

SENATE BILL NO. 124—COMMITTEE ON LEGISLATIVE  
OPERATIONS AND ELECTIONS

(ON BEHALF OF THE DEPARTMENT OF PERSONNEL)

FEBRUARY 20, 2007

Referred to Committee on Legislative Operations and Elections

SUMMARY—Revises provisions governing state personnel and independent contractors. (BDR 23-613)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets [omitted material] is material to be omitted.

AN ACT relating to state governmental administration; revising provisions governing the appointment of an employee in the classified service of the State who does not attain permanent status in a position to which he was promoted; revising provisions governing independent contractors with the State; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Under existing law, a state employee in the classified service who is promoted to a position and who does not attain permanent status in that position for certain reasons is required to be restored to the position from which he was promoted. (NRS 284.300) **Section 1** of this bill authorizes the appointment of such an employee to a vacant position that is in the same or a comparable class and that has the same salary and benefits and is located in the same community as the position from which he was promoted if that former position has been filled.

Under existing law, elective officers and the heads of departments, boards, commissions and institutions of the Executive Branch of State Government are authorized to contract for the services of independent contractors, including the provision of security services for state agencies. (NRS 284.173, 284.174) The contracts for such services are under the regulatory authority of the Personnel Commission and are required to be awarded pursuant to the State Purchasing Act. (NRS 284.065, 284.173, chapter 333 of NRS) Pursuant to **sections 2-9** of this bill, the authority to administer and adopt regulations governing such contracts is



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16 transferred from the Personnel Commission to the Chief of the Purchasing Division  
17 of the Department of Administration.

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THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1     **Section 1.** NRS 284.300 is hereby amended to read as follows:  
2     284.300 1. Any promotional appointee who fails to attain  
3 permanent status in the position to which he was promoted, or who  
4 is dismissed for cause other than misconduct or delinquency on his  
5 part from the position to which he was promoted, either during the  
6 probationary period or at the conclusion thereof by reason of the  
7 failure of the appointing authority to file a request for his  
8 continuance in the position, ~~[shall]~~ **must** be :

9     (a) *If the position from which he was promoted is vacant or a*  
10 *vacant position described in paragraph (b) is not available,*  
11 *restored to the position from which he was promoted* ~~[ ]~~ **; or**

12     (b) *If the position from which he was promoted is filled,*  
13 *appointed to a vacant position that:*

14     (1) *Is in the same class as, or a comparable class to, the*  
15 *position from which he was promoted; and*

16     (2) *Has the same salary and benefits and is located in the*  
17 *same community as the position from which he was promoted.*

18     2. *Before an appointing authority may appoint a person to a*  
19 *comparable class pursuant to paragraph (b) of subsection 1, the*  
20 *appointing authority must obtain approval for the appointment*  
21 *from the Department.*

22     3. Nothing contained in this section shall be construed to  
23 prevent any employee of the classified service from competing for  
24 places upon lists of persons eligible for original appointments.

25     **Sec. 2.** NRS 41.0307 is hereby amended to read as follows:

26     41.0307 As used in NRS 41.0305 to 41.039, inclusive:

27     1. "Employee" includes an employee of a:

28     (a) Part-time or full-time board, commission or similar body of  
29 the State or a political subdivision of the State which is created by  
30 law.

31     (b) Charter school.

32     (c) University school for profoundly gifted pupils described in  
33 Chapter 392A of NRS.

34     2. "Employment" includes any services performed by an  
35 immune contractor.

36     3. "Immune contractor" means any natural person, professional  
37 corporation or professional association which:

38     (a) Is an independent contractor with the State pursuant to ~~NRS~~  
39 ~~284.173;~~ **section 6 of this act;** and



(b) Contracts to provide medical services for the Department of Corrections.

➔ As used in this subsection, “professional corporation” and “professional association” have the meanings ascribed to them in NRS 89.020.

4. “Public officer” or “officer” includes:

(a) A member of a part-time or full-time board, commission or similar body of the State or a political subdivision of the State which is created by law.

(b) A public defender and any deputy or assistant attorney of a public defender or an attorney appointed to defend a person for a limited duration with limited jurisdiction.

(c) A district attorney and any deputy or assistant district attorney or an attorney appointed to prosecute a person for a limited duration with limited jurisdiction.

