MINUTES OF THE
SENATE COMMITTEE ON GOVERNMENT AFFAIRS

Seventy-third Session
May 11, 2005

The Senate Committee on Government Affairs was called to order by Chair Warren B. Hardy II at 2:10 p.m. on Wednesday, May 11, 2005, in Room 2149 of the Legislative Building, Carson City, Nevada. Exhibit A is the Agenda. Exhibit B is the Attendance Roster. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Warren B. Hardy II, Chair
Senator Sandra J. Tiffany, Vice Chair
Senator William J. Raggio
Senator Randolph J. Townsend
Senator Dina Titus
Senator Terry Care
Senator John Lee

GUEST LEGISLATORS PRESENT:

Assemblyman Lynn C. Hettrick, Assembly District No. 39
Assemblyman Joseph M. Hogan, Assembly District No. 10
Assemblywoman Debbie Smith, Assembly District No. 30

STAFF MEMBERS PRESENT:

Kim Marsh Guinasso, Committee Counsel
Michael Stewart, Committee Policy Analyst
Tonya Cort, Committee Secretary

OTHERS PRESENT:

Paul D. McKenzie, Operating Engineers Local No. 3
Tommy Ricketts, President, Las Vegas City Employees' Association
Janice Flanagan, American Association of University Women, Nevada
Roberta (Bobbie) Gang, Nevada Women's Lobby
Mark Elicegui, Chief Construction Engineer, Director's Office, Nevada Department of Transportation

Gary E. Milliken, Associated General Contractors, Las Vegas Chapter
Justine Chambers, Commission to Study Governmental Purchasing
John Madole, Associated General Contractors, Nevada Chapter
Russell Rowe, American Council of Engineering Companies of Nevada
Al Kramer, Treasurer, Carson City; Association of County Treasurers of Nevada
Dan Musgrove, Clark County
William R. Uffelman, Nevada Bankers Association
Scott G. MacKenzie, State of Nevada Employees Association, American Federation of State, County and Municipal Employees Local 4041
Jeanne Greene, Director, Department of Personnel
Richard Daly, Laborers International Union of North America Local 169
Danny L. Thompson, Nevada State American Federation of Labor-Congress of Industrial Organizations
Patrick T. Sanderson, Laborers Local No. 872
Doug Walther, Chief, Office of Business Finance and Planning, Department of Business and Industry
Mary C. Walker, City of Carson City; Douglas County; Lyon County
Michael Tanchek, Labor Commissioner, Office of Labor Commissioner, Department of Business and Industry
Randall C. Robison, Associated Builders and Contractors
John Martin, Associated Builders and Contractors, Sierra Nevada Chapter
Ted J. Olivas, City of Las Vegas; Commission to Study Governmental Purchasing
Rose E. McKinney-James, Clark County School District

CHAIR HARDY:
We will open the hearing on Assembly Bill (A.B.) 483.

ASSEMBLY BILL 483 (1st Reprint): Revises provisions governing collective bargaining between local governmental employers and employee organizations. (BDR 23-1337)

ASSEMBLYWOMAN DEBBIE SMITH (Assembly District No. 30):
Assembly Bill 483 addresses timeline issues and dates related to collective bargaining and fact-finding for those public employees who are not teachers, police or firefighters, as they are covered under a separate statute. It was brought to my attention that the way the current statute is written, the timeline for fact-finding does not make sense, and some dates are truly not attainable. I have with me today Paul McKenzie who will explain the bill and answer any

technical questions. We have worked hard to build consensus on the language in this bill, and in fact, there was no testimony in opposition in the Assembly Committee on Government Affairs hearing. The bill passed the Assembly with a unanimous vote. Please refer to my written testimony (Exhibit C).

PAUL D. MCKENZIE (Operating Engineers Local No. 3):
Operating Engineers Local No. 3 represents public employees in almost every county in northern Nevada. We represent police, fire and other nonemergency personnel under the *Nevada Revised Statute* (NRS) 288. Last year, during the negotiating process, we encountered a problem with the current law, and as a result, we asked Assemblywoman Smith if she would help us with constructing A.B. 483. Currently, the NRS 288 requires that parties meet numerous deadlines which do not coincide with other deadlines outlined in the law. We have provided this Committee with timelines outlining our issues with NRS 288 (Exhibit D, Exhibit E). The current law creates windows of time parties are forced to meet, which are not conducive to productive bargaining. Exhibit D outlines NRS 288, starting with the timeline of February 1, which states the employee organization must notify the employer of their intent to bargain. Parties must begin bargaining promptly, which is often hard to accomplish as other issues may arise for the employer that take precedence.

Often, the two parties are not able to meet to discuss the issues until July 1. This is the first problem in the process; if the two parties cannot reach an agreement they are then forced to mediation, which must occur, according to the NRS 288, between July 1 and July 5. The two parties are often forced to request mediation even though it is not needed. The mediation steps are outlined in Exhibit D. If mediation does not force results for either party, the next step would be fact-finding. Under the current law, the parties cannot request fact-finding until August 1, and they must have had prior mediation. The steps needed for fact-finding are outlined in Exhibit D. If the two parties do not agree on whether the fact-finding will be final and binding, they have to start another process which involves the selection of a panel for final and binding fact-finding. The steps necessary for final and binding fact-finding are outlined in Exhibit D. The two parties cannot go to fact-finding until August 1. However, under NRS 288, the panel must be formed and submit dates by August 10 for final and binding fact-finding.

Assembly Bill 483 attempts to alleviate these timeline problems by creating a timeline that does not have artificial windows or unrealistic deadlines for the

two parties involved. Exhibit E outlines the proposed legislation of A.B. 483 and starts with the same timeline of February 1 to request bargaining. However, the two parties can start bargaining any time after February 1, and there is no deadline as to when bargaining has to end in order to go to mediation. Assembly Bill 483 proposes that if the two parties are not reaching an agreement, they can request mediation anytime after March 1, as outlined in Exhibit E. This bill also proposes if the mediation is not working, then anytime after April 1, the parties can start the fact-finding process. Assembly Bill 483 does not change the actual process currently in the law, but it does change the deadlines and timelines of NRS 288.

TOMMY RICKETTS (President, Las Vegas City Employees' Association):
I have been involved in six bargaining agreements, and our last bargaining session ended up in arbitration. The reason this last bargaining session ended up in arbitration is both sides were forced to meet certain deadlines, and we could not get to the meat of the issues. In order for conducive bargaining to occur, both parties must have an interest in the outcome and not be under the pressure of unrealistic deadlines. If this bill does pass, it will help us build a more harmonious relationship between labor and management. We are in full support of A.B. 483.

