SENATE CONCURRENT RESOLUTION NO. 26–
SENATOR HORSFORD

APRIL 28, 2009

Referred to Committee on Legislative Operations and Elections

SUMMARY—Provides for an interim study on employee misclassifications. (BDR R-1297)

~

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

SENATE CONCURRENT RESOLUTION—Providing for an interim study on employee misclassifications.

WHEREAS, Certain employers in Nevada may improperly classify persons they hire as "independent contractors," when those workers should be classified legally as "employees"; and

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

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

RESOLVED BY THE SENATE OF THE STATE OF NEVADA, THE ASSEMBLY CONCURRING, That the Legislative Commission is hereby directed to appoint an interim subcommittee to determine the scope of the problem of employee misclassification in this State, including ramifications in terms of economic losses for employees and lost revenues for this State and for local governments, proposals

for state processes to identify employee misclassification, potential penalties for employers engaging in employee misclassification and legal recourse for affected employees; and be it further

RESOLVED, That the interim subcommittee must consist of five members as follows:

1. One member of the Senate;
2. One member of the Assembly;
3. One representative of management who works for an entity in the construction industry that has not signed an agreement with a labor union;
4. One representative from the construction industry who is a member of a labor union; and
5. One representative of the general public; and be it further

RESOLVED, That the Legislative Commission shall submit a report of the results of the study and any recommendations for legislation to the 76th Session of the Nevada Legislature.

㉚