

EXEMPT

(Reprinted with amendments adopted on May 31, 2019)
SECOND REPRINT **S.B. 493**

SENATE BILL NO. 493—SENATORS DONDERO LOOP, SPEARMAN,
PARKS; BROOKS, DENIS, D. HARRIS, OHRENSCHALL,
WASHINGTON AND WOODHOUSE

MARCH 29, 2019

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions relating to misclassification of employees. (BDR 53-1087)

FISCAL NOTE: Effect on Local Government: No.
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 employee misclassification; requiring certain state agencies to share information relating to suspected employee misclassification under certain circumstances; creating the Task Force on Employee Misclassification; providing its duties; making various other changes relating to employee misclassification; providing an administrative penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Section 7 of this bill requires the offices of the Labor Commissioner, the Division of Industrial Relations of the Department of Business and Industry, the Employment Security Division of the Department of Employment, Training and Rehabilitation, the Department of Taxation and the Attorney General to share amongst their respective offices information relating to suspected employee misclassification that is received in the performance of their official duties under certain circumstances. **Section 2** of this bill defines “employee misclassification” as the practice by an employer of improperly classifying employees as independent contractors to avoid any legal obligation under state labor, employment and tax laws, including, without limitation, the laws governing minimum wage, overtime, unemployment insurance, workers’ compensation insurance, temporary disability insurance, wage payment and payroll taxes.

Section 8 of this bill creates and sets forth the membership of the Task Force on Employee Misclassification. **Section 9** of this bill sets forth the duties of the Task Force.

Existing law provides that a person is conclusively presumed to be an independent contractor in certain circumstances. (NRS 608.0155) **Section 10.5** of this bill clarifies that such an independent contractor must hold a state or local



business license to operate in this State. **Section 10.5** also provides that a natural person who is a contractor or subcontractor or who provides certain labor for a contractor or subcontractor and who meets certain requirements is presumed to be an independent contractor. Existing law requires an employer to post a notice upon his or her premises that contains certain information. (NRS 616A.490) **Section 11.7** of this bill requires such a notice to include the relevant definitions of "employee" and "independent contractor." **Section 10.3** of this bill authorizes the Labor Commissioner to impose various administrative penalties against an employer who misclassifies a person as an independent contractor or otherwise fails to properly classify an employee. **Section 10.4** of this bill authorizes a person to file a complaint with the Labor Commissioner to seek an administrative penalty.

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

Section 1. Chapter 607 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 10, inclusive, of this act.

Sec. 2. *As used in sections 2 to 10, inclusive, of this act, unless the context otherwise requires, "employee misclassification" means the practice by an employer of improperly classifying employees as independent contractors to avoid any legal obligation under state labor, employment and tax laws, including, without limitation, the laws governing minimum wage, overtime, unemployment insurance, workers' compensation insurance, temporary disability insurance, wage payment and payroll taxes.*

Sec. 3. (Deleted by amendment.)

Sec. 4. (Deleted by amendment.)

Sec. 5. (Deleted by amendment.)

Sec. 6. (Deleted by amendment.)

Sec. 7. *The offices of the Labor Commissioner, Division of Industrial Relations of the Department of Business and Industry, Employment Security Division of the Department of Employment, Training and Rehabilitation, Department of Taxation and Attorney General:*

1. Shall communicate between their respective offices information relating to suspected employee misclassification which is received in the performance of their official duties and which is not otherwise declared by law to be confidential.

2. May communicate between their respective offices information relating to employee misclassification which is received in the performance of their official duties and which is otherwise declared by law to be confidential, if the confidentiality of the information is otherwise maintained under the terms and conditions required by law.



Sec. 8. 1. The Task Force on Employee Misclassification is hereby created.

2. The Governor shall appoint to serve on the Task Force:

(a) One person who represents an employer located in this State that employs more than 500 full-time or part-time employees.

(b) One person who represents an employer located in this State that employs 500 or fewer full-time or part-time employees.

(c) One person who is an independent contractor in this State.