**Sec. 3.** NRS 176.0129 is hereby amended to read as follows:

176.0129 The Department of Administration shall, on an annual basis, contract for the services of an independent contractor, in accordance with the provisions of ~~NRS 284.173,~~ *section 6 of this act,* to:

1. Review sentences imposed in this State and the practices of the State Board of Parole Commissioners and project annually the number of persons who will be:

(a) In a facility or institution of the Department of Corrections;

(b) On probation;

(c) On parole; and

(d) Serving a term of residential confinement,

➔ during the 10 years immediately following the date of the projection; and

2. Review preliminary proposals and information provided by the Commission and project annually the number of persons who will be:

(a) In a facility or institution of the Department of Corrections;

(b) On probation;

(c) On parole; and

(d) Serving a term of residential confinement,

➔ during the 10 years immediately following the date of the projection, assuming the preliminary proposals were recommended by the Commission and enacted by the Legislature.

**Sec. 4.** NRS 232.548 is hereby amended to read as follows:

232.548 1. Except if a particular procedure for resolving a dispute is required by a specific statute, and except as otherwise provided in subsection 2, the Director may authorize any entity within the Department or any natural person who is subject to the



1 authority of the Director to use alternative means of dispute  
2 resolution in any proceeding if the alternative means can be:

3 (a) Carried out by the available personnel of the Department or  
4 persons under contract with the Department; and

5 (b) Paid for with money that is available in the existing budget  
6 of the affected entity of the Department.

7 2. Before authorizing an entity of the Department to use  
8 alternative means of dispute resolution, the Director must notify the  
9 Attorney General. The Attorney General, within 30 days after his  
10 receipt of the notification from the Director, shall respond to the  
11 Director concerning the advisability of using alternative means of  
12 dispute resolution to resolve the dispute at issue. The Director shall  
13 consider the advice of the Attorney General but may authorize an  
14 entity of the Department to use alternative means of dispute  
15 resolution unless the Attorney General indicates in his response that  
16 he officially opposes the use of such means. If the Attorney General  
17 fails to respond within 30 days after his receipt of the notification,  
18 the Director may authorize the use of alternative means of dispute  
19 resolution.

20 3. The alternative means of dispute resolution may include,  
21 without limitation, evaluation of the facts and issues in a dispute by  
22 a neutral person, fact-finding, mediation, arbitration or other  
23 collaborative problem-solving processes designed to encourage  
24 persons to work together to develop agreeable solutions to disputes  
25 in lieu of litigation or adjudication of contested cases in  
26 administrative hearings.

27 4. Any entity which, or natural person who, has received  
28 authorization from the director to use alternative means of dispute  
29 resolution may enter into a contract to facilitate the use of such  
30 means, subject to the approval of the Attorney General, the  
31 limitations set forth in subsection 1 and the provisions of ~~NRS~~  
32 ~~284.173-1~~ *section 6 of this act.*

33 **Sec. 5.** Chapter 333 of NRS is hereby amended by adding  
34 thereto the provisions set forth as sections 6 and 7 of this act.

35 **Sec. 6. 1.** *A using agency may contract for the services of a*  
36 *person as an independent contractor. Except as otherwise*  
37 *provided by specific statute, each such contract must be awarded*  
38 *pursuant to this chapter.*

39 **2.** *An independent contractor is a natural person, firm or*  
40 *corporation who agrees to perform services for a fixed price*  
41 *according to his or its own methods and without subjection to the*  
42 *supervision or control of the other contracting party, except as to*  
43 *the results of the work, and not as to the means by which the*  
44 *services are accomplished.*

45 **3.** *For the purposes of this section:*



1 (a) *Travel, subsistence and other personal expenses may be*  
2 *paid to an independent contractor, if provided for in the contract,*  
3 *in such amounts as provided for in the contract. Those expenses*  
4 *must not be paid pursuant to the provisions of NRS 281.160.*

5 (b) *There must be no:*

6 (1) *Withholding of income taxes by the State;*

7 (2) *Coverage for industrial insurance provided by the State;*

8 (3) *Participation in group insurance plans which may be*  
9 *available to employees of the State;*

10 (4) *Participation or contributions by either the independent*  
11 *contractor or the State to the Public Employees' Retirement*  
12 *System;*

13 (5) *Accumulation of vacation leave or sick leave; or*

14 (6) *Coverage for unemployment compensation provided by*  
15 *the State if the requirements of NRS 612.085 for independent*  
16 *contractors are met.*

17 4. *An independent contractor is not in the classified or*  
18 *unclassified service of the State and has none of the rights or*  
19 *privileges available to officers or employees of the State of Nevada.*

20 5. *Except as otherwise provided in this subsection, each*  
21 *contract for the services of an independent contractor must be in*  
22 *writing. The form of the contract must be first approved by the*  
23 *Attorney General, and except as otherwise provided in subsection*  
24 *7, an executed copy of each contract must be filed with the Fiscal*  
25 *Analysis Division of the Legislative Counsel Bureau and the Clerk*  
26 *of the State Board of Examiners. The State Board of Examiners*  
27 *may waive the requirements of this subsection in the case of*  
28 *contracts which are for amounts less than \$2,000.*

