

---

**SUBSTITUTE SENATE BILL 5783**

---

**State of Washington**

**67th Legislature**

**2022 Regular Session**

**By** Senate Labor, Commerce & Tribal Affairs (originally sponsored by Senators Conway, Hasegawa, Hunt, Keiser, Kuderer, Mullet, Stanford, and Van De Wege)

READ FIRST TIME 02/03/22.

1 AN ACT Relating to reestablishing the underground economy task  
2 force; and creating a new section.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** (1) The joint legislative task force on  
5 the underground economy in the Washington state construction industry  
6 is reestablished. For purposes of this section, "underground economy"  
7 means contracting and construction activities in which payroll is  
8 unreported or underreported with consequent nonpayment of payroll  
9 taxes to federal and state agencies including nonpayment of workers'  
10 compensation and unemployment compensation taxes.

11 (2) The purpose of the task force is to undertake a study on the  
12 nature and scope of the underground economy and to recommend what  
13 policy changes, if any, are needed to address the underground  
14 economy, including whether greater cohesion and transparency among  
15 state agencies is needed. To assist the task force in achieving this  
16 goal and to determine the extent of and projected costs to the state  
17 and workers of the underground economy in the construction industry,  
18 the task force shall contract with the institute for public policy,  
19 or, if the institute is unavailable, another entity with expertise  
20 capable of providing such assistance.

21 (3) (a) The task force shall consist of the following members:

1 (i) A member from each of the two largest caucuses of the senate  
2 appointed by the president of the senate;

3 (ii) A member from each of the two largest caucuses of the house  
4 of representatives appointed by the speaker of the house of  
5 representatives;

6 (iii) Four members representing the construction business,  
7 selected from nominations submitted by statewide construction  
8 business organizations and appointed jointly by the president of the  
9 senate and the speaker of the house of representatives;

10 (iv) Four members representing construction laborers, selected  
11 from nominations submitted by statewide labor organizations and  
12 appointed jointly by the president of the senate and the speaker of  
13 the house of representatives; and

14 (v) One representative from the state attorney general's office.

15 (b) In addition, the employment security department, the  
16 department of labor and industries, and the department of revenue  
17 shall cooperate with the task force and shall each maintain a liaison  
18 representative, who is a nonvoting member of the task force. The  
19 departments shall cooperate with the task force and the institute for  
20 public policy, or other entity as appropriate, and shall provide  
21 information and data as the task force or the institute, or other  
22 entity as appropriate, may reasonably request.

23 (c) The task force shall choose its chair or cochairs from among  
24 its legislative membership. The legislative members shall convene the  
25 initial meeting of the task force.

26 (4) (a) The task force shall use legislative facilities and staff  
27 support shall be provided by senate committee services and the house  
28 of representatives office of program research. Within available  
29 funding, the task force may hire additional staff with specific  
30 technical expertise if such expertise is necessary to carry out the  
31 mandates of this study.

32 (b) Legislative members of the task force shall be reimbursed for  
33 travel expenses in accordance with RCW 44.04.120. Nonlegislative  
34 members, except those representing an employer or organization, are  
35 entitled to be reimbursed for travel expenses in accordance with RCW  
36 43.03.050 and 43.03.060.

37 (c) The expenses of the task force will be paid jointly by the  
38 senate and house of representatives. Task force expenditures are  
39 subject to approval by the senate facilities and operations committee

1 and the house of representatives executive rules committee, or their  
2 successor committees.

3 (5) The task force shall report its findings and recommendations  
4 to the legislature by December 1, 2022.

--- **END** ---