(d) Two persons who represent organized labor in this State.

(e) One person who represents a trade or business association in this State.

(f) One person who represents a governmental agency that administers laws governing employee misclassification.

3. The Governor may appoint up to two additional members to serve on the Task Force as the Governor deems appropriate.

4. After the initial terms, the members of the Task Force serve a term of 2 years and until their respective successors are appointed. A member may be reappointed in the same manner as the original appointments.

5. Any vacancy occurring in the membership of the Task Force must be filled in the same manner as the original appointment not later than 30 days after the vacancy occurs.

6. The Task Force shall meet at least twice each fiscal year and may meet at such additional times as deemed necessary by the Chair.

7. At the first meeting of each fiscal year, the Task Force shall elect from its members a Chair and a Vice Chair.

8. A majority of the members of the Task Force constitutes a quorum for the transaction of business, and a majority of those members present at any meeting is sufficient for any official action taken by the Task Force.

9. The Task Force shall comply with the provisions of chapter 241 of NRS, and all meetings of the Task Force must be conducted in accordance with that chapter.

10. Members of the Task Force serve without compensation.

11. The Labor Commissioner shall provide the personnel, facilities, equipment and supplies required by the Task Force to carry out its duties.

Sec. 9. The Task Force on Employee Misclassification created by section 8 of this act shall:

1. Evaluate the policies and practices of the Labor Commissioner, Division of Industrial Relations of the Department of Business and Industry, Employment Security Division of the Department of Employment, Training and Rehabilitation,



Department of Taxation and Attorney General relating to employee misclassification.

2. Evaluate any existing fines, penalties or other disciplinary action relating to employee misclassification that are authorized to be imposed by a state agency.

3. Develop recommendations for policies, practices or proposed legislation to reduce the occurrence of employee misclassification.

4. On or before July 1, 2020, and on or before July 1 of each subsequent year, submit a written report to the Director of the Legislative Counsel Bureau for submission to the Legislative Commission. The report must include, without limitation, a summary of the work of the Task Force and recommendations for legislation concerning employee misclassification.

Sec. 10. 1. *The Task Force on Employee Misclassification created by section 8 of this act may create a subcommittee to the Task Force for any purpose that is consistent with sections 2 to 10, inclusive, of this act.*

2. The Task Force shall appoint the members of the subcommittee and designate one of the members of the subcommittee as chair of the subcommittee. The chair of the subcommittee must be a member of the Task Force.

3. The subcommittee shall meet at the times and places specified by a call of the chair of the subcommittee. A majority of the members of the subcommittee constitutes a quorum, and a quorum may exercise any power or authority conferred on the subcommittee.

Sec. 10.1. Chapter 608 of NRS is hereby amended by adding thereto the provisions set forth as sections 10.3 and 10.4 of this act.

Sec. 10.3. 1. *An employer shall not:*

(a) Through means of coercion, misrepresentation or fraud, require a person to be classified as an independent contractor or form any business entity in order to classify the person as an independent contractor; or

(b) Willfully misclassify or otherwise willfully fail to properly classify a person as an independent contractor.

2. In addition to any other remedy or penalty provided by law, the Labor Commissioner may impose an administrative penalty against an employer who misclassifies a person as an independent contractor or otherwise fails to properly classify a person as an employee of the employer. An administrative penalty imposed pursuant to this section must be:

(a) For a first offense committed by an employer who unintentionally misclassifies or otherwise fails to properly classify



1 a person as an employee of the employer, a warning issued to the
2 employer by the Labor Commissioner.

3 (b) For a first offense committed by an employer who willfully
4 misclassifies or otherwise willfully fails to properly classify a
5 person as an employee of the employer, a fine of \$2,500 for the
6 first incident of willfully misclassifying or willfully failing to
7 properly classify one or more persons as an employee of the
8 employer imposed by the Labor Commissioner.

9 (c) For a second or subsequent offense, a fine of \$5,000 for
10 each employee who was willfully misclassified imposed by the
11 Labor Commissioner.