SENATOR LEE:
Mr. Ricketts, I understand what a mediator is, but can you better define a fact-finder?

MR. RICKETTS:
A mediator and fact-finder do basically the same thing in bargaining, but a fact-finder is along the same lines as an arbitrator. A fact-finding session consists of two elements, nonbinding fact-finding and binding fact-finding.

CHAIR HARDY:
We will close the hearing on A.B. 483 and open the hearing on A.B. 158.

ASSEMBLY BILL 158 (1st Reprint): Requires state agency to provide notice of access to computer of officer, employee or contractor under certain circumstances. (BDR 23-1008)

ASSEMBLYMAN LYNN C. HETTRICK (Assembly District No. 39):
Assembly Bill 158 arose due to a phone call I received from a State employee who was concerned after he noticed someone had accessed his computer while he was not in the office. This State employee had not given permission to anyone to access his computer. The employee did not believe this situation should have occurred without prior notification. We therefore put in a bill stating State government computers could not be accessed without prior notification to the user. This instantly drew many requests for amendments to this bill, and it turns out there are many reasons why computers must be accessed on a routine basis. One of the reasons is checking for viruses, which happens routinely. Therefore, we drew up amendments to allow for multiple ways to gain access without invading the privacy of files on employee computers. The result was A.B. 158 as amended.

Section 1, subsection 1 of A.B. 158 requires a State agency to notify an employee if his or her computer will be accessed. Subsection 2 requires the notice must be understandable and provided within 48 hours before or after the access. Subsection 3 provides the exceptions to subsections 1 and 2. The exceptions are as follows: investigations by a State agency authorized by law; investigations by a federal or State law enforcement agency; routine maintenance of the State agency's computers; and agency-adopted regulations as described in subsection 4 of the bill. Subsection 4 allows State agencies to maintain a log to record when access to a State computer will occur. This log must detail the information recorded, which will prevent access of State agency computers for illegitimate or illegal purposes. The information in the log must be kept confidential and does not allow disclosure, unless court ordered. Subsection 5 describes the procedure for routine maintenance of a computer.

SENATOR TIFFANY:
Assemblyman Hettrick, was this violation of privacy on a home computer or a State computer?

ASSEMBLYMAN HETTRICK:
The violation of privacy was on a State computer at a State agency.

SENATOR TIFFANY:
Are State employees given the option to purchase their computers or are they always State property?

ASSEMBLYMAN HETTRICK:
State employees cannot purchase their computers as these would be State property. There may be some cases where employees bring in their own laptop computer, but there is no way to gain access to laptops. Within the State system, access can be bypassed and is relatively easy to gain.

SENATOR TIFFANY:
When a computer is accessed in the State system, is it usually a person from the Department of Information Technology?

ASSEMBLYMAN HETTRICK:
That is correct, unless there is an internal department within a State agency doing maintenance. We cannot prevent someone from hacking into our system, but this bill prevents the illegal access by employees.

SENATOR TIFFANY:
Are there sanctions for violations?

ASSEMBLYMAN HETTRICK:
This bill, if passed, would become a State law and would be a misdemeanor if violated.

SENATOR CARE:
Is there a current policy recognizing that State employees have some right of privacy even though they are in a State agency?

ASSEMBLYMAN HETTRICK:
There is an unwritten policy stating exactly that. I met with the Governor's Chief Counsel, Keith Munro, who said it was their policy to follow State employees' rights of privacy. Mr. Munro stated they do not want State employees to do personal things with their State computers, but at the same time, they realize it is a hard thing to monitor without causing a violation of right of privacy. This bill provides an actual written policy for State employees and State agencies to follow.

CHAIR HARDY:
Are State computers on a central network or mainframe?

ASSEMBLYMAN HETTRICK:
Many of the State agencies, including the Legislature, are on a mainframe.

CHAIR HARDY:
We will close the hearing on A.B. 158 and open the hearing on A.B. 210.

ASSEMBLY BILL 210 (2nd Reprint): Requires contractor and certain subcontractors on certain public works to submit monthly report on demographics of persons employed on public work. (BDR 28-872)

ASSEMBLYMAN JOSEPH M. HOGAN (Assembly District No. 10):
We have a letter from the United States Department of Labor (Exhibit F) explaining their highly successful use of the type of legislation for which A.B. 210 is calling. There is also a letter from a general contractor (Exhibit G), Dick/Morganti Joint Venture, who is working on the new San Francisco Federal Office Building. This general contractor is using the type of legislation suggested in A.B. 210. We have testimonials in support of A.B. 210 from two individuals who planned to testify from Las Vegas, but were not able to do so. The first testimony (Exhibit H) is from the Southwest Regional Council of Carpenters. The second testimony (Exhibit I) is from E. Louis Overstreet, who is the Executive Director of the Urban Chamber of Commerce. Finally, there is a small report (Exhibit J) used to implement the program A.B. 210 is proposing.

I am proud to present legislation that enables Nevada to make a major leap forward in expanding equal opportunity to all of its citizens. Our fastest-growing State is investing huge amounts in construction, highways and other public infrastructure. In order to get maximum return on this investment, we must ensure the thousands of jobs created by this construction activity are shared with women and minority workers, who make up over 60 percent of Nevada's workforce. For more than 30 years, the federal government has tried to open construction employment to minority and female workers with limited success. The federal government imposed numerical goals and timetables on contractors and apprenticeship programs. These restrictions proved to be heavy-handed and ineffective in Nevada.

Although there has been considerable effort from those within the industry, few women, African-Americans or Asians have been able to establish themselves in the construction trade. Hispanics have been able to increase their numbers in the construction trade, but it is still not commensurate with the Hispanic

presence in the overall workforce. The data compiled by the Nevada Department of Transportation, which annually surveys the workforce employed by contractors, indicated that African-Americans, Asians and women each represent from 0.50 percent to 1.50 percent of the construction trades workforce on its projects.

Today the job opportunities in the Nevada construction industry have never been greater. Over 10 percent of all private employment is in construction, and for every 1-percent increase in Nevada construction jobs we open up to women and minorities, over 1,250 jobs would result. With the great demand for construction workers, if we could find a method to connect the growing supply of young people not planning to attend college, we could reduce out-of-State recruitment and train more of our own Nevada workers for construction careers.

Assembly Bill 210 is such a method, and it works rapidly to increase diversity. In addition, this method is simple and almost cost-free. Instead of government attempts to enforce imposed goals and timetables, the issue is addressed locally at the project level by the contracting agency, contractors and community representatives.

