

CHRISTINE O. GREGOIRE
Governor



STATE OF WASHINGTON
OFFICE OF THE GOVERNOR

P.O. Box 40002 · Olympia, Washington 98504-0002 · (360) 902-4111 · www.governor.wa.gov

March 21, 2008

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning, without my approval as to Sections 11 and 13, Second Substitute Senate Bill 6732 entitled:

"AN ACT Relating to implementing the recommendations of the joint legislative task force on the underground economy in the construction industry."

This bill provides precise tools to both the Department of Labor and Industries and the Employment Security Department to crack down on the underground construction economy. This legislation strengthens the ability of the two departments to enforce the statutes most frequently violated by unregistered contractors. It also provides the enforcement staff and the penalties necessary to make an impact on the underground construction economy.

Section 11 directs the Department of Labor and Industries to hire three staff members, including a working supervisor. While it is understandable that the Legislature wishes to make clear its intent regarding the Department's enforcement staff, specific reporting relationships and staffing levels are decisions best left to the Department and its management. The underlying strategies and tools described in the bill as a whole depend upon increased staffing in the Department's fraud audit infraction and revenue team. Therefore, I am directing the Department of Labor and Industries to hire investigative staff, consistent with the legislative appropriation provided for implementation of this bill, to carry out the activities and functions necessary to curb the activities of the underground construction economy.

Section 13 directs the Department of Labor and Industries to establish a pilot program with local jurisdictions surrounding the collection and sharing of building permit information. The intent and makeup of this study is unclear and the language provides little direction as to the nature of the pilot project. Since the pilot was intended to run until the end of 2014, I believe the legislature can revisit this idea in the next session.

Second Substitute Senate Bill 6732

March 21, 2008

Page 2

For these reasons, I have vetoed Sections 11 and 13 of Second Substitute Senate Bill 6732.

With the exception of Sections 11 and 13, Second Substitute Senate Bill 6732 is approved.

Respectfully submitted,

/s/

Christine O. Gregoire

Governor