Amendment No. 477

Proposed by: Senate Committee on Government Affairs							
Proposed by: Senate Committee on Government Affairs							
Amends: Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Ye	,						

Adoption of this amendment will MAINTAIN the unfunded mandate not requested by the affected local government to S.B. 226 ($\S\S$ 3, 5).

ASSEMBLY	ACT	TON	Initial and Date	SENATE ACTIO	ON	Initia	l and Date
Adopted		Lost	1	Adopted	Lost		
Concurred In		Not	1	Concurred In	Not		
Receded		Not	1	Receded	Not		

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of <u>green bold underlining</u> is language proposed to be added in this amendment; (3) <u>red strikethrough</u> is deleted language in the original bill; (4) <u>purple double strikethrough</u> is language proposed to be deleted in this amendment; (5) <u>orange double underlining</u> is deleted language in the original bill proposed to be retained in this amendment.

ERS/HAC Date: 4/22/2023

S.B. No. 226—Revises provisions governing public works. (BDR 28-494)

SENATE BILL No. 226-SENATOR CANNIZZARO

March 7, 2023

JOINT SPONSOR: ASSEMBLYMAN YEAGER

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing public works. (BDR 28-494)

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

Effect on the State: Yes.

CONTAINS UNFUNDED MANDATE (§§ 3, 5_) [-9, 13, 14)] (NOT REQUESTED BY AFFECTED LOCAL GOVERNMENT)

EXPLANATION - Matter in bolded italics is new; matter between brackets formitted material is material to be omitted.

AN ACT relating to public works; providing a declaration of legislative intent regarding the payment of prevailing wages on public works projects; [deeming] providing that certain projects [to be financed in whole or in part from public money for purposes of determining whether a project is a public work; excluding certain public works projects from certain procedures for awarding contracts;] require the payment of prevailing wages; revising [certain definitions relating to] the definition of "public [works; requiring the payment of prevailing wages to workers who perform custom fabrication on a public work or for certain performance contracts of local governments or state agencies;] work"; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides that every contract to which a public body of this State is a party, requiring the employment of skilled mechanics, skilled workers, semiskilled mechanics, semiskilled workers or unskilled labor in the performance of a public work, must contain in express terms the hourly and daily rate of wages to be paid to each of the classes of mechanics and workers. The hourly and daily rate of wages must not be less than the prevailing wage in the region in which the public work is located, as determined by the Labor Commissioner. (NRS 338.020) [Section 9 of this bill provides that workers who perform custom fabrication on a public work must also be paid such a prevailing wage. Section 5 of this bill revises the definition of "worker" to include a worker who performs custom fabrication.

Existing law provides that performance contracts for certain operating cost-savings measures entered into by local governments and state agencies must contain in express terms the hourly and daily rate of wages to be paid to each class of mechanics and workers. Such wages must not be less than the prevailing wage in the region in which the local government or state agency is located. (NRS 332.390, 333A.120) Similar to section 5, sections 13 and 14

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of this bill, respectively, provide that workers who perform custom fabrication must also be paid such a prevailing wage.]

Section 2 of this bill makes a declaration of legislative intent finding that: (1) the payment of prevailing wages to workers on public works projects that are funded in whole or in part by public money is essential to the economic well-being of this State, increasing the number of skilled construction workers in this State, enhancing the workforce of the State and increasing redevelopment opportunities in the State; and (2) to the extent practicable, the interpretation of the provisions of the Nevada Revised Statutes, and regulations adopted pursuant thereto, must be aligned with the provisions of the federal Davis Baeon Act, 40 U.S.C. §§ 3141 et seq., to ensure uniformity and consistency on federal and state public works projects in this State; and (3) any interpretation of the Act applies to the interpretation of the Act directly conflicts with a clear and specific requirement set forth in chapter 338 of NRS and any regulations adopted pursuant thereto.] careful scrutiny of novel leasing and financial arrangements entered into and incentives offered by a public body is necessary to ensure workers are paid the prevailing wage. Section 8 of this bill provides that any regulation adopted by the Labor Commissioner relating to public works must be consistent with the declaration of legislative intent set forth in section 2.

Existing law [defines the term "public work" to mean any project for the new construction, repair or reconstruction of a project financed in whole or in part from public money for certain publicly owned works and property. (NRS 338.010)] makes the prevailing wage requirements applicable to certain, specific construction projects. (NRS 244.286, 244A.058, 244A.763, 268.568, 271.710, 271.800, 278C.240, 279.500, 318.140, 318.144, 321.416, 332.390, 333A.120, 349.670, 349.956, 349.981, 388A.635, 408.3886, 543.545, 701B.265, 701B.625) Section 3 of this bill [provides that for purposes of determining whether a project is a public work, it shall be deemed that a project is financed in whole or in part from public money requires, with certain exceptions, the payment of prevailing wages on any project if, [without limitation:] pursuant to certain agreements or partnerships between a developer and a public body: (1) the property or premises on which the project will be constructed or developed is owned by a public body; (2) the property or premises on which a project will be constructed or developed is, in whole or in part, subject to a lease or lease-purchase agreement by a public body; (3) a public body pays money or other compensation directly to or on behalf of the developer or contractor of the project or any subcontractor who performs any work on the project; (2) (4) a public body pays, credits, reduces, forgives or waives any fee, cost, rent, insurance premium, bond premium, obligation or expense, including, without limitation, an incidental expense, in relation to the project that is normally required in the execution of a contract for a public work [: (3)] on which the estimated cost exceeds \$100,000; (5) a public body loans money in relation to the project that is required to be repaid to the public body [on a contingent basis; (4) any employee of]; (6) a public body performs skilled work or labor in furtherance of retains any right to ownership of the property or premises after construction work begins on the project; [(5)] (7) in relation to the project, a public body sells, leases or otherwise transfers for less than fair market value any developed or undeveloped real property or any other property or asset; or (6) (8) in relation to the project, a public body transfers property of the State or political subdivision for less than fair market value. Section 3 exempts from these provisions certain projects relating to affordable housing.