The game plan for A.B. 210 has two components: a single, monthly meeting and a simple report of each contractor's employment for the prior month. The Committee has a copy of what the report looks like, Exhibit J, and it can be completed in about three to five minutes. To keep A.B. 210 free from the burdens placed on the contracting agencies and on the contractors, the following provisions have been incorporated. These provisions are as follows: only Washoe and Clark Counties are affected; only construction contracts over $25 million are covered; no numerical goals are imposed by the bill; the required employment data is simple and on hand; only subcontractors with over 1 percent or $250,000 of the project costs are affected; no penalties are involved; and the Legislative Counsel Bureau will audit this process and report the findings.

I have discussed this bill with the contracting agencies, construction companies, labor leaders and community leaders. There is broad acceptance of the principle of diversity and an appreciation of this cooperative approach. The Committee's decision will affect whether this major step forward in achieving equal employment opportunity for 60 percent of Nevada's workers is worth a minor administrative burden placed on a few large contractors. Over 80 percent of the

Assembly voted for this bill, and I hope this Committee will also vote to advance civil rights in Nevada. For the remainder of my written testimony, please refer to Exhibit K.

SENATOR RAGGIO:
Is the report for the monthly meeting, Exhibit J, filed with the Labor Commissioner?

ASSEMBLYMAN HOGAN:
The Labor Commissioner would be asked to put the format of the report into a final form. The report from the monthly meeting would go to the owner of the project or the State agency.

SENATOR RAGGIO:
What is the purpose of the information collected in the report?

ASSEMBLYMAN HOGAN:
It is a method by which the owner of the project and the general contractor involved can assess how well they are doing with achieving diversity in the workforce. If the same contractor or contractors keep coming back, meeting after meeting, and have not hired any minorities or women, then peer pressure alone from the other contractors should be enough to change their minds.

CHAIR HARDY:
Working in the industry as I do, I know this issue is going to be difficult to get a handle on until you encourage and motivate apprenticeship programs. Why is there not a requirement for apprenticeship programs in A.B. 210? Contractors are in a lot of these trades, and if the right training is not provided up front, this bill may not work.

ASSEMBLYMAN HOGAN:
The apprenticeship programs are already under a complex set of regulations, primarily from the federal level, and I fear we would be confusing matters even further. This legislation has worked well for California, and it did involve unions and the use of apprentices. If an employer or contractor finds a good, qualified minority or female worker, they can usually bring them to the apprentice program without any trouble.

CHAIR HARDY:
I know if a female minority electrician is available, she has a job and probably three more waiting for her if the first one does not work out. The issue begins at the training and recruitment level.

SENATOR LEE:
I understand a contractor or employer would be issued a fine of $500 for not filling out this form. The first order of business is to stay in business, and I do not believe contractors or anyone in the construction industry would look at a person and say, that person cannot work here because he or she is a minority. I do not believe that any hard-working man or woman is denied a job and contractors are trying to keep their doors open and find qualified people. I see the intent of this bill, but bringing minorities or women into this trade begins with the correct training.

SENATOR TITUS:
As I understand it, A.B. 210 does not have any requirements for certain hiring or any set of quotas; this bill is only information sharing. Assembly Bill 210 is trying to move public policy in the right direction without sanctions.

ASSEMBLYMAN HOGAN:
The question of whether or not to penalize those people who do not want to hire minorities or women has been discussed. Earlier versions of this bill called for trivial penalties, irritating to those who received them. We changed the penalty aspect of this bill instead to withhold money from those who do not comply. Once compliance is realized, the money is then returned so as to not disrupt the cash flow of the business. In regard to Senator Titus's comment, this bill will lead to the proper training for minorities and women, but does not require training.

JANICE FLANAGAN (American Association of University Women, Nevada):
I am speaking on behalf of the American Association of University Women, Nevada (AAUW) and the Reno branch. I have written testimony in support of A.B. 210 (Exhibit L, Exhibit M and Exhibit N). Exhibit L is written testimony from Mary Jane Evans, the current president of AAUW. Exhibit M is written testimony from Arlene R. Summerhill, the past president of AAUW. Exhibit N is written testimony from Evelyn Cumming, the regional director of AAUW. The Association has long promoted economic well-being of all persons. As part of our action priorities, AAUW will support programs that provide women with

education, training and support in the workforce, including nontraditional occupations. It is known that nontraditional jobs pay 20 percent to 30 percent more than jobs traditionally held by women and offer better health care and other benefits. When we do provide good paying jobs to women, we increase the likelihood they will become economically self-sufficient and not rely on public assistance programs like welfare and Medicaid. The Association would like to participate in the committee aspect of this bill. We believe bringing the issue out in the open and discussing the barriers and solutions to hiring a diverse workforce will encourage the hiring of more minorities and women. The remainder of my testimony can be read in Exhibit O.

ROBERTA (BOBBIE) GANG (Nevada Women's Lobby):
The Nevada Women's Lobby (NWL) is in full support of A.B. 210, because we feel that women are underrepresented in the building trades industry. These jobs generally pay well and can move families of women and minorities from dependency to self-sufficiency. We know that diversification in the workforce is always a challenge, and encouraging and providing nontraditional jobs for women and minorities requires organizational change. Organizational change takes time, and the NWL believes A.B. 210 is an important step in this process. Assembly Bill 210 will provide an avenue for industry, labor, the public and particularly groups that promote the interests of women and minorities to discuss the reality of employment opportunities. This will heighten awareness of the lack of employment of women and minorities in the construction industry and foster the changes needed to overcome barriers to employment. The remainder of my written testimony can be read in Exhibit P. I would like to read a portion of the letter from the U.S. Department of Labor, Exhibit F, which states:

> The oversight meetings were open public forums and were well attended by many community-based groups that were actively training women and minority workers for construction jobs. Discussions about the future workforce needs of the contractors enabled community-based organizations to alert their members about the specific types of trades that would be needed, such as carpenters, or electricians, as well as understand the need for apprentices. With that unique dialogue, the oversight committee meetings provided an avenue that led to greater employment for women and minority workers. The oversight meeting model was a successful tool in assisting contractors with placement of women

> and minority workers. The oversight meeting has become a standard operating practice for large federal construction jobs and has been repeated many times in the Bay area.

The NWL supports A.B. 210 and urges this Committee to pass this bill.

MARK ELICEGUI (Chief Construction Engineer, Director's Office, Nevada Department of Transportation)
I am here to affirm the Nevada Department of Transportation's support for this bill. Attracting and recruiting construction workers in general, particularly women and minorities, is an issue for the construction industry as a whole. Communication through this process will help enhance recruitment and training efforts.

CHAIR HARDY:
The Department of Transportation has been really aggressive in the area of hiring women and minorities.

