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**State Government, Elections &  
Information Technology Committee**

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**HB 2208**

**Brief Description:** Authorizing criminal background investigations for current and prospective employees and contractors with access to federal tax information.

**Sponsors:** Representative Hudgins; by request of Office of Financial Management.

**Brief Summary of Bill**

- Requires criminal history checks and fingerprinting for all state employees and state contractors that may access federal tax information as part of their duties.

**Hearing Date:** 1/16/18

**Staff:** Travis Yonker (786-7383).

**Background:**

The Internal Revenue Service (IRS) requires state and local governmental agencies that access federal tax information (FTI) to establish a personnel security program that ensures a background investigation is completed for any individual who will have authorized access to FTI. The IRS has articulated certain minimum standards for such personnel security programs, including that the agencies develop written policies that all employees and contractors with access to FTI are subject to background checks, including fingerprinting, and also subject to reinvestigation at least every 10 years.

The Office of Financial Management (OFM) provides statewide budget, policy, accounting, forecasting, labor relations, and human resources for the executive branch. The OFM also ensures that state agencies comply with federal requirements related to the receipt of federal funds, cash management, and governmental accounting principles.

**Summary of Bill:**

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

All current and future state employees, and contractors with the state, that may be authorized in their duties to access federal tax information must have a criminal history record check through both the Washington State Patrol and the Federal Bureau of Investigation (FBI), including a fingerprint check that is forwarded to the FBI. State agencies must cover the costs of such background checks on their employees, but may charge contractors for the cost of their background checks.

Information received by state agencies as a result of background checks may only be used for the following purposes:

- making, supporting, or defending decisions regarding the appointment, hiring, or retention of employees or contractors; or
- to comply with any requirement of the IRS.

State agencies must establish background investigation policies that satisfy any specific background check standards established by the IRS. The OFM will create a model background investigation policy and may adopt administrative rules to implement this law.

**Appropriation:** None.

**Fiscal Note:** Preliminary fiscal note available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.