Existing law defines the term "public work" to mean any project for the new construction, repair or reconstruction of a project financed in whole or in part from public money for certain publicly owned works and property. (NRS 338.010) Section 5 of this bill amends the definition of "public work" to include the construction, demolition, alteration, custom fabrication or repair work on any property or premises, regardless of whether! a project financed in whole or in part from public money. [if, at the time the contract for the project is entered into: (1) the property or premises is owned by a public body; (2) the property or premises, in whole or in part, is leased by a public body or is subject to an agreement to be subsequently leased by a public body; (3) the property, or any horizontal construction or vertical construction felating thereto, is an improvement district; (4) the project, or any horizontal construction or vertical construction relating thereto, is a redevelopment project; (5) the project qualifies for certain tax credits; (6) the property, or any horizontal construction or vertical construction relating thereto, has been or will be conveyed.

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in whole or in part, to a public body pursuant to the terms of a development agreement with the public body; or (7) a public body retains any right, including, without limitation, a contingent right, to retake ownership of the property or premises after the commencement of work on the project. Section 4 of this bill provides that certain procedures relating to awarding contracts for public works do not apply to such public works projects. Section 5 also revises the definition of the terms "horizontal construction" and "vertical construction."

— Sections 10-12 of this bill make conforming changes to indicate the proper placement of sections 2 and 3 within the Nevada Revised Statutes. Section 7 of this bill makes conforming changes to indicate the proper placement of section 4 within the Nevada Revised Statutes.]

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

Section 1. Chapter 338 of NRS is hereby amended by adding thereto the provisions set forth as sections , 3 and 4 of this act.

Sec. 2. The Legislature hereby finds and declares that:

- 1. The payment of prevailing wages to workers on public works projects that are funded in whole or in part by public money is essential to:
 - (a) The economic well-being of this State;
 - (b) Increasing the number of skilled construction workers in this State;
 - (c) Enhancing the workforce in this State; and
 - (d) Increasing redevelopment opportunities in this State.
- 2. To [the extent practicable, the interpretation of provisions of the Nevada Revised Statutes, and regulations adopted pursuant thereto, relating to public works and prevailing wages must be aligned with provisions of the federal Davis-Bacon Act, 40 U.S.C. §§ 3141 et seq., to ensure uniformity and consistency on federal and state public works projects in this State.
- 3. It is the intent of the Legislature that any interpretation of the federal Davis Bacon Act, 40 U.S.C. §§ 3141 et seq., applies to the interpretation of provisions of this chapter, and any regulation adopted pursuant thereto, unless the interpretation of the federal Davis Bacon Act, 40 U.S.C. §§ 3141 et seq., directly conflicts with a clear and specific requirement set forth in this chapter or a regulation adopted pursuant thereto.] ensure the intentions set forth in subsection 1 are upheld, careful scrutiny of novel leasing and financing arrangements entered into or incentives offered by public bodies for the construction of public works is necessary to ensure that workers on public works projects are paid prevailing wages.
- Sec. 3. [For purposes of determining whether a project is a public work, it shall be deemed that a project is financed in whole or in part from public money]
- 1. The provisions of NRS 338.013 to 338.090, inclusive, apply to any project if, [without limitation:] pursuant to the provisions of a contract or a lease agreement, lease-purchase agreement, development agreement, improvement district, redevelopment project or public-private partnership between a private developer and a public body:
- [1.] (a) The property or premises on which a project will be constructed or developed is owned by a public body;
- (b) The property or premises on which a project will be constructed or developed are, in whole or in part, subject to a lease or lease-purchase agreement by a public body;
- (c) A public body pays money or other compensation directly to or on behalf of the developer or contractor of the project or any subcontractor who performs any work on the project;

 $\frac{12}{A}$ or 2 (d) Except as otherwise provided in subsection 2, a public body [pays,]: (1) Pays, credits, reduces, forgives or waives any fee, cost, rent, 4 insurance premium, bond premium, obligation or expense, including, without 5 limitation, an incidental expense, in relation to the project that is normally 6 required in the execution of a contract for a public work \forall 7 3. A public body loans on which the estimated cost exceeds \$100,000; 8 (2) Loans money in relation to the project that is required to be repaid to 9 the public body fon a contingent basis; 4. Any employee of a public body performs skilled work or labor in 10 11 furtherance of the project; 12 5. In, regardless of the terms of the loan or the interest charged; 13 (3) Retains any right, including, without limitation, a contingent right, to retake ownership of the property or premises after construction work begins on 14 the project; 15 16 (4) In relation to the project, a public body sells, leases or otherwise 17 transfers for less than fair market value any developed or undeveloped real 18 property or any other property or asset; or 19 [6. In]20 (5) In relation to the project, a public body transfers property for less 21 than fair market value. 22 2. The provisions of paragraph (d) of subsection 1 are not applicable if a 23 local government takes an action set forth in paragraph (d) of subsection 1 for 24 the construction of affordable housing, if such affordable housing is less than 25 three floors, regardless of whether each or any floor is above or below ground. 26 3. As used in this section: (a) "Affordable housing" means: 27 (1) Multifamily housing that is: 28 29 (I) Tier one affordable housing or tier two affordable housing; and 30 (II) Subject to a legally binding agreement or other instrument that 31 includes restrictions for the resale of the property to require that such property continue to be used as tier one affordable housing or tier two affordable housing: 32 33 <u>or</u> 34 (2) Single-family residential housing that is: 35 (I) Built on property that the homeowner leases under an agreement 36 that includes restrictions for the resale of the property to require that such 37 property continue to be used as tier two affordable housing or tier three affordable housing; 38

(II) Owned by a household that qualifies for tier two affordable housing or tier three affordable housing; and

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50 51 (III) Subject to a legally binding agreement or other instrument that includes restrictions for the resale of the property to require that such property continue to be used as tier two affordable housing or tier three affordable housing.