29 6. *Except as otherwise provided in subsection 7, each*  
30 *proposed contract with an independent contractor must be*  
31 *submitted to the State Board of Examiners. The contracts do not*  
32 *become effective without the prior approval of the State Board of*  
33 *Examiners, except that the State Board of Examiners may*  
34 *authorize its Clerk or his designee to approve contracts which are:*

35 (a) *For amounts less than \$10,000 or, in contracts necessary to*  
36 *preserve life and property, for amounts less than \$25,000.*

37 (b) *Entered into by the State Gaming Control Board for the*  
38 *purposes of investigating an applicant for or holder of a gaming*  
39 *license.*

40 7. *Copies of the following types of contracts need not be filed*  
41 *or approved as provided in subsections 5 and 6:*

42 (a) *Contracts executed by the Department of Transportation*  
43 *for any work of construction or reconstruction of highways.*

44 (b) *Contracts executed by the State Public Works Board or any*  
45 *other state department or agency for any work of construction or*



1 *major repairs of state buildings if the contracting process was*  
2 *controlled by the rules of open competitive bidding.*

3 *(c) Contracts executed with business entities for any work of*  
4 *maintenance or repair of office machines and equipment.*

5 *8. The State Board of Examiners shall review each contract*  
6 *submitted for approval pursuant to subsection 6 to consider:*

7 *(a) Whether sufficient authority exists to expend the money*  
8 *required by the contract; and*

9 *(b) Whether the service which is the subject of the contract*  
10 *could be provided by a state agency in a more cost-effective*  
11 *manner.*

12 *↪ If the contract submitted for approval continues an existing*  
13 *contractual relationship, the State Board of Examiners shall ask*  
14 *each agency to ensure that the State is receiving the services that*  
15 *the contract purports to provide.*

16 *9. If the services of an independent contractor are contracted*  
17 *for to represent an agency of the State in any proceeding in any*  
18 *court, the contract must require the independent contractor to*  
19 *identify in all pleadings the specific state agency which he is*  
20 *representing.*

21 *10. The State Board of Examiners shall adopt regulations to*  
22 *carry out the provisions of this section.*

23 **Sec. 7.** *1. If personnel of the Capitol Police Division of the*  
24 *Department of Public Safety are not available to provide security*  
25 *services for a building, office or other facility of a using agency,*  
26 *the using agency may, pursuant to section 6 of this act, contract*  
27 *with one or more independent contractors to provide such services.*

28 *2. An independent contractor with whom a using agency*  
29 *contracts pursuant to subsection 1 must:*

30 *(a) Be licensed as a private patrolman pursuant to chapter 648*  
31 *of NRS or employed by a person so licensed; and*

32 *(b) Possess the skills required of and meet the same physical*  
33 *requirements as law enforcement personnel certified by the Peace*  
34 *Officers' Standards and Training Commission created pursuant to*  
35 *NRS 289.500.*

36 **Sec. 8.** NRS 590.505 is hereby amended to read as follows:

37 590.505 1. The Board may adopt a seal for its own use which  
38 must have imprinted thereon the words "Board for the Regulation of  
39 Liquefied Petroleum Gas." The care and custody of the seal is the  
40 responsibility of the Secretary-Treasurer of the Board.

41 2. The Board may appoint an Executive Secretary and may  
42 employ or, pursuant to ~~[NRS 284.173,]~~ *section 6 of this act,*  
43 contract with such other technical, clerical or investigative personnel  
44 as it deems necessary. The Board shall fix the compensation of the  
45 Executive Secretary and all other employees and independent



1 contractors. Such compensation must be paid out of the money of  
2 the Board. The Board may require the Executive Secretary and any  
3 other employees and independent contractors to give a bond to the  
4 Board for the faithful performance of their duties, the premiums on  
5 the bond being paid out of the money of the Board.

6 3. In carrying out the provisions of NRS 590.465 to 590.645,  
7 inclusive, and holding its regular or special meetings, the Board:

8 (a) Shall adopt written policies setting forth procedures and  
9 methods of operation for the Board.

10 (b) May adopt such regulations as it deems necessary.

11 4. The Board shall submit to the Legislature and the Governor  
12 a biennial report before September 1 of each even-numbered year,  
13 covering the biennium ending June 30 of that year, of its  
14 transactions during the preceding biennium, including a complete  
15 statement of the receipts and expenditures of the Board during the  
16 period and any complaints received by the Board.