GARY E. MILLIKEN (Associated General Contractors, Las Vegas Chapter):
I would like to compliment Assemblyman Hogan and his persistence in getting A.B. 210 to work. In Clark County, we have a shortage of skilled positions in the construction industry, and some companies are going outside of the State trying to recruit skilled people. Often on public works projects, you go to the union hall or the apprenticeship program to get people to fill the positions you need. As a contractor, we do not have a say on who we get in those positions. The portion of this bill I have a problem with is on page 3, section 1, subsection 5, which states:

> A public body may withhold payment in an amount not to exceed $500 from a contractor or subcontractor engaged on a public work for each failure of the contractor or subcontractor to file a report required pursuant to subsection 1 until such a report is filed.

This penalty initially started out as a $25 or $50 fine. Then, after some discussion, the penalty was withholding a public works project paycheck. On some public works projects, this amount would add up to a $50,000 paycheck withheld as a penalty, if the report was not submitted in a timely manner. The first two amendments to this bill, in regard to the penalty, made no mention that either penalty would be refunded to the contractor once compliance was

achieved. In the third amendment, the penalty for noncompliance was brought down to a $500 fine and states once compliance is achieved, the contractor will then receive the money back. Meanwhile, Assemblyman Hogan stated at our first meeting with him it was not his intent to do anything punitive to the contractor.

JUSTINE CHAMBERS (Commission to Study Governmental Purchasing):
We agree with Assemblyman Hogan that the subject matter of this bill is wonderful, but we are not sure it is going to accomplish its intent without causing some adverse fiscal impacts to the local governments, as well as to the contractors on the public works projects. This bill does place an administrative burden on every contractor and subcontractor performing on the project by requiring the oversight meetings. We respectfully oppose A.B. 210.

JOHN MADOLE (Associated General Contractors, Nevada Chapter):
We have also worked with Assemblyman Hogan on this bill, and I will compliment him and the fact he has worked hard on this bill. We are simply before this Committee to give you a real-world version of what would happen once a bill such as A.B. 210 passes. We are talking about putting burdens on small employers who are piled with paperwork on public works projects, and this does not include the paperwork included with this bill. We are concerned that if this bill passes, it would only further discourage work on public works projects. We are opposed to A.B. 210.

SENATOR LEE:
The great art of construction anymore is paperwork, and if you do not submit the paperwork correctly, you will not get paid for the job. Even if you correctly fill out your paperwork the first time, it still does not guarantee the general contractor or anyone else associated with the job will fill out their paperwork correctly, resulting in no one getting paid for the job.

MR. MADOLE:
I share your concern, Senator Lee. The bill states that once compliance is achieved, the money or penalty of $500 will be put back promptly. What is promptly, 15 minutes from now or 60 days?

CHAIR HARDY:
We will close the hearing on A.B. 210 and open the hearing on A.B. 156.

ASSEMBLY BILL 156 (1st Reprint): Revises provisions governing terms of certain contracts between public bodies and certain design professionals. (BDR 28-858)

RUSSELL ROWE (American Council of Engineering Companies of Nevada):
Assembly Bill 156 deals with contracts between design professionals, such as engineers and architects, and public entities. There are two clarifying provisions and one substantive provision to this bill I would like to address. We have worked at length with public entities and local governments, mostly with the District Attorneys Association through Ms. Shipman and the Commission to Study Governmental Purchasing through Mr. Keenan. We were able to work out language that we were all comfortable with, and as a result, this bill passed unanimously through the Assembly Committee on Government Affairs.

The first provision, section 1, subsection 3, clarifies where a public entity can be added as an additional insured in an insurance policy held by the design professional. The second provision, section 1, subsection 5, clarifies the definition for the term "agent" of the public body. The third and most important provision, section 1, subsection 5, states the contract may require the design professional to defend, indemnify and hold harmless the public entity for acts of negligence, errors, omissions, recklessness or intentional misconduct of the design professional. Problems arise due to a divergence between the provision of law and the provision of the insurance policy with respect to professional liability. The problem arises where an act of negligence does occur and the design professional has signed a contract that has the provision of the requirement to defend, but the insurance carrier of the design professional elects not to defend the public body. Since the design professional has signed a legal and binding contract, they can take the insurance carrier out of the picture. Therefore, the result is the design professional is left at significant risk having to defend, out of his or her own pocket, the public entity.

We are trying to create a situation, through this bill, where the public entity can still be reimbursed for its attorney fees and costs to the extent the design professional is liable for what occurred, but where the design professional is not subject to paying these costs out of his or her own pocket. This is important because the adjudication by the court and the awarding of fees brings an occurrence back under the insurance policy. The design professional is covered, and the public entity can be reimbursed.

SENATOR TIFFANY:
Mr. Rowe, why are we making this provision only for the design professionals when dealing with public entities?

MR. ROWE:
I cannot speak for anything beyond the contracts between design professionals and public entities. This provision should be standard language in any State contract.

SENATOR TIFFANY:
I realize NRS 338.155 specifically refers to the relationship between design professionals and public entities. But before this Committee processes this bill, we should look at getting the Risk Management Division involved as well. Mr. Rowe, are you saying that if we get the language changed in risk management, we would still have to change it in any related statute?

MR. ROWE:
I do not have the knowledge to address that question specifically. The language our clients deal with comes directly from NRS 338.155.

SENATOR CARE:
Mr. Rowe, if the policy allows such a provision, are there insurers that would be open to this provision?

MR. ROWE:
There are policies in which the insurers will not allow additional insurers to be included on their policy. This would have to be something negotiated between the insurance companies and the public entity.

CHAIR HARDY:
We will close the hearing on A.B. 156 and open the hearing on A.B. 371.

ASSEMBLY BILL 371 (1st Reprint): Makes various changes concerning public financial administration. (BDR 31-605)

AL KRAMER (Treasurer, Carson City; Association of County Treasurers of Nevada):
Assembly Bill 371 addresses cleanup language concerning treasurers and the availability of audit findings to the public. Mr. Musgrove will go over the portion

of the bill that deals with the availability of audit findings to the public. I will go over the portions of the bill that address the treasurers.

I will start with section 3, which relates to the State Board of Finance and the criteria the Board must follow to approve brokers working with smaller counties. Section 4 (Exhibit Q) states a bank or trust is qualified to hold securities for a local government if it is rated by a nationally recognized rating service as within the AA category or better for creditworthiness. This amendment takes off the requirement that the bank or trust be insured by the Federal Deposit Insurance Corporation.