(b) "Improvement district" has the meaning ascribed to it in NRS 271.130.
(c) "Tier one affordable housing" has the meaning ascribed to it in NRS 278.01902.

(d) "Tier three affordable housing" has the meaning ascribed to it in NRS 278.01904.

(e) "Tier two affordable housing" has the meaning ascribed to it in NRS 278.01906.

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NRS 338.1373 to 338.139, inclusive, do not apply to a public work completed on a property or premises if, at the time of entering into the contract:

Sec. 4. [1. The general procedures for awarding contracts, as described in

- (a) The property or premises, in whole or in part, is leased by a public body or is subject to an agreement to be subsequently leased by a public body;
- (b) The property, or any horizontal construction or vertical construction relating thereto, is in an improvement district, as defined in NRS 271.130.
- (c) The project, or any horizontal construction or vertical construction relating thereto, is a redevelopment project, as defined in NRS 279.412, that is financed pursuant to chapter 279 of NRS;
 - (d) The project is a qualified project, as defined in NRS 360.888;
- (e) The property, or any horizontal construction or vertical construction relating thereto, has been or will be conveyed, in whole or in part, to a public body pursuant to the terms of a development agreement with the public body; or
- (f) A public body retains any right, including, without limitation, a contingent right, to retake ownership of the property or premises after the commencement of work on the project.
- 2. This section must not be construed to abrogate the requirement to pay prevailing wages on a public work described in subsection 1.1 Deleted by amendment.)
 - **Sec. 5.** NRS 338.010 is hereby amended to read as follows: 338.010 As used in this chapter:
- "Authorized representative" means a person designated by a public body to be responsible for the development, solicitation, award or administration of contracts for public works pursuant to this chapter.
- 2. "Bona fide fringe benefit" means a benefit in the form of a contribution that is made not less frequently than monthly to an independent third party pursuant to a fund, plan or program:
- (a) Which is established for the sole and exclusive benefit of a worker and his or her family and dependents; and
- (b) For which none of the assets will revert to, or otherwise be credited to, any contributing employer or sponsor of the fund, plan or program.
- The term includes, without limitation, benefits for a worker that are determined pursuant to a collective bargaining agreement and included in the determination of the prevailing wage by the Labor Commissioner pursuant to NRS 338.030.
- 3. "Contract" means a written contract entered into between a contractor and a public body for the provision of labor, materials, equipment or supplies for a public work.
 - 4. "Contractor" means:
 - (a) A person who is licensed pursuant to the provisions of chapter 624 of NRS.
 - (b) A design-build team.
- "Day labor" means all cases where public bodies, their officers, agents or employees, hire, supervise and pay the wages thereof directly to a worker or workers employed by them on public works by the day and not under a contract in writing.
- "Design-build contract" means a contract between a public body and a design-build team in which the design-build team agrees to design and construct a public work.
 - "Design-build team" means an entity that consists of:
- (a) At least one person who is licensed as a general engineering contractor or a general building contractor pursuant to chapter 624 of NRS; and
 - (b) For a public work that consists of:

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(1) A building and its site, at least one person who holds a certificate of registration to practice architecture pursuant to chapter 623 of NRS.

(2) Anything other than a building and its site, at least one person who holds a certificate of registration to practice architecture pursuant to chapter 623 of NRS or landscape architecture pursuant to chapter 623A of NRS or who is licensed as a professional engineer pursuant to chapter 625 of NRS.

8. "Design professional" means:

- (a) A person who is licensed as a professional engineer pursuant to chapter 625 of NRS;
- (b) A person who is licensed as a professional land surveyor pursuant to chapter 625 of NRS;
- (c) A person who holds a certificate of registration to engage in the practice of architecture, interior design or residential design pursuant to chapter 623 of NRS;
- (d) A person who holds a certificate of registration to engage in the practice of landscape architecture pursuant to chapter 623A of NRS; or
- (e) A business entity that engages in the practice of professional engineering, land surveying, architecture or landscape architecture.
- 9. "Discrete project" means one or more public works which are undertaken on a single construction site for a single public body. The term does not include one or more public works that are undertaken on multiple construction sites regardless of whether the public body which sponsors or finances the public works bundles the public works together.
- 10. "Division" means the State Public Works Division of the Department of Administration.
 - 11. "Eligible bidder" means a person who is:
- (a) Found to be a responsible and responsive contractor by a local government or its authorized representative which requests bids for a public work in accordance with paragraph (b) of subsection 1 of NRS 338.1373; or
- (b) Determined by a public body or its authorized representative which awarded a contract for a public work pursuant to NRS 338.1375 to 338.139, inclusive, to be qualified to bid on that contract pursuant to NRS 338.1379 or 338.1382.
- 12. "General contractor" means a person who is licensed to conduct business in one, or both, of the following branches of the contracting business:
- (a) General engineering contracting, as described in subsection 2 of NRS 624.215.
 - (b) General building contracting, as described in subsection 3 of NRS 624.215.
- 13. "Governing body" means the board, council, commission or other body in which the general legislative and fiscal powers of a local government are vested.
- 14. "Horizontal construction" means any [the] construction alteration repair, renovation, demolition or remodeling necessary to complete a fof any fixed] public work, including, without limitation, any irrigation, drainage, water supply, flood control, harbor, railroad, highway, tunnel, airport or airway, sewer, sewage disposal plant or water treatment facility and any ancillary vertical components thereof, bridge, inland waterway, pipeline for the transmission of petroleum or any other liquid or gaseous substance, pier, and any other work incidental thereto. The term does not include vertical construction, the construction of any terminal or other building of an airport or airway, or the construction of any other building.
- 15. "Local government" means every political subdivision or other entity which has the right to levy or receive money from ad valorem or other taxes or any mandatory assessments, and includes, without limitation, counties, cities, towns, boards, school districts and other districts organized pursuant to chapters 244A, 318, 318A, 379, 474, 538, 541, 543 and 555 of NRS, NRS 450.550 to 450.750,

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inclusive, and any agency or department of a county or city which prepares a budget separate from that of the parent political subdivision. The term includes a person who has been designated by the governing body of a local government to serve as its authorized representative.

