

State of Iowa
Executive Department

IN THE NAME AND BY THE AUTHORITY OF THE STATE OF IOWA

EXECUTIVE ORDER NUMBER EIGHT

WHEREAS, it is a goal of this Administration to achieve and maintain a fair and equitable workforce environment in the State of Iowa; and

WHEREAS, certain employers in Iowa and elsewhere may also improperly classify individuals they hire as "independent contractors," even when those workers legally should be classified as "employees" (hereinafter referred to as "employee misclassification"); and

WHEREAS, the practice of employee misclassification is often an attempt by employers to avoid the employers' legal obligations under federal and state labor, employment and tax laws, including laws governing minimum wage, overtime, unemployment insurance, workers' compensation insurance, temporary disability insurance, wage payment and income tax; and

WHEREAS, the practice of employee misclassification has serious adverse effects on the residents, businesses and economy of Iowa, because this practice: (1) increases uncertainty of collecting unemployment taxes; (2) unfairly shifts the tax burden to the overwhelming majority of Iowa employers who adhere to federal and state labor laws; (3) allows employers who misclassify their employees an improper competitive advantage over law-abiding businesses; and (4) undermines fundamental laws intended to ensure employees receive legally-required employment insurance and workers' compensation; and

WHEREAS, enforcement efforts to address the problem of employee misclassification should be studied and enhanced, to improve the efficient coordination and cooperation between state agencies to address the problem of employee misclassification; and

WHEREAS, the creation of a Task Force to examine and report on the issue of employee misclassification is an effective method to better understand the magnitude of these employment practices and come up with cooperative solutions to enforcement of applicable laws.

NOW, THEREFORE, I, Chester J. Culver, Governor of the State of Iowa, by the power vested in me by the laws and constitution of the State of Iowa, do hereby order as follows:

An INDEPENDENT CONTRACTOR REFORM TASK FORCE shall be created.

A. **Membership.** Membership on the Task Force shall include:

- The Governor, or the Governor's designee;
- The Director of Iowa Workforce Development, or the director's designee;
- The Director of the Iowa Department of Revenue, or the director's designee;
- The Director of the Department of Economic Development, or the director's designee; and
- The Labor Commissioner, or the Commissioner's designee;

The Director of Iowa Workforce Development or the director's designee shall serve as Chairperson of the Task Force.

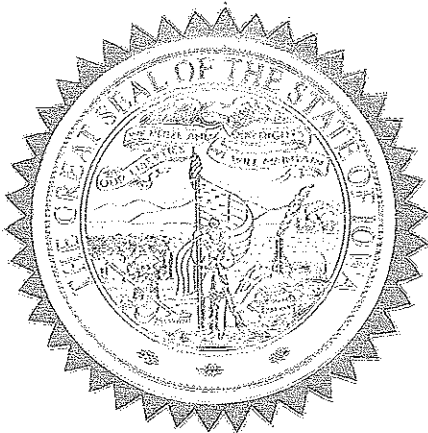
B. Duties. The Task Force shall:

1. Review Iowa laws, regulations, policies and procedures related to employee misclassification.
2. Assess existing methods, both within Iowa and in other jurisdictions, of preventing, investigating and taking enforcement action against employee misclassification violations.
3. Identify and recommend potential regulatory or statutory changes that would improve prevention and enforcement efforts and systematically address the problem of employee misclassification in Iowa.
4. Develop a plan and a timeline, with input from appropriate stakeholder groups, to redress the problems caused by and prevent the practice of employee misclassification through coordinated legal and regulatory changes.
5. Identify and recommend ways to prevent employee misclassification, such as through the dissemination of educational materials regarding the legal differences between independent contractors and employees, thereby reducing the need for corrective action.

C. Final Report. The Task Force shall submit a written report outlining its activities and making recommendations for corrective action to the Governor's Office no later than December 17, 2008.

D. Administrative Support. Iowa Workforce Development shall provide the administrative support necessary to facilitate the work of the Task Force.

E. Dissolution. The Task Force shall be dissolved upon submission of its report to the Governor's Office.



IN TESTIMONY WHEREOF, I have hereunto subscribed my name and caused the Great Seal of Iowa to be affixed. Done at Des Moines this 16th day of July, in the year of our Lord two thousand eight.

Chester J. Culver
CHESTER J. CULVER
GOVERNOR

ATTEST:

Michael A. Mauro

MICHAEL A. MAURO
SECRETARY OF STATE