

ASSEMBLY BILL NO. 175—ASSEMBLYMEN MCCURDY II, FLORES,
CARRILLO, BROOKS, DIAZ; JOINER AND MONROE-MORENO

PREFILED FEBRUARY 13, 2017

Referred to Committee on Commerce and Labor

SUMMARY—Prescribes certain requirements for health benefits for the purpose of determining the minimum wage paid to employees in private employment in this State. (BDR 53-866)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Yes.

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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 employment; prescribing certain requirements for health benefits for the purpose of determining the minimum wage paid to employees in private employment in this State; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Section 16 of article 15 of the Nevada Constitution requires each employer in
2 this State to pay a certain minimum wage to each employee of the employer. Under
3 this provision of the Nevada Constitution, if an employer offers health benefits to
4 an employee and his or her dependents, the minimum wage required to be paid to
5 the employee is lower than the minimum wage otherwise required to be paid to the
6 employee. (Nev. Const. Art. 15, § 16) This bill establishes the minimum level of
7 health benefits that an employer must make available to an employee and his or her
8 dependents for the purpose of determining whether the employer is authorized to
9 pay the lower minimum wage to the employee.

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

1 **Section 1.** Chapter 608 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 *For the purpose of determining the minimum wage that*
4 *may be paid per hour to an employee in private employment*



1 *pursuant to Section 16 of Article 15 of the Nevada Constitution*
2 *and NRS 608.250, an employer:*

3 *1. Provides health benefits as described in Section 16 of*
4 *Article 15 of the Nevada Constitution only if the employer makes*
5 *available to the employee and the employee's dependents:*

6 *(a) At least one health insurance plan that provides:*

7 *(I) Coverage for services in the following categories and*
8 *the items and services covered within the following categories:*

9 *(I) Ambulatory patient services;*

10 *(II) Emergency services;*

11 *(III) Hospitalization;*

12 *(IV) Maternity and newborn care;*

13 *(V) Mental health and substance use disorder services,*
14 *including, without limitation, behavioral health treatment;*

15 *(VI) Prescription drugs;*

16 *(VII) Rehabilitative and habilitative services and*
17 *devices;*

18 *(VIII) Laboratory services;*

19 *(IX) Preventive and wellness services and chronic*
20 *disease management;*

21 *(X) Pediatric services, including, without limitation, oral*
22 *and vision care; and*

23 *(XI) Any other health care service or coverage level*
24 *required to be included in an individual or group health insurance*
25 *plan pursuant to any applicable provision of chapter 689A or*
26 *689B of NRS; and*

27 *(2) Provides a level of coverage that is designed to provide*
28 *benefits that are actuarially equivalent to at least 60 percent of the*
29 *full actuarial value of the benefits provided under the plan; or*

30 *(b) Health benefits pursuant to a Taft-Hartley trust which is*
31 *formed pursuant to 29 U.S.C. § 186(c)(5) and qualifies as an*
32 *employee welfare benefits plan pursuant to:*

33 *(1) The Employee Retirement Income Security Act of 1974,*
34 *29 U.S.C. §§ 1001 et seq.; or*

35 *(2) The provisions of the Internal Revenue Code; and*

36 *2. Does not provide health benefits as described in Section 16*
37 *of Article 15 of the Nevada Constitution if the employer makes*
38 *available to the employee and the employee's dependents a*
39 *hospital-indemnity insurance plan or fixed-indemnity insurance*
40 *plan unless the employer separately makes available to the*
41 *employee and the employee's dependents at least one health*
42 *insurance plan that complies with the requirements of*
43 *subsection 1.*



* A B 1 7 5 R 3 *

1 **Sec. 2.** This act becomes effective upon passage and approval.

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