

SENATE BILL NO. 147—COMMITTEE ON
COMMERCE, LABOR AND ENERGY

(ON BEHALF OF THE LEGISLATIVE COMMISSION’S SUBCOMMITTEE
TO STUDY EMPLOYEE MISCLASSIFICATION)

FEBRUARY 14, 2011

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Establishes civil liability for knowingly advising certain persons to misrepresent the classification or duties of employees for the purposes of industrial insurance. (BDR 53-167)

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

~

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

AN ACT relating to industrial insurance; authorizing the imposition of civil penalties against a person who knowingly advises an employer or certain other persons to misrepresent the classification or duties of an employee; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law governing industrial insurance makes an employer liable for civil
2 penalties in an action commenced by the Attorney General under certain
3 circumstances if the employer misrepresents the classification or duties of an
4 employee. (NRS 616D.220, 616D.230) Existing law also gives the Attorney
5 General primary jurisdiction to investigate and prosecute such violations by an
6 employer as well as primary jurisdiction to investigate and prosecute any fraud in
7 the administration of statutes governing industrial insurance and occupational
8 diseases. (NRS 228.420) This bill makes a person liable for civil penalties in an
9 action commenced by the Attorney General if the person knowingly advises an
10 employer or any employee, officer or agent of an employer to misrepresent the
11 classification or duties of an employee. This bill also requires that all such civil
12 penalties which are collected be used to support the Fraud Control Unit for
13 Industrial Insurance within the Office of the Attorney General.



* S B 1 4 7 *

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

Section 1. Chapter 616D of NRS is hereby amended by adding thereto a new section to read as follows:

1. A person who, for money or other valuable consideration, knowingly advises an employer or any employee, officer or agent of an employer to misrepresent the classification or duties of an employee, including, without limitation, by misrepresenting that the employee is an independent contractor, is liable in a civil action commenced by the Attorney General for:

(a) Not more than \$5,000 for the first occurrence;

(b) Not more than \$15,000 for the second occurrence;

(c) Not more than \$25,000 for the third and any subsequent occurrence; and

(d) An amount equal to three times the total amount of the reasonable expenses incurred by the State in enforcing this section.

2. Any money collected pursuant to this section must be used to pay the salaries and other expenses of the Fraud Control Unit for Industrial Insurance established pursuant to the provisions of NRS 228.420. Any such money remaining at the end of any fiscal year does not revert to the State General Fund.