12 3. Before the Labor Commissioner may enforce an
13 administrative penalty against an employer for misclassifying or
14 otherwise failing to properly classify an employee of the employer
15 pursuant to this section, the Labor Commissioner must provide the
16 employer with notice and an opportunity for a hearing as set forth
17 in NRS 607.207. The Labor Commissioner may impose an
18 administrative penalty as set forth in subsection 2 if the Labor
19 Commissioner finds that:

20 (a) The employer misclassified a person as an independent
21 contractor; or

22 (b) The employer otherwise failed to properly classify a person
23 as an employee of the employer.

24 **Sec. 10.4.** 1. An employer who is found after a hearing
25 conducted in accordance with subsection 3 to have misclassified a
26 person as an independent contractor is liable to such person for
27 lost wages, benefits or other economic damages to make the
28 person whole.

29 2. A person may file a complaint alleging the
30 misclassification of the person as an independent contractor with
31 the Labor Commissioner. The Labor Commissioner shall make a
32 determination on the allegations of the complaint within 120 days
33 after receipt of the complaint. If the Labor Commissioner finds
34 that an employer misclassified an employee as an independent
35 contractor, the Labor Commissioner may impose the penalties set
36 forth in subsection 1.

37 3. A hearing conducted pursuant to this section must be held
38 in accordance with chapter 233B of NRS.

39 4. Each party to a hearing conducted pursuant to this section
40 may petition for judicial review of the decision of the Labor
41 Commissioner in the manner provided by chapter 233B of NRS.



1 **Sec. 10.5.** NRS 608.0155 is hereby amended to read as
2 follows:

3 608.0155 1. ~~For~~ *Except as otherwise provided in*
4 *subsection 2, for* the purposes of this chapter, a person is
5 conclusively presumed to be an independent contractor if:

6 (a) Unless the person is a foreign national who is legally present
7 in the United States, the person possesses or has applied for an
8 employer identification number or social security number or has
9 filed an income tax return for a business or earnings from self-
10 employment with the Internal Revenue Service in the previous year;

11 (b) The person is required by the contract with the principal to
12 hold any necessary state business license or local business license
13 and to maintain any necessary occupational license, insurance or
14 bonding ~~is~~ *in order to operate in this State;* and

15 (c) The person satisfies three or more of the following criteria:

16 (1) Notwithstanding the exercise of any control necessary to
17 comply with any statutory, regulatory or contractual obligations, the
18 person has control and discretion over the means and manner of
19 the performance of any work and the result of the work, rather than
20 the means or manner by which the work is performed, is the primary
21 element bargained for by the principal in the contract.

22 (2) Except for an agreement with the principal relating to the
23 completion schedule, range of work hours or, if the work contracted
24 for is entertainment, the time such entertainment is to be presented,
25 the person has control over the time the work is performed.

26 (3) The person is not required to work exclusively for one
27 principal unless:

28 (I) A law, regulation or ordinance prohibits the person
29 from providing services to more than one principal; or

30 (II) The person has entered into a written contract to
31 provide services to only one principal for a limited period.

32 (4) The person is free to hire employees to assist with the
33 work.

34 (5) The person contributes a substantial investment of capital
35 in the business of the person, including, without limitation, the:

36 (I) Purchase or lease of ordinary tools, material and
37 equipment regardless of source;

38 (II) Obtaining of a license or other permission from the
39 principal to access any work space of the principal to perform the
40 work for which the person was engaged; and

41 (III) Lease of any work space from the principal required
42 to perform the work for which the person was engaged.

43 ➤ The determination of whether an investment of capital is
44 substantial for the purpose of this subparagraph must be made on the
45 basis of the amount of income the person receives, the equipment



commonly used and the expenses commonly incurred in the trade or profession in which the person engages.

