whether penalties should be created for all owners, not just homeowners, should be part of any future consideration of this issue.)</p>	<p>As introduced, HB 1555 directed IAC to study. IAC deleted.</p>
<p><b>7. Undocumented cash penalty.</b> The issue of whether penalties should be created for persons who accept undocumented cash payments should be deferred for long-term consideration. (In its discussions of this issue, the Task Force noted that whether penalties should be created for persons who offer, in addition to those who accept, undocumented cash payment should be part of any future consideration of this issue.)</p>	<p>As introduced, HB 1555 directed interagency advisory committee IAC to study. IAC deleted.</p>
<p><b>8. Future monitoring.</b> An ongoing interagency advisory committee should be formed, with labor and business stakeholders, to address issues identified by the Task Force as well as emerging issues regarding the underground economy in construction and other areas. (The discussion of future monitoring included discussion of ongoing reporting of measures recommended by the Benchmark Advisory Committee.)</p>	<p>Deleted from HB 1555. Task Force continued.</p>

Prepared for: Joint Legislative Task Force on the Underground Economy  
July 15, 2009

Prepared by: Joan Elgee, Office of Program Research

RECOMMENDATION	STATUS/NOTES
<p><b>8. DSHS new hire information.</b> The Legislature should consider the possibility of a shorter reporting time as a means of improving state agency data cross-matching capabilities and usefulness, while also enhancing compliance with new hire reporting requirements. DSHS should be encouraged to use its existing tools to obtain compliance. One task force member brought up concerns about changing the target when so few businesses are meeting the current target and this current target is not being enforced. Reservations were also expressed about setting the reporting requirements too tight to be practical for those who may outsource employment and payroll reporting functions.</p>	<p>As introduced, HB 1555 directed interagency advisory committee IAC to study. IAC deleted.</p>
<p><b>9. Local government tax issues.</b> It is important that the interagency advisory committee address the items that were brought to the attention of the Task Force by the representatives of the cities and the counties. These include the issue of resale certificates, which is being explored by the Department of Revenue, and whether contractors should be required to place subcontractor UBI numbers on checks.</p>	<p>SB 6173 enacted, providing for reseller permits. As introduced, HB 1555 also directed IAC to also study placing UBI numbers on checks. IAC deleted.</p>
<p><b>10. Sunrise review of residential contractors.</b> A majority of the Task Force recommends that the following recommendations made by the Department of Licensing in their sunrise review of residential contractors receive consideration in the 2009 legislative session.</p> <ul style="list-style-type: none"> <li>a. <i>Registration requirements.</i> Strengthen registration requirements by authorizing the Department of Labor &amp; Industries to suspend registration for cause. Establish mechanisms for monitoring industry performance.</li> <li>b. <i>Strengthen registration.</i> Strengthen registration by requiring disclosure of prior business names and/or bankruptcy, two years experience in the construction industry, and evidence of training regulations and business practices in the construction industry. Consider higher bonding limits.</li> <li>c. <i>Central complaint repository.</i> Create a central complaint repository within state government. Establish a database and encourage state agencies and local authorities to share information in a uniform format.</li> <li>d. <i>Consumer awareness.</i> Enhance L&amp;I's current efforts to increase consumer skills and awareness of issues, resources, and strategies that are important in the area of residential contracting. Connect this effort to the issues identified as critical in this study. Set goals and targets and define metrics for consumer awareness.</li> </ul>	<p>ESSB 1393 and 2SSB 5895 addressed – neither bill was enacted.</p>

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