- 16. "Offense" means:
- (a) Failing to:
 - (1) Pay the prevailing wage required pursuant to this chapter;
- (2) Pay the contributions for unemployment compensation required pursuant to chapter 612 of NRS;
- (3) Provide and secure compensation for employees required pursuant to chapters 616A to 617, inclusive, of NRS; or
 - (4) Comply with subsection 5 or 6 of NRS 338.070.
- (b) Discharging an obligation to pay wages in a manner that violates the provisions of NRS 338.035.
 - 17. "Prime contractor" means a contractor who:
 - (a) Contracts to construct an entire project:
 - (b) Coordinates all work performed on the entire project;
- (c) Uses his or her own workforce to perform all or a part of the public work:
- (d) Contracts for the services of any subcontractor or independent contractor or is responsible for payment to any contracted subcontractors or independent contractors.
- → The term includes, without limitation, a general contractor or a specialty contractor who is authorized to bid on a project pursuant to NRS 338.139 or
- 18. "Public body" means the State, county, city, town, school district or any public agency of this State or its political subdivisions sponsoring or financing a public work.
- 19. "Public work" means any project [for the new construction, repair or reconstruction of a project financed
 - (a) Financed in whole or in part from public money for:
 - (a) (1) Public buildings; (b) (2) Jails and prisons;

 - (c) (3) Public roads:
 - (d) *[(4)]* Public highways;
 - (e) [(5)] Public streets and alleys;
 - (f) [(6)] Public utilities:
 - (g) [(7)] Publicly owned water mains and sewers:
 - (h) (8) Public parks and playgrounds:
- (i) (9) Public convention facilities which are financed at least in part with **from** public money; and
- (i) {(10)} All other publicly owned works and property . [and publicly leased property where construction, reconstruction, demolition, alteration, custom fabrication, repair, maintenance, painting or decorating is performed by skilled mechanics, skilled workers, semiskilled mechanics, semiskilled workers or unskilled labor.
- (b) That includes construction, demolition, alteration, custom fabrication or repair work on any property or premises, regardless of whether financed in whole or in part from public money if, at the time the contract for the project is entered into:
 - (1) The property or premises is owned by a public body;
- (2) The property or premises, in whole or in part, is leased by a public body or is subject to an agreement to be subsequently leased by a public body;

- (3) The property, or any horizontal construction or vertical construction relating thereto, is in an improvement district, as that term is defined in NRS 271,130;
- (4) The project, or any horizontal construction or vertical construction relating thereto, is a redevelopment project, as that term is defined in NRS 279.412, that is financed pursuant to chapter 279 of NRS;
- (5) The project is a qualified project, as that term is defined in NRS 360.888;
- (6) The property, or any horizontal construction or vertical construction relating thereto, has been or will be conveyed, in whole or in part, to a public body pursuant to the terms of a development agreement with the public body; or
- (7) A public body retains any right, including, without limitation, a contingent right, to retake ownership of the property or premises after the commencement of work on the project.]
- 20. "Specialty contractor" means a person who is licensed to conduct business as described in subsection 4 of NRS 624.215.
- 21. "Stand-alone underground utility project" means an underground utility project that is not integrated into a larger project, including, without limitation:
- (a) An underground sewer line or an underground pipeline for the conveyance of water, including facilities appurtenant thereto; and
- (b) A project for the construction or installation of a storm drain, including facilities appurtenant thereto,
- → that is not located at the site of a public work for the design and construction of which a public body is authorized to contract with a design-build team pursuant to subsection 2 of NRS 338.1711.
 - 22. "Subcontract" means a written contract entered into between:
 - (a) A contractor and a subcontractor or supplier; or
 - (b) A subcontractor and another subcontractor or supplier,
- → for the provision of labor, materials, equipment or supplies for a construction project.
 - 23. "Subcontractor" means a person who:
- (a) Is licensed pursuant to the provisions of chapter 624 of NRS or performs such work that the person is not required to be licensed pursuant to chapter 624 of NRS; and
- (b) Contracts with a contractor, another subcontractor or a supplier to provide labor, materials or services for a construction project.
- 24. "Supplier" means a person who provides materials, equipment or supplies for a construction project.
- 25. "Vertical construction" means any [the] construction alteration, repair, renovation, demolition or remodeling necessary to complete a public work for [eff] any building, structure or other improvement that is predominantly vertical, including, without limitation, a building, structure or improvement for the support, shelter and enclosure of persons, animals, chattels or movable property of any kind, and any other work or improvement appurtenant thereto.
 - 26. "Wages" means:
 - (a) The basic hourly rate of pay; and
- (b) The amount of pension, health and welfare, vacation and holiday pay, the cost of apprenticeship training or other bona fide fringe benefits which are a benefit to the worker.
- 27. "Worker" means a skilled mechanic, skilled worker, semiskilled mechanic, semiskilled worker [5] or unskilled worker [6] worker who performs outtom fabrication] in the service of a contractor or subcontractor under any appointment or contract of hire or apprenticeship, express or implied, oral or