Section 5 relates to where the remaining proceeds go when a county sells a property for nonpayment of taxes. We have individuals within our department who are finders of money, as with the Unclaimed Property Division at the State Treasurer's Office. We want to adopt the same language they use.

Section 6 changes the language concerning title insurance. When someone buys a property at auction, they cannot get title insurance. By changing the language from primary evidence to conclusive evidence, it ensures that unless someone did something fraudulent by bringing the property up for auction, the title insurance stays with the person who bought the property.

Section 7 states if you have a delinquent tax property that sells, the county receives $300 for processing plus 10 percent of the next $2,000 of the excess proceeds. We would like to amend the $2,000 to $10,000 of the excess proceeds. Instead of receiving $500 for processing and the excess proceeds, we would like to increase the amount to $1,300.

Finally, Section 8 states these amendments become effective on July 1.

SENATOR TIFFANY:
What is the actual cost to the county for processing the paperwork on delinquent tax property that sells?

MR. KRAMER:
We go through the process of title searches and certified letters prior to the sale of the property. In Carson City, when we get to the date of advertising for the auction, all delinquent taxes are paid up to date. We have not had a sale in

ten years. For the counties that do have frequent sales, it is a constant reminder, and it is over and above the processing costs of collecting taxes.

SENATOR TIFFANY:
The $1,300 you receive for the processing and excess proceeds covers the county's cost for title searches, certified letters and advertising delinquent tax property.

MR. KRAMER:
It is rare that a delinquent tax property would go this far, but if it does, the $1,300 does cover all of our costs. We can charge the cost of the title search to the person paying the taxes, and we recover that after the auction. The process of ordering and preparing the title search is not recoverable, except under the $1,300.

SENATOR TIFFANY:
Mr. Kramer, you stated you would like language similar to the language of unclaimed property, and you would like a contract stating this. What type of contract are you referring to? Were you referring to a bounty hunter-type contract?

MR. KRAMER:
That is how it works in unclaimed property. For example, if you had $500 in unclaimed property and I found it, I could come to you and tell you that for 50 percent, I know where there is some money for you. But unclaimed property laws state that before I could do this, you have to sign a contract with me and the only amount I could claim is 10 percent. This discourages bounty hunters from finding people before the treasurer's office does on excess proceeds. We are saying you must have a client before you can be a finder.

SENATOR TIFFANY:
Are you limiting the private sector from business opportunity? Although I do not approve of the business of bounty hunting, it is still a business.

MR. KRAMER:
It is a business, but you are bound by certain rules with unclaimed property, and we would like to have the same thing apply to delinquent tax sales.

SENATOR TIFFANY:
Do other states put boundaries on bounty hunters when it comes to delinquent tax sales?

MR. KRAMER:
Yes, they do. In most states, the only information you can get is by the Internet, and it is restricted, so you must know the person you are finding money for before you can receive any information.

SENATOR CARE:
Mr. Kramer, I have a question on section 3, subsection 4, where it states:

> The State Board of Finance shall not approve an investment adviser unless the adviser has: (a) At least 10 years of experience advising governmental entities concerning the investment of public money, at least 5 years of which have been within the immediately preceding 10 years; (b) Managed, on behalf of governmental entities, investment portfolios with a combined value of $100,000,000 or more; and (c) Demonstrated knowledge of the laws of this State concerning investment of public money.

If we enact this, are we putting anyone out of business who does not currently possess the above requirements?

MR. KRAMER:
To the best of my knowledge, no one would be put out of business if the Legislature would enact this. We just want to be sure we are dealing with the right people when we deal with this type of money.

DAN MUSGROVE (Clark County):
Early in the 72nd Session, the Government Finance Officers Association looked for a bill relating to audit and financial statements. Assembly Bill 371 turned out to be the proper vehicle to address some of the issues with which the Association had problems. The new language proposed on section 2 of the bill is for both local governments and the State. The new language simply states an audit report is public knowledge once the audit report is complete and the local government or state has paid for the report. There have been instances in Clark County with existing contracts becoming intellectual property of the certified public accounting firms.

SENATOR RAGGIO:
When an audit is performed on a public body, the audit is completed and submitted to the agency being audited, and they in turn have time to respond. At what point would it actually become public knowledge?

MR. MUSGROVE:
The audit is usually accepted by the public body through an official presentation and then it becomes public knowledge. To receive additional copies, you have to go to the certified public accounting firm and ask them for an additional release of the audited financial statement. We ran into an instance where they actually held that information and we missed the bond market by a few days. Once an audit has been released and accepted, it should become a public document.

SENATOR RAGGIO:
When you say released and finalized, is that after the agency has had an opportunity to respond to the audit? And if so, should it be noted in the amendment?

MR. MUSGROVE:
Yes, it is after the agency has had the opportunity to respond to the audit. I doubt if we would need that specified in the amendment, but I would yield to your legal expertise.

CHAIR HARDY:
This issue needs clarification. We will ask Ms. Guinasso to look into it.

WILLIAM R. UFFELMAN (Nevada Bankers Association):
I am here in support of A.B. 371 and especially section 4 of the bill.

CHAIR HARDY:
We will close the hearing on A.B. 371 and open the hearing on A.B. 484.

ASSEMBLY BILL 484 (1st Reprint): Authorizes discussions of workplace relations for certain state employees. (BDR 23-1300)

SCOTT G. MACKENZIE (State of Nevada Employees Association, American Federation of State, County and Municipal Employees Local 4041):
Assembly Bill 484 establishes procedures for discussion of workplace relations between employer and authorized employee representatives. This bill divides the State workforce into ten distinct units, and along occupational lines, for the purpose of authorizing employee representatives in engaging in labor management discussions. This bill creates expedited procedures for dispute resolution in enforcement of workplace relation agreements. This bill also changes the name of the existing Local Government Employee-Management Relations Board to the Public Employment Relations Board (PERB). This bill grants PERB the authority to administer applicable provisions of the act. I will now show a five-minute video, called "Meet and Confer — Department of Corrections," which explains the advantages of this bill and PERB.

CHAIR HARDY:
Mr. MacKenzie, is this video being done only in the Department of Corrections?

MR. MACKENZIE:
Yes, it is.

CHAIR HARDY:
If this plan is already being implemented, why would you need legislation?

MR. MACKENZIE:
The plan has been implemented in the Department of Corrections through a lawsuit that went to federal court over shift pay. The video titled "Meet and Confer — Department of Corrections" was part of the settlement. We would like to avoid lawsuits and going to court in order to talk to management about workplace issues. We need the support of this Legislature to discuss workplace issues. To deal with workplace issues, we currently have the Employee-Management Relations Board which does not hear or deal with policy issues. We have a complete breakdown between employee and management relations in this State.