2. *A natural person is conclusively presumed to be an independent contractor if the person is a contractor or subcontractor licensed pursuant to chapter 624 of NRS or is directly compensated by a contractor or subcontractor licensed pursuant to chapter 624 of NRS for providing labor for which a license pursuant to chapter 624 of NRS is required to perform and:*

(a) *The person has been and will continue to be free from control or direction over the performance of the services, both under his or her contract of service and in fact;*

(b) *The service is either outside the usual course of the business for which the service is performed or that the service is performed outside of all the places of business of the enterprises for which the service is performed; and*

(c) *The service is performed in the course of an independently established trade, occupation, profession or business in which the person is customarily engaged, of the same nature as that involved in the contract of service.*

3. The fact that a person is not conclusively presumed to be an independent contractor for failure to satisfy three or more of the criteria set forth in paragraph (c) of subsection 1 does not automatically create a presumption that the person is an employee.

~~{3-}~~ 4. As used in this section, ~~["foreign"]~~:

(a) *"Foreign national"* has the meaning ascribed to it in NRS 294A.325.

(b) *"Providing labor" does not include the delivery of supplies.*

Sec. 11. NRS 612.265 is hereby amended to read as follows:

612.265 1. Except as otherwise provided in this section and NRS 239.0115 and 612.642, *and section 7 of this act*, information obtained from any employing unit or person pursuant to the administration of this chapter and any determination as to the benefit rights of any person is confidential and may not be disclosed or be open to public inspection in any manner which would reveal the person's or employing unit's identity.

2. Any claimant or a legal representative of a claimant is entitled to information from the records of the Division, to the extent necessary for the proper presentation of the claimant's claim in any proceeding pursuant to this chapter. A claimant or an employing unit is not entitled to information from the records of the Division for any other purpose.

3. The Administrator may, in accordance with a cooperative agreement among all participants in the statewide longitudinal data system developed pursuant to NRS 400.037 and administered



pursuant to NRS 223.820, make the information obtained by the Division available to:

(a) The Board of Regents of the University of Nevada for the purpose of complying with the provisions of subsection 4 of NRS 396.531; and

(b) The Director of the Department of Employment, Training and Rehabilitation for the purpose of complying with the provisions of paragraph (d) of subsection 1 of NRS 232.920.

4. Subject to such restrictions as the Administrator may by regulation prescribe, the information obtained by the Division may be made available to:

(a) Any agency of this or any other state or any federal agency charged with the administration or enforcement of laws relating to unemployment compensation, public assistance, workers' compensation or labor and industrial relations, or the maintenance of a system of public employment offices;

(b) Any state or local agency for the enforcement of child support;

(c) The Internal Revenue Service of the Department of the Treasury;

(d) The Department of Taxation;

(e) The State Contractors' Board in the performance of its duties to enforce the provisions of chapter 624 of NRS; and

(f) The Secretary of State to operate the state business portal established pursuant to chapter 75A of NRS for the purposes of verifying that data submitted via the portal has satisfied the necessary requirements established by the Division, and as necessary to maintain the technical integrity and functionality of the state business portal established pursuant to chapter 75A of NRS.

➤ Information obtained in connection with the administration of the Division may be made available to persons or agencies for purposes appropriate to the operation of a public employment service or a public assistance program.

5. Upon written request made by the State Controller or a public officer of a local government, the Administrator shall furnish from the records of the Division the name, address and place of employment of any person listed in the records of employment of the Division. The request may be made electronically and must set forth the social security number of the person about whom the request is made and contain a statement signed by the proper authority of the State Controller or local government certifying that the request is made to allow the proper authority to enforce a law to recover a debt or obligation assigned to the State Controller for collection or owed to the local government, as applicable. Except as otherwise provided in NRS 239.0115, the information obtained by



1 the State Controller or local government is confidential and may not
2 be used or disclosed for any purpose other than the collection of a
3 debt or obligation assigned to the State Controller for collection or
4 owed to that local government. The Administrator may charge a
5 reasonable fee for the cost of providing the requested information.