written, whether lawfully or unlawfully employed. The term does not include a 2 design professional. 3 INRS 338.010 is hereby amended to read as follows: Sec. 6. 4 338.010 As used in this chapter: Authorized representative" means a person designated by a public body to be responsible for the development, solicitation, award or administration of 5 6 7 contracts for public works pursuant to this chapter. 2. "Bona fide fringe benefit" means a benefit in the form of a contribution 8 9 that is made not less frequently than monthly to an independent third party pursuant to a fund, plan or program: 10 11 (a) Which is established for the sole and exclusive benefit of a worker and his or her family and dependents; and 12 13 (b) For which none of the assets will revert to, or otherwise be credited to, any 14 contributing employer or sponsor of the fund, plan or program. 15 → The term includes, without limitation, benefits for a worker that are determined 16 pursuant to a collective bargaining agreement and included in the determination of 17 the prevailing wage by the Labor Commissioner pursuant to NRS 338.030. 18 . "Contract" means a written contract entered into between a contractor and 19 a public body for the provision of labor, materials, equipment or supplies for a 20 public work. 21 4. "Contractor" means: (a) A person who is licensed pursuant to the provisions of chapter 624 of NPS. 22 23 (b) A design build team. "Day labor" means all cases where public bodies, their officers, agents or 24 employees, hire, supervise and pay the wages thereof directly to a worker or workers employed by them on public works by the day and not under a contract in 2.5 26 27 "Design build contract" means a contract between a public body and a 28 29 design build team in which the design build team agrees to design and construct a 30 public work. 31 "Design build team" means an entity that consists of: 32 (a) At least one person who is licensed as a general engineering contractor or a general building confractor pursuant to chapter 624 of NRS; and 33 34 (b) For a public work that consists of: (1) A building and its site, at least one person who holds a certificate 35 registration to practice architecture pursuant to chapter 623 of NRS. 36 37 (2) Anything other than a building and its site, at least one person who holds a certificate of registration to practice architecture pursuant to chapter 623 of NRS or landscape architecture pursuant to chapter 623A of NRS or who is licensed as a professional engineer pursuant to chapter 625 of NRS. 38 39 40 41 "Design professional" means: 42 (a) A person who is licensed as a professional engineer pursuant to chapter 625 43 of NRS: 44 (b) A person who is licensed as a professional land surveyor pursuant to chapter 625 of NRS: 45 46 (c) A person who holds a certificate of registration to engage in the practice of architecture, interior design or residential design pursuant to chapter 623 of NRS; 47

(d) A person who holds a certificate of registration to engage in the practice of

(e) A business entity that engages in the practice of professional engineering,

9. "Discrete project" means one or more public works which are undertaken

on a single construction site for a single public body. The term does not include one

landscape architecture pursuant to chapter 623A of NRS; or

land surveying, architecture or landscape architecture.

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or more public works that are undertaken on multiple construction sites regardless 2 of whether the public body which sponsors or finances the public works bundles the 3 public works together. 4 10. "Division" means the State Public Works Division of the Department of 5 Administration. 6 11. "Eligible bidder" means a person who is: 7 (a) Found to be a responsible and responsive contractor by a local government or its authorized representative which requests bids for a public work in accordance 8 9 with paragraph (b) of subsection 1 of NRS 338.1373; or (b) Determined by a public body or its authorized representative which 10 awarded a contract for a public work pursuant to NRS 338.1375 to 338.139, 11 12 inclusive, to be qualified to bid on that contract pursuant to NRS 338.1379 or 13 338,1382. 12. "General contractor" means a person who is licensed to conduct business 14 15 in one, or both, of the following branches of the contracting business: 16 (a) General engineering contracting, as described in subsection 2 of NRS 624.215 17 18 (b) General building contracting, as described in subsection 3 of NRS 624.215. 19 13. "Governing body" means the board, council, commission or other body in 20 which the general legislative and fiscal powers of a local government are vested. 21 14. "Horizontal construction" means the construction of any fixed public work, including, without limitation, any irrigation, drainage, water supply, flood 22 23 control, harbor, railroad, highway, tunnel, airport or airway, sewer, sewage disposal plant or water treatment facility and any ancillary vertical components thereof, 24 2.5 bridge, inland waterway, pipeline for the transmission of petroleum or any other 26 liquid or gaseous substance, pier, and any other work incidental thereto. The term does not include vertical construction, the construction of any terminal or other 27 building of an airport or airway, or the construction of any other building.

15. "Local government" means every political subdivision or other entity 28 29 30 which has the right to levy or receive money from ad valorem or other taxes or any 31 mandatory assessments, and includes, without limitation, counties, cities, towns, 32 boards, school districts and other districts organized pursuant to chapters 244A, 318, 318A, 379, 474, 538, 541, 543 and 555 of NRS, NRS 450,550 to 450,750, 33 34 inclusive, and any agency or department of a county or city which prepares a 35 budget separate from that of the parent political subdivision. The term includes a person who has been designated by the governing body of a local government to 36 37 serve as its authorized representative. 16. "Offense" means: 38 (a) Failing to: 39 40 (1) Pay the prevailing wage required pursuant to this chapter; 41 (2) Pay the contributions for unemployment compensation required pursuant to chapter 612 of NRS: 42 43 (3) Provide and secure compensation for employees required pursuant to chapters 616A to 617, inclusive, of NRS; or 44 (4) Comply with subsection 5 or 6 of NRS 338.070. 45 (b) Discharging an obligation to pay wages in a manner that violates the 46 provisions of NRS 338.035. 47 48 17. "Prime contractor" means a contractor who: 49 (a) Contracts to construct an entire project; (b) Coordinates all work performed on the entire project; 50

(c) Uses his or her own workforce to perform all or a part of the public work;