The idea of A.B. 484 is to establish ten units of common interest groups within the State using a formal process of either elections or a presentation of representation cards to determine which employee organization would represent what group. Once established, the bill allows for a 60-day notification upon an issue to discuss workplace relations. The discussions would then take place and

an agreement would be determined. No agreement would be enforced if it involves any law, unless both parties of management and employees come back to the body for approval.

CHAIR HARDY:
How does A.B. 484 prevent employee and management relations from going to court?

MR. MACKENZIE:
This bill creates an atmosphere for the employee and management to discuss workplace issues through mediation or arbitration in order to come to a workable agreement between the two parties. Once this was put into place with the Department of Corrections, the relationship between employees and management has been much better.

CHAIR HARDY:
Does this involve binding arbitration or mediation?

MR. MACKENZIE:
The mediation is not binding, but the arbitration would be. This type of mediation or arbitration cannot deal with any type of economic issues, such as raises. The mediation is free and occurs before the arbitration. The arbitration is not free, but rarely do the workplace issues ever go to arbitration. In the Department of Corrections, the mediator meets with the two parties every 30 days and they talk about workplace relations. If there is anything that cannot be agreed on, the two parties either agree to disagree and let it go or they can go to arbitration.

SENATOR RAGGIO:
No one would disagree with the concept of meet and confer. The issue is what do you do when, after conferring, there is no agreement? According to the bill, the Legislature only gets involved if there is a statute to be amended. Is that correct?

MR. MACKENZIE:
That is correct.

SENATOR RAGGIO:
Workplace issues cannot involve salaries or compensation. Is that correct?

MR. MACKENZIE:
That is correct. Section 14 states:

> "Terms and conditions of employment" includes, without limitation: 1. Hours and working conditions; 2. Grievances; 3. Discipline and discharge; and 4. Any other term or condition of employment that does not require an appropriation from the Legislature to be given effect.

SENATOR RAGGIO:
Section 35 of this bill talks about first and last best offer, and this term is usually used in negotiating salaries. Therefore, this seems to contradict what is defined under the terms and conditions of employment. I would question the advisability of limiting this to first and last best offer. I also have a question on section 20 of this bill, which states:

> For the purposes of discussions of workplace relations, supplemental discussions of workplace relations and other mutual aid or protection, employees have the right to: (a) Organize, form, join and assist employee organizations, engage in discussions of workplace relations and supplemental discussions of workplace relations through exclusive representatives and engage in other concerted activities; and (b) Refrain from engaging in such activity.

Is this portion of the bill suggesting the right to strike?

MR. MACKENZIE:
Section 20 does not imply the right to strike. It does imply the employee can continue with the same system if he or she is not interested in dealing with workplace relations. In regard to your comment about the first and last best offer, we had lengthy discussions about the shift pay in the Department of Corrections and this issue was resolved. There was a problem with the posts assigned in the Department of Corrections, however. The solution we came up with was compromising on the shift pay and post-assignment issues.

In closing, I have written testimony (Exhibit R) from the American Federation of Labor - Congress of Industrial Organizations, and I would appreciate this Committee reading the testimony in support of this bill.

JEANNE GREENE (Director, Department of Personnel):
We are not opposing A.B. 484, but we do have a few issues of which I would like to make this Committee aware. This bill allows for ten different bargaining agreements, and all employees would be required to be represented by one of the units. Currently, less than 19 percent of our employees belong to an employee organization. Some agencies would be applying ten different sets of rules to their employees, and those employees who are not represented would be under another set of rules. This would require a supervisor to know and understand multiple contracts and supervise employees represented by different groups.

This bill could also erode some of the power of the Legislature. Our current regulations have to have authority in statute, and the regulations are reviewed and approved or vetoed by the Legislature. The provisions of the workplace relations agreement would not be subject to the legislative review. In fact, these provisions would have control over existing regulations when there is a conflict in the agreement. On the other hand, this bill could prevent us from doing things we were able to do through regulations. For example, we were able to adopt a regulation that paid our military personnel a salary differential when their military pay was less than their State pay. If this provision were enacted, we would not be able to continue this because it would require additional compensation. Our current system does provide for participation of all employees. We currently go through the public hearing process if there are grievances, and we have many checks and balances with the grievance process.

SENATOR TIFFANY:
You made the comment that there would be ten different unions involved if this bill were to pass. Is that correct?

MS. GREENE:
There would be ten different agreements through this bill. There would be ten different groups, and each group would have a different agreement.

SENATOR TIFFANY:
What would be an example of some of the groups?

MS. GREENE:
These groups are all included under section 25 of this bill. They include labor, maintenance, administrative and clerical to give just a few examples.

SENATOR TIFFANY:
Ms. Greene, would you expand on your comment that this bill could erode the power of the Legislature?

MS. GREENE:
Currently, we have regulations that all employees fall under. There has to be some authority and statute in order for us to adopt a regulation. These regulations go through the process of the Legislative Counsel Bureau (LCB) to ensure there is authority. After they are approved by our Personnel Commission, they go back to LCB for review and approval or veto. Under this bill, these agreements would not go through that process.

SENATOR TIFFANY:
In the grievance process, do you find when employees come to you with a problem, they automatically expect you to fix it?

MS. GREENE:
I am not aware of that happening.

CHAIR HARDY:
We will close the hearing on A.B. 484 and open the hearing on A.B. 552.

ASSEMBLY BILL 552 (1st Reprint): Revises provisions relating to public works. (BDR 28-1059)

RICHARD DALY (Laborers International Union of North America Local 169):
I am passing out a handout (Exhibit S) that will take us through the sections of this bill. Section 2 clarifies that prevailing wage applies when there is the use of public money, public financing, public partnership or involvement in the development and construction of private projects. This section is in response to the latest efforts to evade the requirements to pay prevailing wage by entities that provide, and the business that receives, the public money, public financing or incentive required to be paid pursuant to the statutes listed at the end of section 2.

Section 3 sets out the survey process for determining the prevailing wage. Most of this section is currently done and outlined in regulation. We propose bringing the survey procedure into statute to affirm and memorialize what has been the practice and procedure. We also propose to have the prevailing wage reflect the

conditions if the rate determined to prevail is collectively bargained. In section 3, subsection 1, we are proposing the class of workmen should be recognized in the construction industry rather than by the labor commissioner. In section 3, subsection 2, paragraph (a), we affirm that residential construction is excluded from the survey and set a threshold of $100,000 for projects included in the survey. Currently, residential construction is not surveyed.