6 6. The Administrator may publish or otherwise provide
7 information on the names of employers, their addresses, their type
8 or class of business or industry, and the approximate number of
9 employees employed by each such employer, if the information
10 released will assist unemployed persons to obtain employment or
11 will be generally useful in developing and diversifying the economic
12 interests of this State. Upon request by a state agency which is able
13 to demonstrate that its intended use of the information will benefit
14 the residents of this State, the Administrator may, in addition to the
15 information listed in this subsection, disclose the number of
16 employees employed by each employer and the total wages paid by
17 each employer. The Administrator may charge a fee to cover the
18 actual costs of any administrative expenses relating to the disclosure
19 of this information to a state agency. The Administrator may require
20 the state agency to certify in writing that the agency will take all
21 actions necessary to maintain the confidentiality of the information
22 and prevent its unauthorized disclosure.

23 7. Upon request therefor, the Administrator shall furnish to any
24 agency of the United States charged with the administration of
25 public works or assistance through public employment, and may
26 furnish to any state agency similarly charged, the name, address,
27 ordinary occupation and employment status of each recipient of
28 benefits and the recipient's rights to further benefits pursuant to this
29 chapter.

30 8. To further a current criminal investigation, the chief
31 executive officer of any law enforcement agency of this State may
32 submit a written request to the Administrator that the Administrator
33 furnish, from the records of the Division, the name, address and
34 place of employment of any person listed in the records of
35 employment of the Division. The request must set forth the social
36 security number of the person about whom the request is made and
37 contain a statement signed by the chief executive officer certifying
38 that the request is made to further a criminal investigation currently
39 being conducted by the agency. Upon receipt of such a request, the
40 Administrator shall furnish the information requested. The
41 Administrator may charge a fee to cover the actual costs of any
42 related administrative expenses.

43 9. In addition to the provisions of subsection 6, the
44 Administrator shall provide lists containing the names and addresses
45 of employers, and information regarding the wages paid by each



1 employer to the Department of Taxation, upon request, for use in
2 verifying returns for the taxes imposed pursuant to chapters 363A,
3 363B and 363C of NRS. The Administrator may charge a fee to
4 cover the actual costs of any related administrative expenses.

5 10. Upon the request of any district judge or jury commissioner
6 of the judicial district in which the county is located, the
7 Administrator shall, in accordance with other agreements entered
8 into with other district courts and in compliance with 20 C.F.R. Part
9 603, and any other applicable federal laws and regulations
10 governing the Division, furnish the name, address and date of birth
11 of persons who receive benefits in any county, for use in the
12 selection of trial jurors pursuant to NRS 6.045. The court or jury
13 commissioner who requests the list of such persons shall reimburse
14 the Division for the reasonable cost of providing the requested
15 information.

16 11. The Division of Industrial Relations of the Department of
17 Business and Industry shall periodically submit to the
18 Administrator, from information in the index of claims established
19 pursuant to NRS 616B.018, a list containing the name of each
20 person who received benefits pursuant to chapters 616A to 616D,
21 inclusive, or chapter 617 of NRS. Upon receipt of that information,
22 the Administrator shall compare the information so provided with
23 the records of the Employment Security Division regarding persons
24 claiming benefits pursuant to this chapter for the same period. The
25 information submitted by the Division of Industrial Relations must
26 be in a form determined by the Administrator and must contain the
27 social security number of each such person. If it appears from the
28 information submitted that a person is simultaneously claiming
29 benefits under this chapter and under chapters 616A to 616D,
30 inclusive, or chapter 617 of NRS, the Administrator shall notify the
31 Attorney General or any other appropriate law enforcement agency.

32 12. The Administrator may request the Comptroller of the
33 Currency of the United States to cause an examination of the
34 correctness of any return or report of any national banking
35 association rendered pursuant to the provisions of this chapter, and
36 may in connection with the request transmit any such report or
37 return to the Comptroller of the Currency of the United States as
38 provided in section 3305(c) of the Internal Revenue Code of 1954.