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(d) Contracts for the services of any subcontractor or independent contractor or 2 is responsible for payment to any contracted subcontractors or independent 3 contractors. The term includes, without limitation, a general contractor or a specialty 4 contractor who is authorized to bid on a project pursuant to NRS 338.139 or 5 6 338.148. 7 18. "Public body" means the State, county, city, town, school district or any 8 public agency of this State or its political subdivisions sponsoring or financing a 9 public work. 19. "Public work" means any project: 10 11 (a) Financed in whole or in part from public money for: 12 (1) Public buildings; 13 (2) Jails and prisons; 14 (3) Public roads; 15 (4) Public highways; 16 (5) Public streets and alleys: 17 (6) Public utilities; 18 (7) Publicly owned water mains and sewers: 19 (8) Public parks and playgrounds; 20 (9) Public convention facilities which are financed at least in part from 21 public money; and (10) All publicly owned works and property and publicly leased property 22 where construction, reconstruction, demolition, alteration, custom fabrication, 23 repair, maintenance, painting or decorating is performed by skilled mechanics, skilled workers, semiskilled mechanics, semiskilled workers or unskilled labor. 24 2.5 26 (b) That includes construction, demolition, alteration, custom fabrication or repair work on any property or premises, regardless of whether financed in whole or in part from public money if, at the time the contract for the project is entered 27 28 29 into: (1) The property or premises is owned by a public body; 30 31 (2) The property or premises, in whole or in part, is leased by a public 32 body or is subject to an agreement to be subsequently leased by a public body; (3) The property, or any horizontal construction or vertical construction 33 34 relating thereto, is in an improvement district, as that term is defined in NRS 271.130; 35 (4) The project, or any horizontal construction or vertical construction 36 37 relating thereto, is a redevelopment project, as that term is defined in NRS 279.412, that is financed pursuant to chapter 279 of NRS; 38 39 (5) [The project is a qualified project, as that term is defined in NRS 360.888 40 41 (6)] The property, or any horizontal construction or vertical construction relating thereto, has been or will be conveyed, in whole or in part, to a public body 42 43 pursuant to the terms of a development agreement with the public body; or [(7)] (6) A public body retains any right, including, without limitation, a 44 contingent right, to retake ownership of the property or premises after the 45 commencement of work on the project. 46 20. "Specialty contractor" means a person who is licensed to conduct business 47 as described in subsection 4 of NRS 624.215. 48 21. "Stand alone underground utility project" means an underground utility 49 50 project that is not integrated into a larger project, including, without limitation: 51 (a) An underground sewer line or an underground pipeline for the conveyance 52. of water, including facilities appurtenant thereto; and

- 1 (b) A project for the construction or installation of a storm drain, including facilities appurtenant thereto,
 3 that is not located at the site of a public work for the design and construction of
 - → that is not located at the site of a public work for the design and construction of which a public body is authorized to contract with a design-build team pursuant to subsection 2 of NRS 338.1711.
 - 22. "Subcontract" means a written contract entered into between:
 - (a) A contractor and a subcontractor or supplier; or
 - (b) A subcontractor and another subcontractor or supplier,
- 9 For the provision of labor, materials, equipment or supplies for a construction project.
- 11 = 23. "Subcontractor" means a person who:
 - (a) Is licensed pursuant to the provisions of chapter 624 of NRS or performs such work that the person is not required to be licensed pursuant to chapter 624 of NRS: and
- 15 (b) Contracts with a contractor, another subcontractor or a supplier to provide labor, materials or services for a construction project.

 24 "Supplier" means a person who provides materials, equipment or supplies
 - 24. "Supplier" means a person who provides materials, equipment or supplies for a construction project.
 - 25. "Vertical construction" means the construction or remodeling of any building, structure or other improvement that is predominantly vertical, including, without limitation, a building, structure or improvement for the support, shelter and enclosure of persons, animals, chattels or movable property of any kind, and any other work or improvement appurtenant thereto.
 - 26. "Wages" means:

- (a) The basic hourly rate of pay; and
- (b) The amount of pension, health and welfare, vacation and holiday pay, the cost of apprenticeship training or other bona fide fringe benefits which are a benefit to the worker.
- 27. "Worker" means a skilled mechanic, skilled worker, semiskilled mechanic, semiskilled worker, unskilled worker or worker who performs custom fabrication in the service of a contractor or subcontractor under any appointment or contract of hire or apprenticeship, express or implied, oral or written, whether lawfully or unlawfully employed. The term does not include a design professional.] (Deleted by amendment.)
 - Sec. 7. [NRS 338.0115 is hereby amended to read as follows:
- 338.0115 1. Except as otherwise provided in subsection 2, the provisions of this chapter and chapters 332 and 339 of NRS do not apply to a contract under which a private developer, for the benefit of a private development, constructs a water or sewer line extension and any related appurtenances:
- (a) Which qualify as a public work pursuant to NRS 338.010; and
- (b) For which the developer will receive a monetary contribution or refund from a public body as reimbursement for a portion of the costs of the project.
- 2. If, pursuant to the provisions of such a contract, the developer is not responsible for paying all of the initial construction costs of the project, the provisions of NRS 338.0117, 338.013 to 338.090, inclusive, and 338.1373 to 338.148, inclusive, and section 4 of this act apply to the contract.] (Deleted by amendment.)
 - **Sec. 8.** NRS 338.012 is hereby amended to read as follows:
- 338.012 *1.* The Labor Commissioner may adopt such regulations as are necessary to enable the Labor Commissioner to carry out his or her duties pursuant to the provisions of this chapter.

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2. Any regulation adopted by the Labor Commissioner pursuant to this chapter must be consistent with the declaration of legislative intent set forth in section 2 of this act.

