§ 861-a. Legislative findings and intent. The legislature hereby finds and declares that New York state's construction industry is experiencing dangerous levels of employee misclassification fraud. Unscrupulous employers are intentionally reporting employees as independent contractors to state and federal authorities or workers' compensation carriers in record numbers. In addition, there has been an explosion of employers who operate in the underground economy and fail to report all or a sizable portion of their workers.

The legislature hereby finds and declares that recent studies of New York city's construction industry alone suggests that as many as fifty thousand New York city construction workers -- nearly one in four -- are either misclassified as independent contractors or are employed by construction contractors completely off the books. Construction industry fraud reduces government revenue, shifts tax and workers' compensation insurance costs to law-abiding employees, lowers working conditions and steals jobs from legitimate employers and their employees.

Therefore, the legislature hereby finds and declares that government has an obligation to curb this underground economy, enforce long-standing employment laws, ensure compliance with essential social insurance protections and eliminate the unfair competitive advantage from contractors in the underground economy by and through the enactment of the New York state construction industry fair play act.