17 5. The Board shall keep accurate records, minutes and audio  
18 recordings or transcripts of all meetings and, except as otherwise  
19 provided in NRS 241.035, the records, minutes, audio recordings  
20 and transcripts so kept must be open to public inspection at all  
21 reasonable times. The Board shall also keep a record of all  
22 applications for licenses and licenses issued by it. The record of  
23 applications and licenses is a public record.

24 **Sec. 9.** NRS 284.173 and 284.174 are hereby repealed.

25 **Sec. 10.** This act becomes effective on July 1, 2007.

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## TEXT OF REPEALED SECTIONS

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### **284.173 Definition; contracts for services.**

1. Elective officers and heads of departments, boards, commissions or institutions may contract for the services of persons as independent contractors. Except as otherwise provided by specific statute, each contract for services must be awarded pursuant to the provisions of chapter 333 of NRS.

2. An independent contractor is a natural person, firm or corporation who agrees to perform services for a fixed price according to his or its own methods and without subjection to the supervision or control of the other contracting party, except as to the results of the work, and not as to the means by which the services are accomplished.

3. For the purposes of this section:



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(a) Travel, subsistence and other personal expenses may be paid to an independent contractor, if provided for in the contract, in such amounts as provided for in the contract. Those expenses must not be paid pursuant to the provisions of NRS 281.160.

(b) There must be no:

- (1) Withholding of income taxes by the State;
- (2) Coverage for industrial insurance provided by the State;
- (3) Participation in group insurance plans which may be available to employees of the State;
- (4) Participation or contributions by either the independent contractor or the State to the Public Employees' Retirement System;
- (5) Accumulation of vacation leave or sick leave; or
- (6) Coverage for unemployment compensation provided by the State if the requirements of NRS 612.085 for independent contractors are met.

4. An independent contractor is not in the classified or unclassified service of the State, and has none of the rights or privileges available to officers or employees of the State of Nevada.

5. Except as otherwise provided in this subsection, each contract for the services of an independent contractor must be in writing. The form of the contract must be first approved by the Attorney General, and except as otherwise provided in subsection 7, an executed copy of each contract must be filed with the Fiscal Analysis Division of the Legislative Counsel Bureau and the Clerk of the State Board of Examiners. The State Board of Examiners may waive the requirements of this subsection in the case of contracts which are for amounts less than \$2,000.

6. Except as otherwise provided in subsection 7, and except contracts entered into by the Nevada System of Higher Education, each proposed contract with an independent contractor must be submitted to the State Board of Examiners. The contracts do not become effective without the prior approval of the State Board of Examiners, except that the State Board of Examiners may authorize its clerk or his designee to approve contracts which are:

(a) For amounts less than \$10,000 or, in contracts necessary to preserve life and property, for amounts less than \$25,000.

(b) Entered into by the State Gaming Control Board for the purposes of investigating an applicant for or holder of a gaming license.

➔ The State Board of Examiners shall adopt regulations to carry out the provisions of this section.

7. Copies of the following types of contracts need not be filed or approved as provided in subsections 5 and 6:

(a) Contracts executed by the Department of Transportation for any work of construction or reconstruction of highways.





(b) Contracts executed by the State Public Works Board or any other state department or agency for any work of construction or major repairs of state buildings if the contracting process was controlled by the rules of open competitive bidding.

(c) Contracts executed by the Housing Division of the Department of Business and Industry.

(d) Contracts executed with business entities for any work of maintenance or repair of office machines and equipment.

8. The State Board of Examiners shall review each contract submitted for approval pursuant to subsection 6 to consider:

(a) Whether sufficient authority exists to expend the money required by the contract; and

(b) Whether the service which is the subject of the contract could be provided by a state agency in a more cost-effective manner.

➔ If the contract submitted for approval continues an existing contractual relationship, the Board shall ask each agency to ensure that the State is receiving the services that the contract purports to provide.

9. If the services of an independent contractor are contracted for to represent an agency of the State in any proceeding in any court, the contract must require the independent contractor to identify in all pleadings the specific state agency which he is representing.

#### **284.174 Contracts for security services when personnel of Capitol Police Division not available.**

1. If personnel of the Capitol Police Division of the Department of Public Safety are not available to provide security services for a building, office or other facility of a state agency, the state agency may, pursuant to NRS 284.173, contract with one or more independent contractors to provide such services.

2. An independent contractor with whom a state agency contracts pursuant to subsection 1 must:

(a) Be licensed as a private patrolman pursuant to chapter 648 of NRS or employed by a person so licensed; and

(b) Possess the skills required of and meet the same physical requirements as law enforcement personnel certified by the Peace Officers' Standards and Training Commission created pursuant to NRS 289.500.