- Sec. 9. [NRS 338.020 is hereby amended to read as follows: 338.020 1. Every contract to which a public body of this State is a party, requiring the employment of skilled mechanics, skilled workers, semiskilled mechanies, semiskilled workers, [or] unskilled labor or workers who perform custom fabrication in the performance of a public work, must contain in express terms the hourly and daily rate of wages to be paid each of the classes of mechanics and workers. The hourly and daily rate of wages must:
- (a) Not be less than the rate of such wages then prevailing in the region in which the public work is located, which prevailing rate of wages must have been determined in the manner provided in NRS 338.030; and
- (b) Be posted on the site of the public work in a place generally visible to the workers.
- 2. When public work is performed by day labor, the prevailing wage for each class of mechanics and workers so employed applies and must be stated clearly to such mechanics and workers when employed.
- 3. Except as otherwise provided in subsection 4, a contractor or subcontractor shall pay to a mechanic or worker employed by the contractor or subcontractor on the public work not less than one and one-half times the prevailing rate of wages licable to the class of the mechanic or worker for each hour the mechanic or worker works on the public work in excess of:
- (a) Forty hours in any scheduled week of work by the mechanic or worker for the contractor or subcontractor, including, without limitation, hours worked for the contractor or subcontractor on work other than the public work; or
- (b) Eight hours in any workday that the mechanic or worker was employed by the contractor or subcontractor, including, without limitation, hours worked for the contractor or subcontractor on work other than the public work, unless by mutual agreement the mechanic or worker works a scheduled 10 hours per day for 4 calendar days within any scheduled week of work.
- 4. The provisions of subsection 3 do not apply to a mechanic or worker who is covered by a collective bargaining agreement that provides for the payment of wages at not less than one and one half times the rate of wages set forth in the collective bargaining agreement for work in excess of:
- (a) Forty hours in any scheduled week of work; or
- (b) Eight hours in any workday unless the collective bargaining agreement provides that the mechanic or worker shall work a scheduled 10 hours per day for 4 calendar days within any scheduled week of work.
- 5. The prevailing wage and any wages paid for evertime pursuant to subsection 3 or 4 to each class of mechanics or workers must be in accordance with the jurisdictional classes recognized in the region where the work is performed.
- 6. Nothing in this section prevents an employer who is signatory to collective bargaining agreement from assigning such work in accordance with established practice.] (Deleted by amendment.)
 - **Sec. 10.** NRS 338.050 is hereby amended to read as follows:
- 338.050 For the purpose of NRS 338.010 to 338.090, inclusive, and sections 2 and 3 of this act, except as otherwise provided by specific statute, every worker who performs work for a public work covered by a contract therefor is subject to all of the provisions of NRS 338.010 to 338.090, inclusive, and sections 2 and 3 of this act, regardless of any contractual relationship alleged to exist between such worker and his or her employer.

Sec. 11. NRS 338.070 is hereby amended to read as follows:

338.070 1. Any public body awarding a contract shall:

(a) Investigate possible violations of the provisions of NRS 338.010 to 338.090, inclusive, *and sections 2 and 3 of this act* committed in the course of the execution of the contract, and determine whether a violation has been committed and inform the Labor Commissioner of any such violations; and

(b) When making payments to the contractor engaged on the public work of money becoming due under the contract, withhold and retain all sums forfeited pursuant to the provisions of NRS 338.010 to 338.090, inclusive [-], and sections 2 and 3 of this act.

2. No sum may be withheld, retained or forfeited, except from the final payment, without a full investigation being made by the awarding public body.

- 3. Except as otherwise provided in subsection 7, it is lawful for any contractor engaged on a public work to withhold from any subcontractor engaged on the public work sufficient sums to cover any penalties withheld from the contractor by the awarding public body on account of the failure of the subcontractor to comply with the terms of NRS 338.010 to 338.090, inclusive [.], and sections 2 and 3 of this act. If payment has already been made to the subcontractor, the contractor may recover from the subcontractor the amount of the penalty or forfeiture in a suit at law.
- 4. A contractor engaged on a public work and each subcontractor engaged on the public work shall:
- (a) Inquire of each worker employed by the contractor or subcontractor in connection with the public work:
 - (1) Whether the worker wishes to specify voluntarily his or her gender; and
 - (2) Whether the worker wishes to specify voluntarily his or her ethnicity; ad
- (b) For each response the contractor or subcontractor receives pursuant to paragraph (a):
- (1) If the worker chose voluntarily to specify his or her gender or ethnicity, or both, record the worker's responses; and
- (2) If the worker declined to specify his or her gender or ethnicity, or both, record that the worker declined to specify such information.
- → A contractor or subcontractor shall not compel or coerce a worker to specify his or her gender or ethnicity and shall not penalize or otherwise take any adverse action against a worker who declines to specify his or her gender or ethnicity. Before inquiring as to whether a worker wishes to specify voluntarily his or her gender or ethnicity, the applicable contractor or subcontractor must inform the worker that such information, if provided, will be open to public inspection as set forth in subsection 6.
- 5. A contractor engaged on a public work and each subcontractor engaged on the public work shall keep or cause to be kept:
- (a) An accurate record showing, for each worker employed by the contractor or subcontractor in connection with the public work:
 - (1) The name of the worker;
 - (2) The occupation of the worker;
- (3) The gender of the worker, if the worker voluntarily agreed to specify that information pursuant to subsection 4, or an entry indicating that the worker declined to specify such information;
- (4) The ethnicity of the worker, if the worker voluntarily agreed to specify that information pursuant to subsection 4, or an entry indicating that the worker declined to specify such information;

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- (5) If the worker has a driver's license or identification card, an indication of the state or other jurisdiction that issued the license or card; and
 - (6) The actual per diem, wages and benefits paid to the worker; and
- (b) An additional accurate record showing, for each worker employed by the contractor or subcontractor in connection with the public work who has a driver's license or identification card:
 - (1) The name of the worker;
- (2) The driver's license number or identification card number of the worker; and
 - (3) The state or other jurisdiction that issued the license or card.
- 6. The records maintained pursuant to subsection 5 must be open at all reasonable hours to the inspection of the public body awarding the contract. The contractor engaged on the public work or subcontractor engaged on the public work shall ensure that a copy of each record for each calendar month is received by the public body awarding the contract no later than 15 days after the end of the month. The copy of the record maintained pursuant to paragraph (a) of subsection 5 must be open to public inspection as provided in NRS 239.010. The copy of the record maintained pursuant to paragraph (b) of subsection 5 is confidential and not open to public inspection. The records in the possession of the public body awarding the contract may be discarded by the public body 2 years after final payment is made by the public body for the public work. The Labor Commissioner shall adopt regulations authorizing and prescribing the procedures for the electronic filing of the copies of the records required to be provided monthly by a contractor or subcontractor to a public body pursuant to this subsection.
- 7. A contractor engaged on a public work shall not withhold from a subcontractor engaged on the public work the sums necessary to cover any penalties provided pursuant to subsection 3 of NRS 338.060 that may be withheld from the contractor by the public body awarding the contract because the public body did not receive a copy of the record maintained by the subcontractor pursuant to subsection 5 for a calendar month by the time specified in subsection 6 if:
- (a) The subcontractor provided to the contractor, for submission to the public body by the contractor, a copy of the record not later than the later of:
 - (1) Ten days after the end of the month; or
 - (2) A date agreed upon by the contractor and subcontractor; and
- (b) The contractor failed to submit the copy of the record to the public body by the time specified in subsection 6.
- → Nothing in this subsection prohibits a subcontractor from submitting a copy of a record for a calendar month directly to the public body by the time specified in subsection 6.
- 8. Any contractor or subcontractor, or agent or representative thereof, performing work for a public work who neglects to comply with the provisions of this section is guilty of a misdemeanor.
 - **Sec. 12.** NRS 338.090 is hereby amended to read as follows:
- 338.090 1. Except as otherwise provided in subsection 5, any person, including the officers, agents or employees of a public body, who violates any provision of NRS 338.010 to 338.090, inclusive, *and sections 2 and 3 of this act* or any regulation adopted pursuant thereto, is guilty of a misdemeanor.
- 2. The Labor Commissioner, in addition to any other remedy or penalty provided in this chapter:
- (a) Shall, except as otherwise provided in subsection 4, assess a person who, after an opportunity for a hearing, is found to have failed to pay the prevailing wage required pursuant to NRS 338.020 to 338.090, inclusive, an amount equal to the