39 13. The Administrator, any employee or other person acting on
40 behalf of the Administrator, or any employee or other person acting
41 on behalf of an agency or entity allowed to access information
42 obtained from any employing unit or person in the administration of
43 this chapter, or any person who has obtained a list of applicants for
44 work, or of claimants or recipients of benefits pursuant to this
45 chapter, is guilty of a gross misdemeanor if he or she:



- (a) Uses or permits the use of the list for any political purpose;
(b) Uses or permits the use of the list for any purpose other than one authorized by the Administrator or by law; or
(c) Fails to protect and prevent the unauthorized use or dissemination of information derived from the list.

14. All letters, reports or communications of any kind, oral or written, from the employer or employee to each other or to the Division or any of its agents, representatives or employees are privileged and must not be the subject matter or basis for any lawsuit if the letter, report or communication is written, sent, delivered or prepared pursuant to the requirements of this chapter.

Sec. 11.3. (Deleted by amendment.)

Sec. 11.5. (Deleted by amendment.)

Sec. 11.7. 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~~:

(a) **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.

(b) **Prominently set forth any applicable definitions of "employee" and "independent contractor," as those terms are defined in chapters 616A to 616D, inclusive, of NRS.**

Sec. 12. NRS 616B.012 is hereby amended to read as follows:

616B.012 **1.** Except as otherwise provided in this section and NRS 239.0115, 616B.015, 616B.021 and 616C.205, **and section 7 of this act**, information obtained from any insurer, employer or employee is confidential and may not be disclosed or be open to public inspection in any manner which would reveal the person's identity.

2. Any claimant or legal representative of the claimant is entitled to information from the records of the insurer, to the extent necessary for the proper presentation of a claim in any proceeding under chapters 616A to 616D, inclusive, or chapter 617 of NRS.

3. The Division and Administrator are entitled to information from the records of the insurer which is necessary for the performance of their duties. The Administrator may, by regulation, prescribe the manner in which otherwise confidential information may be made available to:

(a) Any agency of this or any other state charged with the administration or enforcement of laws relating to industrial



insurance, unemployment compensation, public assistance or labor law and industrial relations;

(b) Any state or local agency for the enforcement of child support;

(c) The Internal Revenue Service of the Department of the Treasury;

(d) The Department of Taxation; and

(e) The State Contractors' Board in the performance of its duties to enforce the provisions of chapter 624 of NRS.

➤ Information obtained in connection with the administration of a program of industrial insurance may be made available to persons or agencies for purposes appropriate to the operation of a program of industrial insurance.

4. Upon written request made by a public officer of a local government, an insurer shall furnish from its records the name, address and place of employment of any person listed in its records. The request must set forth the social security number of the person about whom the request is made and contain a statement signed by proper authority of the local government certifying that the request is made to allow the proper authority to enforce a law to recover a debt or obligation owed to the local government. Except as otherwise provided in NRS 239.0115, the information obtained by the local government is confidential and may not be used or disclosed for any purpose other than the collection of a debt or obligation owed to the local government. The insurer may charge a reasonable fee for the cost of providing the requested information.

5. To further a current criminal investigation, the chief executive officer of any law enforcement agency of this State may submit to the Administrator a written request for the name, address and place of employment of any person listed in the records of an insurer. The request must set forth the social security number of the person about whom the request is made and contain a statement signed by the chief executive officer certifying that the request is made to further a criminal investigation currently being conducted by the agency. Upon receipt of a request, the Administrator shall instruct the insurer to furnish the information requested. Upon receipt of such an instruction, the insurer shall furnish the information requested. The insurer may charge a reasonable fee to cover any related administrative expenses.

6. Upon request by the Department of Taxation, the Administrator shall provide:

(a) Lists containing the names and addresses of employers; and

(b) Other information concerning employers collected and maintained by the Administrator or the Division to carry out the



purposes of chapters 616A to 616D, inclusive, or chapter 617 of NRS,

to the Department for its use in verifying returns for the taxes imposed pursuant to chapters 363A, 363B and 363C of NRS. The Administrator may charge a reasonable fee to cover any related administrative expenses.

