

SENATE BILL NO. 242—COMMITTEE ON
COMMERCE, LABOR AND ENERGY

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

MARCH 16, 2011

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Revises provisions relating to workers’
compensation. (BDR 53-168)

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 industrial insurance; revising the definition of
“independent contractor”; revising provisions relating to
the posting of a notice identifying an employer’s
industrial insurer; and providing other matters properly
relating thereto.

Legislative Counsel’s Digest:

- 1 Existing law relating to unemployment compensation uses a set of factors
- 2 commonly known as the “ABC Test” to determine whether services performed by a
- 3 person for wages are deemed to be employment. (NRS 612.085) **Section 1** of this
- 4 bill revises the term “independent contractor” for the purposes of industrial
- 5 insurance to incorporate the “ABC Test.”
- 6 Existing law requires an employer to post a notice in a conspicuous place that
- 7 identifies the employer’s industrial insurer and provides certain information about
- 8 the insurer. (NRS 616A.490) **Section 2** of this bill requires that such notice include
- 9 the definitions of “employee” and “independent contractor” as used in the Nevada
- 10 Industrial Insurance Act (chapters 616A-616D of NRS).



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

Section 1. NRS 616A.255 is hereby amended to read as follows:

616A.255 "Independent contractor" means any person who renders service for a specified recompense ~~for a specified result, under the control of the person's principal as to the result of the person's work only and not as to the means by which such result is accomplished.~~ and who:

1. Has been and will continue to be free from control or direction, by the person with whom he or she entered into a contract of service and any other person for whom he or she performs the service, over the performance of the service, both under his or her contract of service and in fact;

2. Performs the service outside the usual course of the business for which the service is performed or outside of all the places of business of the enterprises for which the service is performed; and

3. Performs the service in the course of an independently established trade, occupation, profession or business in which the person is customarily engaged and which is of the same nature as that involved in the contract of service.

Sec. 2. NRS 616A.490 is hereby amended to read as follows:

616A.490 *1.* Every employer shall post a notice upon his or her premises in a conspicuous place identifying the employer's industrial insurer. The notice must include the insurer's name, business address and telephone number and the name, business address and telephone number of its nearest adjuster in this State. The employer shall at all times maintain the notice provided for the information of his or her employees.

2. The notice posted pursuant to subsection 1 must, in addition to the requirements of subsection 1, prominently provide the definitions of "employee" and "independent contractor" as those terms are defined in chapters 616A to 616D, inclusive, of NRS.