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difference between the prevailing wages required to be paid and the wages that the contractor or subcontractor actually paid; and

- (b) May, in addition to any other administrative penalty, impose an administrative penalty not to exceed the costs incurred by the Labor Commissioner to investigate and prosecute the matter.
- If the Labor Commissioner finds that a person has failed to pay the prevailing wage required pursuant to NRS 338.020 to 338.090, inclusive, the public body may, in addition to any other remedy or penalty provided in this chapter, require the person to pay the actual costs incurred by the public body to investigate the matter.
- The Labor Commissioner is not required to assess a person an amount equal to the difference between the prevailing wages required to be paid and the wages that the contractor or subcontractor actually paid if the contractor or subcontractor has already paid that amount to a worker pursuant to paragraph (c) of subsection 4 of NRS 338.035.
- The provisions of subsection 1 do not apply to a subcontractor specified in NRS 338.072.

Sec. 13. [NRS 332.390 is hereby amended to read as follows:

- 332.390 1. If a performance contract entered into pursuant to NRS 332.300 to 332.440, inclusive, requires the employment of skilled mechanics, skilled workers, semiskilled mechanics, semiskilled workers, [or] unskilled labor or workers who perform custom fabrication to perform the performance contract, the performance contract must include a provision relating to the prevailing wage as required pursuant to NRS 338.013 to 338.000, inclusive. The local government, the qualified service company, any contractor who is awarded a contract or enters into an agreement to perform the work for the performance contract, and any subcontractor who performs any portion of that work shall comply with the provisions of NRS 338.013 to 338.090, inclusive, in the same manner as if the local government had undertaken the work or had awarded the contract.
- 2. Before a qualified service company enters into a performance contract pursuant to NRS 332,300 to 332,440, inclusive, that exceeds \$100,000, the qualified service company must furnish to the contracting body any bonds required pursuant to NRS 339.025. The provisions of chapter 339 of NRS apply to any performance contract described in this subsection.] (Deleted by amendment.)

Sec. 14. NRS 333A.120 is hereby amended to read as follows:

333A.120 If a performance contract entered into pursuant to this chapter requires the employment of skilled mechanics, skilled workers, semiskilled mechanics, semiskilled workers, [or] unskilled labor or workers who perform custom fabrication to perform the performance contract, the performance contract must include a provision relating to the prevailing wage as required pursuant to NRS 338.013 to 338.000, inclusive. The using agency, the qualified service company, any contractor who is awarded a contract or enters into an agreement to perform the work for the performance contract, and any subcontractor who performs any portion of that work shall comply with the provisions of NRS 338.013 to 338.090, inclusive, in the same manner as if the using agency had undertaken the work or had awarded the contract.] (Deleted by amendment.)

Sec. 15. Section 4 of this act is hereby amended to read as follows:

Sec. 4. 1. The general procedures for awarding contract described in NRS 338.1373 to 338.139, inclusive, do not apply to a public work completed on a property or premises if, at the time of entering into the contract:

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- (a) The property or premises, in whole or in part, is leased by a public body or is subject to an agreement to be subsequently leased by a public body;
- (b) The property, or any horizontal construction or vertical construction relating thereto, is in an improvement district, as defined in NRS 271.130:
- (e) The project, or any horizontal construction or vertical construction relating thereto, is a redevelopment project, as defined in NRS 279.412, that is financed pursuant to chapter 279 of NRS;
- (d) The project is a qualified project, as defined in NRS 360.888;
- (e)] The property, or any horizontal construction or vertical construction relating thereto, has been or will be conveyed, in whole or in part, to a public body pursuant to the terms of a development agreement with the public body; or
- [(f)] (e) A public body retains any right, including, without limitation, a contingent right, to retake ownership of the property or premises after the commencement of work on the project.
- 2. This section must not be construed to abrogate the requirement to pay prevailing wages on a public work described in subsection 1.] (Deleted by amendment.)
- **Sec. 16.** The provisions of NRS 354.599 do not apply to any additional expenses of a local government that are related to the provisions of this act.
- Sec. 16.5. The amendatory provisions of this act do not apply to any contract, lease or other agreement entered into before the effective date of this act.
- Sec. 17. [1.] This [section and section 16 of this] act [become] becomes effective upon passage and approval.
- [2. Sections 1 to 5, inclusive, and 7 to 14, inclusive, of this act become
- (a) Upon passage and approval for the purpose of adopting any regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and
 - (b) On January 1, 2024, for all other purposes.
- 3. Sections 6 and 15 of this act become effective on July 1, 2032.]