7. Any person who, in violation of this section, discloses information obtained from files of claimants or policyholders or obtains a list of claimants or policyholders under chapters 616A to 616D, inclusive, or chapter 617 of NRS and uses or permits the use of the list for any political purposes, is guilty of a gross misdemeanor.

8. All letters, reports or communications of any kind, oral or written, from the insurer, or any of its agents, representatives or employees are privileged and must not be the subject matter or basis for any lawsuit if the letter, report or communication is written, sent, delivered or prepared pursuant to the requirements of chapters 616A to 616D, inclusive, or chapter 617 of NRS.

9. The provisions of this section do not prohibit the Administrator or the Division from disclosing any nonproprietary information relating to an uninsured employer or proof of industrial insurance.

Sec. 13. NRS 616B.015 is hereby amended to read as follows:

616B.015 1. Except as otherwise provided in subsection 2 and NRS 239.0115, *and section 7 of this act*, the records and files of the Division concerning self-insured employers and associations of self-insured public or private employers are confidential and may be revealed in whole or in part only in the course of the administration of the provisions of chapters 616A to 616D, inclusive, or chapter 617 of NRS relating to those employers or upon the lawful order of a court of competent jurisdiction.

2. The records and files specified in subsection 1 are not confidential in the following cases:

(a) Testimony by an officer or agent of the Division and the production of records and files on behalf of the Division in any action or proceeding conducted pursuant to the provisions of chapters 616A to 616D, inclusive, or chapter 617 of NRS if that testimony or the records and files, or the facts shown thereby, are involved in the action or proceeding.

(b) Delivery to a self-insured employer or an association of self-insured public or private employers of a copy of any document filed by the employer with the Division pursuant to the provisions of chapters 616A to 616D, inclusive, or chapter 617 of NRS.

(c) Publication of statistics if classified so as to prevent:

(1) Identification of a particular employer or document; or



(2) Disclosure of the financial or business condition of a particular employer or insurer.

(d) Disclosure in confidence, without further distribution or disclosure to any other person, to:

(1) The Governor or an agent of the Governor in the exercise of the Governor's general supervisory powers;

(2) Any person authorized to audit the accounts of the Division in pursuance of an audit;

(3) The Attorney General or other legal representative of the State in connection with an action or proceeding conducted pursuant to the provisions of chapters 616A to 616D, inclusive, or chapter 617 of NRS;

(4) Any agency of this or any other state charged with the administration or enforcement of the laws relating to workers' compensation or unemployment compensation; or

(5) Any federal, state or local law enforcement agency.

(e) Disclosure in confidence by a person who receives information pursuant to paragraph (d) to a person in furtherance of the administration or enforcement of the laws relating to workers' compensation or unemployment compensation.

3. As used in this section:

(a) "Division" means the Division of Insurance of the Department of Business and Industry.

(b) "Records and files" means:

(1) All credit reports, references, investigative records, financial information and data pertaining to the net worth of a self-insured employer or association of self-insured public or private employers; and

(2) All information and data required by the Division to be furnished to it pursuant to chapters 616A to 616D, inclusive, or chapter 617 of NRS or which may be otherwise obtained relative to the finances, earnings, revenue, trade secrets or the financial condition of any self-insured employer or association of self-insured public or private employers.

Sec. 13.5. (Deleted by amendment.)

Sec. 14. 1. As soon as practicable after July 1, 2019, the Governor shall appoint the members of the Task Force on Employee Misclassification described in subsections 2 and 3 of section 8 of this act.

2. The terms of the members of the Task Force on Employee Misclassification appointed pursuant to subsection 1 expire on June 30, 2021.

Sec. 15. The provisions of subsection 1 of NRS 218D.380 do not apply to any provision of this act which adds or revises a requirement to submit a report to the Legislature.



1 **Sec. 16.** 1. This section and sections 14 and 15 of this act
2 become effective upon passage and approval.
3 2. Sections 1 to 13, inclusive, of this act become effective on
4 July 1, 2019.

