

**75TH OREGON LEGISLATIVE ASSEMBLY 2009 Regular Session
STAFF MEASURE SUMMARY
HOUSE REVENUE COMMITTEE**

**MEASURE: HB 2815 B
CARRIER:**

REVENUE: Revenue Impact Issued

FISCAL: Fiscal Impact Issued

Action: Do Pass as Amended and be Printed B-Engrossed, and be referred to Ways and Means.

Vote: 6-4-0

Yeas: Bailey, Gelser, Kahl, Read, Riley, Barnhart

Nays: Bentz, Berger, Bruun, Sprenger

Exc.: 0

Prepared By: Chris Allanach, Economist

Meeting Dates: 4/15; 4/24; 4/28

WHAT THE BILL DOES: Establishes Interagency Compliance Network to enforce compliance with laws relating to taxation and employment among persons paying employees in cash. Allows for information sharing among state agencies participating in the Network. Creates Interagency Compliance Network Account with funds generated by increased fees for specified business filings and continuously appropriated to participating agencies. Requires the member agencies of the Network to prepare a report every two years that details how the funds had been spent and provides an estimated revenue impact from the Network's activities.

ISSUES DISCUSSED:

- Government efficiency and collaboration among state agencies
- Consumer protection
- Impact on the cash economy
- Fairness issue for businesses
- Role of auditing to improve compliance and the value of tax compliance

EFFECT OF COMMITTEE AMENDMENTS: Replaces blanks for agency distributions and fee size with dollar amounts. Clarifies that compliance work is for laws pertaining to taxation or employment.

BACKGROUND: HB 2815B is the product of an interim work group organized by the House Committee on Consumer Protection to address the recommendations of the Independent Contractor's Steering Committee and the Construction Claims Task Force regarding issues of unlicensed contractors and nonpayment of taxes. Past barriers to enforcement have included the inability of agencies to share information and a lack of funding for enforcement activities. While the scope of noncompliance is difficult to assess, according to a task force created by the Washington Department of Labor and Industries, Washington State collections have exceeded program costs by nearly 9 to 1 over fiscal years 2004 to 2008.

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