CHAIR HARDY:
If we are really trying to determine the prevailing wage for a class of workmen, it should include everybody. In addition, we are now adding a recognized national labor organization as an entity that should be surveyed annually. Why are we only subjecting the national labor organizations to this and not trade associations? Until the regulations were changed a couple years ago, it was the labor organization submitting the wage surveys. The last labor commissioner put in regulations that if they were going to do this on behalf of the employer, they would need to have power of attorney. I do not know how you can maintain that a labor association has more ability than a labor organization.

MR. DALY:
Previously, labor organizations were allowed to participate in the survey. When Mr. Johnson became the labor commissioner, he no longer allowed this to occur, and said it was not provided for anywhere in the law. This bill would allow contractors and labor associations to have access to the survey, but representatives for the workers would not have access.

In section 3, subsection 2, paragraph (b), we propose worker representatives be allowed to participate in the survey, as was the practice prior to Labor Commissioner Johnson. In section 3, subsection 3, we propose to amend lines 22 and 24 to read, "For the purpose of the survey required, pursuant to subsection 2, the labor commissioner shall survey for the following class of workmen." Then we would show a consolidated list of the current class of workmen that the labor commissioner has surveyed in the past several years. In section 3, subsection 4, we affirm and memorialize the current and long-standing practice of recognizing hours worked under a collective bargaining agreement to be at the same rate for the survey. In section 3, subsection 5, paragraph (b) we propose to use the rate that has the greatest number of hours reported if there is no majority. The remainder of subsection 5 is the current and long-standing practice.

CHAIR HARDY:
In regard to section 3, subsection 5, paragraph (b), the law currently states if there is no such majority of workmen, 40 percent of the prevailing wage applies. The law used to say 30 percent of the prevailing wage, but we changed it by regulation to the prevailing wage of 40 percent. What you are saying with this amendment, Mr. Daly, is that the prevailing wage now goes to the majority of the hours worked. This could be 10 percent or 15 percent, as long as it is the majority.

MR. DALY:
We would use the greatest number to determine the prevailing wage. For example, if you have 2,500 hours reported in a certain class with 1,000 hours at one rate, 800 hours at another rate and 700 hours at yet another rate, there would be no majority at 1,250. So the 1,000 hours would be the majority rate.

CHAIR HARDY:
My concern would be we are going further away from the collective bargaining wage. Unless you use a collective bargained rate, there is no way to achieve any type of exact number to get close to a majority. I have always argued that prevailing wage should be an average of all the wages surveyed.

MR. DALY:
In section 3, subsection 6, paragraphs (a) and (b) affirm the long-standing practice to recognize the classifications and wage rates in effect on the effective date of the survey.

CHAIR HARDY:
Mr. Daly, in section 3, subsection 3, you have the following classifications of workers: boilermaker, bricklayer, carpenter, cement mason and so forth. Is it necessary for us to do a dictionary of occupational standards or something to describe each classification?

MR. DALY:
I do not see the classifications of workers as subjective. The classifications of workers listed in section 3, subsection 3 are the categories the labor commissioner shall survey.

CHAIR HARDY:
Are we going to leave it up to the labor commissioner to make a determination of the classifications?

MR. DALY:
Under the current method, the labor commissioner puts out the survey and lists the categories he will survey. In section 3, subsection 6, paragraph (a), lines 17 and 18, we propose to recognize the economic conditions if the rate is determined to be collectively bargained. In section 3, subsection 7, paragraph (a), we define economic conditions, which include travel zone or area pay, both of which have always been recognized in the survey. We would also consider economic conditions to include shift differential pay for night or swing shifts and overtime provisions including the weekends and holidays.

CHAIR HARDY:
These are all things currently in regulation.

MR. DALY:
The definition of economic conditions to include travel zone or pay area are currently in regulation. The shift differential pay for night or swing shifts and overtime provisions, including weekends and holidays, are not. In section 3, subsection 7, paragraph (b), we define nonresidential construction to be included in the survey. In section 4, subsection 2, the mentioned change will not be explained until I get a little further in the bill. Section 5, subsections 1 through 5, are LCB changes to make the bill more uniform. In section 5, subsections 6 and 7, provide an adjustment to the prevailing wage rate for the maintenance of benefits for health, welfare and pension up to 50 cents per year if the following occurs: the rate is collectively bargained; timely notification is given; and the increase in wages is used toward the benefits named above.

CHAIR HARDY:
You also clarify that the prevailing wage must be in effect at the time the bid opened.

MR. DALY:
Section 5, subsection 8, paragraph (b), states any increase applied under subsection 7 is the responsibility of the contractor. This would be the same as if there was an increase in fuel use during the course of a project. Section 6,

subsection 1 removes the language that subsection 3 replaces. The remaining changes in section 6 were made by the LCB in order to conform the bill.

In Section 7, I need to start with subsection 4, paragraph (a) so it will be easier to explain. We propose to have access to the name, occupation, city and state of each workman on a public works project. We also propose to have access to the mailing address of each workman so we can determine compliance with NRS 338.130 regarding the preferential hiring of Nevada veterans and residents.

In subsection 4, paragraph (c), of section 7, we propose that contractors turn in a summary of the hours worked per week by a workman on a public works project. This way, the people who are responsible for reviewing these reports can better determine if the workers were properly paid on the project. This proposal explains the need for the changes in section 7, subsection 1, paragraph (b), which state that based on the information submitted under subsection 4, paragraph (b), if a discrepancy is found not related to their project, they shall report it to the labor commissioner. This explains the need for section 4, subsection 2, which requires the labor commissioner, as the only person with statewide enforcement authority, to investigate.

This bill is going to benefit the workers in this State. It is fair to both workers and contractors.

DANNY L. THOMPSON (Nevada State American Federation of Labor-Congress of Industrial Organizations):
Mr. Daly did a good job of explaining this lengthy and complicated bill. A number of bills were combined in the Assembly to make this bill, and we supported all of those bills. We support A.B. 552 for the same reasons Mr. Daly indicated in his testimony.

MR. MCKENZIE:
We are also in support of A.B. 552. I would like to note two key points for this Committee. The first point is in regard to section 7, which deals with a way to enforce A.B. 83. When A.B. 552 is made into a law, it will guarantee the labor commissioner a mechanism to enforce A.B. 83. The second point is in regard to section 2, which applies to other statutes and bills we have discussed at this Legislature. All these statutes and bills have the prevailing wage provision, and A.B. 552 will ensure this provision.

ASSEMBLY BILL 83 (1st Reprint): Revises provisions governing compensation of workmen on public works. (BDR 28-759)

PATRICK T. SANDERSON (Laborers Local No. 872):
We want to commend Mr. Daly on all the work he did on A.B. 552. We are in full support of this bill, and we hope this Legislature will support this bill as well.

