

# C-Engrossed House Bill 2815

Ordered by the House June 24  
Including House Amendments dated April 10 and May 6 and June 24

Sponsored by Representatives HOLVEY, GARRETT, Senator PROZANSKI; Representatives BAILEY, BARKER, BARNHART, BUCKLEY, CLEM, GREENLICK, HARKER, HUNT, KAHL, KOMP, NATHANSON, NOLAN, READ, RILEY, SHIELDS, J SMITH, WITT, Senators BONAMICI, BURDICK, DEVLIN, ROSENBAUM

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Establishes Interagency Compliance Network. Prescribes duties of network relating to classification of workers and persons who pay workers in cash for purpose of avoiding compliance with laws relating to taxation or employment. Provides that member agency may enter into agreement to provide information to another member agency.

*[Establishes Interagency Compliance Network Account. Provides that moneys in account are continuously appropriated to specified state agencies for purpose of compliance activities, including audits and investigations, that are related to persons who pay workers in cash, misclassify workers and do not comply with laws relating to taxation or employment.]*

*[Increases fee for certain business filings made with Secretary of State. Directs that amounts generated from fee increase be deposited in Interagency Compliance Network Account.]*

**Appropriates moneys from General Fund to Emergency Board for purpose of establishing and operating network.**

**Declares emergency, effective July 1, 2009.**

## A BILL FOR AN ACT

1  
2 Relating to compliance with laws relating to the conduct of business; appropriating money; and de-  
3 claring an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. (1) There is established an Interagency Compliance Network consisting of:**

6 **(a) The Department of Justice;**

7 **(b) The Department of Revenue;**

8 **(c) The Employment Department;**

9 **(d) The Department of Consumer and Business Services;**

10 **(e) The Bureau of Labor and Industries;**

11 **(f) The Construction Contractors Board;**

12 **(g) The State Landscape Contractors Board; and**

13 **(h) Other state agencies that enter into the intergovernmental agreement as described**  
14 **in subsection (3) of this section.**

15 **(2) The Interagency Compliance Network established under this section shall:**

16 **(a) Work to establish consistency in agency determinations relating to the classification**  
17 **of workers, including but not limited to classification of workers as independent contractors;**

18 **(b) Gather and share information relating to persons who pay workers in cash and who**  
19 **do not comply with laws relating to taxation or employment;**

20 **(c) Gather and share information relating to the misclassification of workers, including**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 but not limited to misclassification as independent contractors;

2 (d) Develop investigative methods for auditing persons who pay workers in cash, or who  
3 misclassify workers, and who do not comply with laws relating to taxation or employment;

4 (e) Conduct joint audits of persons who pay workers in cash, or who misclassify workers,  
5 and who do not comply with laws relating to taxation or employment;

6 (f) Identify opportunities for and obstacles to improving compliance with the laws relat-  
7 ing to the classification of workers, taxation or employment;

8 (g) Create a coordinated enforcement process for the laws relating to classification of  
9 workers that is efficient, fair and effective for the public and the regulatory agencies charged  
10 with enforcing laws relating to taxation or employment;

11 (h) Engage in public outreach efforts to educate the public generally on the distinctions  
12 between independent contractors and employees and on the laws and regulations governing  
13 the duties relating to classification of workers; and

14 (i) Take such other action as the member agencies deem appropriate to improve compli-  
15 ance with laws relating to taxation or employment that are administered by the member  
16 agencies.

17 (3) The agencies identified in subsection (1)(a) to (g) of this section shall enter into an  
18 intergovernmental agreement for the purpose of coordinating the efforts of the agencies  
19 under this section. Any other agency of state government, as defined in ORS 174.111, that  
20 has an interest in compliance with laws relating to taxation or employment may become a  
21 member of the Interagency Compliance Network by entering into the agreement on such  
22 terms as may be prescribed by the agencies identified in subsection (1)(a) to (g) of this sec-  
23 tion.

24 (4) Notwithstanding ORS 314.835 or any other law relating to confidentiality of informa-  
25 tion, any agency that is a member of the Interagency Compliance Network may enter into  
26 an agreement with another member agency to provide information to the other agency. In-  
27 formation provided to an agency under this subsection may be used by the agency only for  
28 the purpose of enforcing compliance of laws that are administered by the agency.

29 **SECTION 2.** The member agencies of the Interagency Compliance Network shall prepare  
30 a report once every two years that details the activities of the network during the two-year  
31 period. The report shall identify the manner in which the funding for the network has been  
32 expended, and an estimate of the revenue impact of the network's activities. The report shall  
33 be provided to the Governor, and to the Legislative Assembly in the manner provided by ORS  
34 192.245.

35 **SECTION 3.** (1) In addition to and not in lieu of any other appropriation, there is appro-  
36 priated to the Emergency Board, for the biennium beginning July 1, 2009, out of the General  
37 Fund, the amount of \$750,000, to be allocated to state agencies that are members of the  
38 Interagency Compliance Network for carrying out the purposes of section 1 of this 2009 Act.  
39 Nothing in this subsection requires that the Emergency Board allocate moneys to each  
40 agency in the network or allocate equal amounts to agencies.

41 (2) If any of the moneys appropriated by subsection (1) of this section are not allocated  
42 by the Emergency Board before December 1, 2010, the moneys remaining on that date be-  
43 come available for any purpose for which the Emergency Board lawfully may allocate funds.

44 **SECTION 4.** This 2009 Act being necessary for the immediate preservation of the public  
45 peace, health and safety, an emergency is declared to exist, and this 2009 Act takes effect

1 **July 1, 2009.**

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