DOUG WALTHER (Chief, Office of Business Finance and Planning, Department of Business and Industry):
I am here to speak on section 2 of A.B. 552. The Department of Business and Industry issues private activity bonds to finance certain types of projects that the federal government, under the federal tax code, has deemed eligible for tax-exempt bond financing. These projects include small manufacturing and nonprofit company activities. We do not finance public works projects, and historically, we have never issued financing for anything but a private project. Provisions in the law state these bonds could be issued to a public entity, and in that case, we would not have a problem with the public works projects applying.

The problem with this bill is the law we administer is intended to encourage certain activities to promote economic development and the activities of nonprofit corporations. This bill would apply prevailing wage to a project not otherwise constituted a public work. Therefore, this bill would reduce the financial incentive the U.S. Congress intended by putting the provision in the tax code. Under the federal tax code, bonds for public works projects have to be issued by a public entity, but that is the extent of the public involvement. When a project is private, the money comes from the private sector, and the Department of Business and Industry is a conduit. We hold public findings and hearings, and we ensure the private project qualifies according to the tax code.

MARY C. WALKER (City of Carson City; Douglas County; Lyon County):
We are also here to oppose A.B. 552. I would like to speak about section 2 of the bill. Private companies use the State industrial bonds or county and city economic development bonds; therefore, a private company would have to pay prevailing wage. Section 2 would require prevailing wage even when there was not $1 of government dollars, taxpayer dollars or government funding in the private project. Currently, local governments use these bonds for low-income housing projects, rural and urban hospital projects, utility projects, power company projects and waste management projects. If this provision goes into

effect, we would have companies not wanting to use this tool because they would have to pay prevailing wage which would cost far greater than the benefit they would receive from using bond money. I am also submitting testimony (Exhibit T) written by Lawrence N. Tonomura of Banc of America Securities, in opposition to this bill.

MICHAEL TANCHEK (Labor Commissioner, Office of Labor Commissioner, Department of Business and Industry):
We are opposed to the language in the first part of section 2 of A.B. 552, which states:

> The fact that a particular project or undertaking does not qualify as a public work, as defined in NRS 338.010, does not exempt a person, including, without limitation, a contractor or subcontractor, or a governmental entity, from complying with the provisions of this section, NRS 338.010 to 338.090 ...

The wording of "not exempt" is new and the real change with this bill. A long list of different statutes is referenced in this bill. Some parts of the statute, such as NRS 338.010, apply to this bill and some do not. The Internal Revenue Service building in Las Vegas is currently being built as a prevailing wage job by a private contractor, because the land for the project was given to that developer for $1 by the redevelopment agency. As this Committee can see, the laws A.B. 552 proposes are already enforced.

I do not believe this bill can be amended in any fashion that we would find satisfactory. Many of the issues A.B. 552 addresses are designed for the regulatory process because we need flexibility, and that is how the current laws are set up. Like my predecessor, I would be willing to go into rule-making in terms of job classifications. My predecessor tried this before, and it did not work well.

MR. MADOLE:
Assembly Bill 552 has the potential to raise construction costs and put items in the law better established in regulation. We would express our opposition to this bill.

MR. MILLIKEN:
We are opposed to A.B. 552 for the same reasons that Mr. Madole and Mr. Tanchek mentioned.

MS. CHAMBERS:
We have a problem with section 3, subsection 2, paragraph (a), where it limits the public works project to $100,000 and over. We do not understand why projects under $100,000 cannot be included. Most surveyed projects are paid prevailing wage, so this part of the bill does not really represent what is happening. Section 3, subsection 2, paragraph (b), omits the language "in the county" at the end of the existing sentence. It is important that wage surveys are done in the county, as that is where the wages will be utilized.

Regarding section 3, subsections 5, paragraph (a), there should be an average of the rate of wages for the majority of the total hours worked. Section 3, subsection 5, paragraph (c) should include the language of "a county with a similar population." Otherwise, wages in Las Vegas would be compared to a small and rural county. In section 5, subsection 7, if the prevailing wage should increase by 50 cents, it would be a tracking nightmare for all of us to analyze each project. Section 7 talks about the certified payroll report and how this bill would include private projects as well as public works projects. This would be a burden for the public body to administrate nonpublic work during contract work hours.

RANDALL C. ROBISON (Associated Builders and Contractors):
I have with me today Mr. John Martin, who is a member of Associated Builders and Contractors, Sierra Nevada Chapter. Mr. Martin has a construction company based in Washoe Valley, and he would like to make some comments about A.B. 552. I would also like to indicate our opposition to the bill.

JOHN MARTIN (Associated Builders and Contractors, Sierra Nevada Chapter):
We would like to voice our concern with A.B. 552. It is discriminatory to determine the prevailing wage based on the size of the project, as this would not be fair to smaller contractors. This bill also talks about a wage survey. Such wages should be limited to those who write the checks. Another concern is the potential danger of duplicate reporting of wages with this bill.

I would also echo Ms. Chambers' comment on determining prevailing wage; this should be determined within the county itself. Organized labor represents about

15 percent of the entire workforce in the construction industry, and it is not justified that organized labor is the group that wants to set the standard for all activity within the construction industry. The summary Mr. Daly referenced in section 7, subsection 4, paragraph (a), which contains the home and mailing addresses of employees, is already available. As long as you have the worker's name and city, you can find the remainder of the information needed, either on the Internet or in the telephone book. The summary referenced in this bill would mean I would have to keep my books open and let any State agency come in and audit them because a complaint has been filed, regardless of its validity.

TED J. OLIVAS (City of Las Vegas; Commission to Study Governmental Purchasing):
For all the reasons previously stated, we also oppose A.B. 552. We are in opposition to anything that would erode the bidding pool for public works projects.

SENATOR TITUS:
Was all this opposition expressed on the Assembly side as well?

MR. OLIVAS:
These issues were brought up in the Assembly, and there was an attempt to amend the bill appropriately for all parties, but an agreement could not be reached.

ROSE E. MCKINNEY-JAMES (Clark County School District):
Section 2 and section 7 of A.B. 552 continue to be problematic for the Clark County School District. However, the other amendments to this bill have improved the outlook. We would still like to express our concern about this bill to the Committee.

CHAIR HARDY:
We will close the hearing on A.B. 552. There being no other issues before us today, the Committee meeting is adjourned at 5:02 p.m.

RESPECTFULLY SUBMITTED:

Tonya Cort,
Committee Secretary

APPROVED BY:

Senator Warren B. Hardy II, Chair

DATE: