

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON GOVERNMENT AFFAIRS**

**Eighty-Second Session
March 16, 2023**

The Committee on Government Affairs was called to order by Chair Selena Torres at 8:06 a.m. on Thursday, March 16, 2023, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda [[Exhibit A](#)], the Attendance Roster [[Exhibit B](#)], and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/82nd2023.

COMMITTEE MEMBERS PRESENT:

Assemblywoman Selena Torres, Chair
Assemblywoman Bea Duran, Vice Chair
Assemblyman Max Carter
Assemblyman Rich DeLong
Assemblyman Reuben D'Silva
Assemblywoman Cecelia González
Assemblyman Bert Gurr
Assemblyman Brian Hibbetts
Assemblyman Gregory Koenig
Assemblyman Richard McArthur
Assemblyman Duy Nguyen
Assemblywoman Angie Taylor
Assemblywoman Clara Thomas

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

Assemblywoman Daniele Monroe-Moreno Assembly District No. 1



STAFF MEMBERS PRESENT:

Jennifer Ruedy, Committee Policy Analyst
Judi Bishop, Committee Manager
Diane Abbott, Committee Secretary
Cheryl Williams, Committee Assistant

OTHERS PRESENT:

Greg Esposito, Public Relations and Government Affairs Director, Plumbers, Pipefitters and Service Technicians Local 525
Rob Benner, Secretary-Treasurer, Building and Construction Trades Council of Northern Nevada
Susie Martinez, Executive Secretary-Treasurer, Nevada State AFL-CIO
Paul Catha, representing Culinary Workers Union Local 226
Jake McNeill, representing Laborers' International Union of North America Local 169
Alfonso "Al" Lopez, representing Sheet Metal, Air, Rail and Transportation Workers Local 88
Edward Goodrich, Political Director, International Alliance of Theatrical Stage Employees Local 363
Marc Ellis, President, Communication Workers of America Local 9413
Tracy Holland, Business Agent, Ironworkers Local 118
Larry Wilson, Retiree Chairperson, United Auto Workers Local 2162
Rita Weisshaar, Private Citizen, Reno, Nevada
Francisco Miranda, Private Citizen, Las Vegas, Nevada; and Organizer, Teamsters Local 631
Alberto Gonzalez, Vice President South, Communication Workers of America Local 9413
Linda Ward-Smith, President, American Federation of Government Employees Local 1224
Liz Sorenson, President, Nevada State AFL-CIO
Lou DeSalvio, President, Laborers' International Union of North America Local 872
Robert Sumlin, Private Citizen, Las Vegas, Nevada
Mitchell Bechtel, Political Director, Iron Workers Local 118
Thomas Morley, representing Laborers' International Union of North America Local 872 and Local 169
Joanna Jacob, Manager, Government Affairs, Clark County
Paul J. Moradkhan, Senior Vice President, Government Affairs, Vegas Chamber
Warren B. Hardy II, representing the Urban Consortium; and Associated Builders and Contractors, Nevada Chapter
Glen Leavitt, Director of Government Affairs, Nevada Contractors Association
Sarah Collins, representing National Electrical Contractors Association, Northern Nevada Chapter

Alexis Motarex, Government Affairs, Associated General Contractors, Nevada Chapter
Justin Ivory, President, A-1 Steel, Incorporated, Sparks, Nevada
Jarrett Rosenau, President, Associated General Contractors, Nevada Chapter; and
President, Nevada Operations, Clark/Sullivan Construction, Sparks, Nevada
Jessica Ferrato, representing Granite Construction
Cristian Cespedes, Organizer, International Union of Painters and Allied Trades
Local Union 159 of District Council 16
Savannah Palmira, Business Representative, International Union of Painters and
Allied Trades Local Union 159 of District Council 16
Vince Saavedra, Executive Secretary-Treasurer, Southern Nevada Building Trades
Union
Andy Donahue, Market Representative, Laborers-Employers Cooperation and
Education Trust
Aaron Ibarra, Private Citizen, Las Vegas, Nevada
Jimmy Schwartz, Private Citizen, Las Vegas, Nevada
Steven Vantine, Private Citizen, Las Vegas, Nevada
Ronald Young, representing International Brotherhood of Electrical Workers
Local 357
Kenneth Bosket, Private Citizen, Las Vegas, Nevada
Jacob Gonzalez, Private Citizen, Las Vegas, Nevada
Eduardo Zavala, Specialty Field Representative, Bricklayers and Allied Craftworkers
Local 13
John Carlo, Private Citizen, Las Vegas, Nevada
Will Pregman, Communications Director, Battle Born Progress
Wendi Newman, Assistant Chapter Manager, National Electrical Contractors
Association, Southern Nevada Chapter
Ann Barnett, Chief Executive Officer, Nevada Contractors Association
Joseph D. Bingham, Director, Mt. Rose Heating and Air Conditioning, Reno, Nevada
Samantha Sato, representing Mechanical Contractors Association of Las Vegas; and
Sheet Metal and Air Conditioning Contractors' National Association of
Southern Nevada
Brett Harris, Labor Commissioner
Randy Soltero, representing Soltero Strategies
Stephen Wood, representing Nevada League of Cities and Municipalities
Rebecca Fountain, Owner and Chief Financial Officer, KOR Building Group,
Las Vegas, Nevada

Chair Torres:

[Roll was taken. Committee rules were explained.] We are going to go ahead and start with the hearings in just a moment. I am going to take a recess to allow everybody at the door to finish signing in so that everybody can be present, and we can have the most open and transparent meeting possible while our presenter heads down to begin the presentation.

[The Committee recessed at 8:08 a.m. and reconvened at 8:10 a.m.]

The Assembly Committee on Government Affairs will reconvene. We will open the hearing on Assembly Bill 171.

Assembly Bill 171: Revises provisions governing public works. (BDR 28-179)

Assemblywoman Bea Duran, Assembly District No. 11:

Thank you for the opportunity to present Assembly Bill 171, which revises provisions governing public works. With me today is Greg Esposito, director of Public Relations and Government Affairs with Plumbers, Pipefitters and Service Technicians Local 525, and Rob Benner who is executive secretary-treasurer of Building and Construction Trades Council of Northern Nevada. They will be presenting the bill and answering any questions you may have.

Greg Esposito, Public Relations and Government Affairs Director, Plumbers, Pipefitters and Service Technicians Local 525:

When a political subdivision awards a public works project, with a few exceptions, they use the lowest responsible bidder. This method does not completely consider if the contractor is a good community partner. A public works project can be considered an economic stimulus opportunity. The Congressional Budget Office recently estimated the multiplier effect of each dollar spent on infrastructure raised gross domestic product in an area from \$1 to \$2.50 over several quarters. This is due in part to the payment of prevailing wages to workers on the project. Nevada Department of Health and Human Services recently reported that in 2022 there were over 150,000 employees in Nevada covered by Medicaid who work for companies with 50 or more employees, and an associated 177,000 dependents for a total of almost 330,000 individuals covered, and a total cost in Nevada Medicaid of over \$1.2 billion. In 2017, the most recent numbers I could find, Clark County alone paid \$133 million for medical assistance to indigent persons.

Our position is that if a contractor is taking advantage of the economic stimulus opportunity the public works project offers, they should meet the criteria that they be a good community partner. One way to do so is to offer their employees who work on the project comprehensive health care for themselves and their dependents. To better explain these criteria we would like to see added to *Nevada Revised Statutes* (NRS), I will hand the presentation over to my colleague Rob Benner.

Rob Benner, Secretary-Treasurer, Building and Construction Trades Council of Northern Nevada:

I will run through the bill a bit today. The amended version [[Exhibit C](#)] strikes most of the previous text and replaces it with simple, responsible contractor language. Responsible contractor language establishes objective criteria and verifiable standards for contractors bidding on public works projects. This language would help protect taxpayers by ensuring

that local quality standards, local levels of craftsmanship, and local economic development practices are upheld. It would also guarantee that responsible contractors win public bids rather than low-road contractors who cut corners in ways that impact workers' health care, training, and safety.

This bill has four simple criteria for a public body to consider when deciding which contractor's bid to choose for a public works project. All these criteria are already established and defined elsewhere in NRS. This bill would simply add them as criteria to ensure that the bidders selected for a public works project are responsible and will deliver results for Nevada's taxpayers.

Paragraph (a) of the amendment [[Exhibit C](#)] would require the contractor to provide bona fide fringe benefits including health insurance coverage for the employee and their dependents, excluding coverage of the Silver State Health Exchange, Medicare, or Medicaid. Bona fide benefits are already factored into the prevailing wage as per NRS 338.035. This language would help ensure that the contractors who work on the prevailing wage projects are complying with the full intent of the law, and that is to provide health care for their workers. This measure would not increase costs, but it would help ensure that contractors are good actors when dealing with their employees' benefits. It would also save the public money by ensuring that construction workers are offered a health plan by their employer without having to resort to Medicare and Medicaid. Given the physical nature of construction and the toll it takes on people's bodies, if construction workers do not get health care from their employers, eventually, the cost of their inevitable care will end up in the hands of the government.

Paragraph (b) would require that the contractor have a good record of compliance with Nevada's existing prevailing wage laws.

Paragraph (c) also requires that the contractor have a history of compliance with Nevada's industrial insurance laws and regulations. Together, these two provisions would help ensure that selected contractors had a history of being good actors. Some public bodies already request a letter of no violations from the Labor Commissioner as part of the bid package for a project. These provisions would help ensure that reputable contractors with proven track records complete jobs efficiently and within budget, without the need for additional reconstruction later on. Contractors with workplace law violations are more than five times as likely to have a low performance rating as contractors with a clean record of workplace law compliance. By weeding out cut-rate contractors, responsible bidder laws encourage successful project delivery and ensure that public bodies get the quality they pay for.

Paragraph (d) of the amendment would require that the contractor offer some sort of professional development and training to their workers. This section is defined broadly. The contractor could offer anything from a partnership with a registered apprenticeship program, to tuition assistance, or reimbursement for professional certificate programs. In other states where language like this has been implemented, research has found that it has increased the

share of local contractors winning bids, supported the local economy, and improved the living standards of construction workers. In addition, one of Governor Lombardo's focuses has been on workforce development, and we believe this language would help alleviate the statewide shortage of construction workers that Nevada is currently facing.

This type of language has also been found to increase competition. In a study of the effect of local responsible bidder laws on bid outcomes in Illinois and Indiana, the Illinois Economic Policy Institute found that responsible bidder laws like these increased competition by 8 percent. Contractors are more likely to bid on projects when they are confident that they are not going to be underbid by low-road, out-of-state contractors. When local contractors are selected to complete our state public works projects, we are supporting local businesses and keeping our tax dollars here in Nevada.

Chair Torres:

Committee members, do you have any questions?

Assemblyman Koenig:

Forgive my lack of knowledge, but I am a first-year legislator, and I am just getting into this. Could I get a quick definition of how prevailing wages are calculated? You mentioned something that health insurance was considered into the prevailing wage numbers. Is that correct?

Rob Benner:

That is correct. Every two years the Labor Commissioner sends out a survey to all the contractors in Nevada and they report on what they pay for wages and for bona fide benefits, as described in NRS. Then, whatever the prevailing wage of that survey is, that is set for that trade, and it is trade specific.

Assemblyman Koenig:

So, prevailing wage calculates in health insurance, but it does not guarantee that. You are getting paid as if your employer was providing health insurance, but if you are not provided health insurance, then you are making more money. Is that correct?

Rob Benner:

That is correct.

Greg Esposito:

Can I add something to the answer? That is the problem. As Mr. Benner explained, construction workers are going to get hurt. They are going to get sick. Their family members are going to get sick, but if they are handed all the money on the check, they are less likely to buy themselves a comprehensive health care plan that can support them now and later. They are going to spend it. They are going to buy things. This bill would make it to where they are insured.

Assemblywoman Thomas:

I have a question on paragraph (d) of the amendment. When you are saying that offering workforce training and education programs to "including, but not limited to, tuition assistance," I was wondering who, and I know this is a policy committee, but I would like to know who pays for tuition assistance, the apprenticeship programs, the certificate programs, and job training programs?

Rob Benner:

Training is also factored into the bona fide benefit package as well. When the prevailing wages are figured, the training funds are also factored into the package.

Chair Torres:

Thank you, members. Any additional questions? [There were none.] I have one quick question. My understanding of prevailing wages is that these things are built into the package, but they currently are not being made available. Is that correct?

Rob Benner:

Correct, Madam Chair. They are built into the prevailing wage package as bona fide benefits.

Chair Torres:

Perfect. It seems that this piece of legislation would make sure that the workers are receiving the fringe benefits of the prevailing wage, instead of only receiving the financial benefit.

Rob Benner:

Correct, Madam Chair. There is nothing here that is not already factored into the prevailing wage. A lot of workers, if they do not get the actual benefit, they may get it as part of their pay, but there are a lot of low-road contractors out there who cheat on this too. We have seen where contractors say they have their own health care plan, but it was a gym membership and not health care. Employers will say they have a training program. What they offer provides little benefit for the members, but they will take that off the employee's check. Even with retirement plans, which is factored into the bona fide benefits, contractors will have their own company retirement plan, but the workers will never see a benefit out of it.

Chair Torres:

Thank you. Any additional questions from Committee members?

Assemblywoman González:

Are there any contractors currently doing this?

Greg Esposito:

Do you mean contractors paying everything on the check and not providing any benefits to their workers?

Assemblywoman González:

No, I mean, are any contractors currently operating in good faith? Are they currently providing these benefits?

Greg Esposito:

Yes, there are plenty of contractors who do the right thing, who are good community actors. They offer registered apprenticeship programs, safety programs, and extensive health insurance programs that cannot be beat. There are plenty of good contractors. Our goal is to weed out the ones who are not doing the right thing or are not properly serving their workers, and therefore, the community.

Assemblyman Gurr:

In looking through your amendment and through the bill, where is the enforceability? Who does that responsibility lie with? If contractors are doing it illegally now, what makes them step up to the plate and do it right?

Greg Esposito:

This bill would be on the front end of the project where a contractor would have to show that they do these things. They have a bona fide health care plan. They offer some sort of workforce development training, or they would not win the contract. The enforcement would be by the public body when they put out their bid documents. Each contractor who bids would have to prove these criteria, and if they cannot prove that criteria, they do not win the bid.

Assemblyman Gurr:

Okay, they went to bid, then who guarantees that they make their payments? How do they prove it to whatever body? Do they prove it to the labor relations board, or how do they prove they made their payments?

Greg Esposito:

On a public works project, a contractor must submit a wage sheet to the public body that they are doing the project for. That wage sheet lists out wages, health care, and other certain limited benefits. The public body looks at those wage sheets and makes sure that the right thing is being done. If a worker is not getting paid what they know they are supposed to get paid, they can take it to the Labor Commissioner, and the Labor Commissioner would then open an investigation into the business practices and the payment practices of the contractor.

Assemblywoman Taylor:

I have a question on the impact. Do you anticipate any impact on those who bid or on the contractors?

Greg Esposito:

There will be an impact on contractors who are not good members of the community because they are not going to be on public works projects. As far as other contractors, since the wages are already set and all these benefits are part of the wage, they are not going to have an

economic impact because they are already paying that much. There may be an administrative impact where if they did not have one before, they are going to have to enroll in a health care plan and offer that health care plan. I can imagine that, for some contractors that do not currently offer health care, there will be some sort of administrative change where they must now start offering health care plans and some training. I hate to say this, but if you want to take part in the economic stimulus that a state, county, or city is providing, then you must check certain boxes. If you are not willing to check those boxes, then bid private projects which do not have these requirements.

Assemblyman Carter:

I have a two-part question. What about if somebody has a spouse or significant other who has better insurance, or has good credible coverage? And two, why is this bill excluding plans through the Silver State Health Exchange?

Assemblywoman Duran:

I can answer one part of that question. With talking to my insurance carriers, and I can only talk about the Culinary Union, but with plans that offer family coverage, for instance, I do not have one, but if I had a spouse and he was offered insurance and refuses it, it puts an impact on our insurance which could result in his not being covered.

Rob Benner:

The reason we exclude Silver State Health Exchange is because those plans are subsidized. If a contractor has already factored in health benefits to their bona fide package of the prevailing wage and their worker goes onto the Silver State Health Exchange, then the government is actually going to be subsidizing that worker. That is why we excluded that.

Assemblyman Gurr:

I am not sure that I got the answer I was looking for with Mr. Carter's question. If one of the members of the family has a much better health insurance policy, do they have to take the one provided in the contract?

Assemblywoman Duran:

For clarity, I am not completely sure, but I know with my family's insurance plan, as it may be with most insurance companies, you can have your primary insurance and always have secondary coverage. That is the whole thing because that is misleading your insurance company if they are paying the whole bill. You can potentially have secondary coverage on your health insurance plan.

Greg Esposito:

If I may add, everyone in the room knows that insurance companies do not like paying out, and if they can find an excuse to not pay out, they will. What we are finding is if a spouse could have had insurance and declines it, the providing health insurance company of the other spouse throws up their hands and says, you could have been covered. Why are we

responsible when you could have had your own insurance? So yes, this insurance is set up to cover spouses, but they also know that if they could have been covered somewhere else, they are going to say we are not going to cover you now because you declined your own insurance.

Assemblyman Gurr:

Public works jobs are not all that everybody does. If you are on a public works job and you are offered insurance through that, but you do not pick it up and the other insurance policy you have cancels you because you had the right to other coverage, it gets complicated in my mind. If the benefits there on a public works job does not stay when they move to the next job, which is not a public works job . . . See where I am going with that?

Greg Esposito:

I see where you are going with that. If you are not on a public works job and therefore not covered by insurance, then the other insurance company cannot say you declined that insurance because you are no longer covered. If the first six months of the year you are working on a public works project and are insured but then you get sick or injured in November, you did not decline coverage because it was not offered to you.

Assemblyman Gurr:

Let us discuss this offline, and maybe that is better.

Chair Torres:

I will invite anyone wishing to testify in support of A.B. 171.

Susie Martinez, Executive Secretary-Treasurer, Nevada State AFL-CIO:

We are in support of Assembly Bill 171.

Paul Catha, representing Culinary Workers Union Local 226:

The Culinary Union supports Assembly Bill 171, and I want to thank Assemblywoman Duran for bringing forward the bill. Nevada needs to make sure that employers who are responsible for completing public works projects are good community partners and treat workers with dignity and respect. On a personal note, I have spent the last couple of years caring for my father as he has had more surgeries than I can count because of his lifelong career in the building trades. The state has a special responsibility to make sure that workers who are working on behalf of the state have the care they need. The Culinary Union urges the Committee to support and pass Assembly Bill 171.

Jake McNeill, representing Laborers' International Union of North America Local 169:

We are here to testify in support of this bill as it is written today.

Alfonso "Al" Lopez, representing Sheet Metal, Air, Rail and Transportation Workers Local 88:

We are here in support of A.B. 171.

Chair Torres:

Is there anyone else here in Carson City wishing to testify in support of A.B. 171? [There was no one.] Is there anyone in Las Vegas wishing to testify in support of A.B. 171? [There was no one.] Is there anyone on the phone line wishing to testify in support of A.B. 171?

Edward Goodrich, Political Director, International Alliance of Theatrical Stage Employees Local 363:

I am here in full support of Assembly Bill 171, and I urge the Committee to support it as well.

Marc Ellis, representing Communication Workers of America Local 9413:

We are in full support of A.B. 171.

Tracy Holland, Business Agent, Ironworkers Local 118:

I am here in full support of A.B. 171, and I urge the Committee to support it as well.

Larry Wilson, Retiree Chairperson, United Auto Workers Local 2162:

I am here in full support of A.B. 171 and I urge the Committee to support it.

Rita Weisshaar, Private Citizen, Reno, Nevada:

I am in full support of A.B. 171 and urge the Committee to support it as well.

Francisco Miranda, Private Citizen, Las Vegas, Nevada:

I am here in full support of Assembly Bill 171 and urge the Committee to support it as well.

Alberto Gonzalez, Vice President South, Communication Workers of America Local 9413:

We are in full support of Assembly Bill 171.

Linda Ward-Smith, President, American Federation of Government Employees Local 1224:

I am here in support of A.B. 171 and I urge the Committee to support it as well.

Liz Sorenson, President, Nevada State AFL-CIO:

I am obviously in support of A.B. 171, and I urge the entire Committee to support the bill as well.

Lou DeSalvio, President, Laborers' International Union of North America Local 872:

We fully support A.B. 171.

Robert Sumlin, Private Citizen, Las Vegas, Nevada:

I am with the Machinists Union Local SC711 in Las Vegas. I am here in full support of Assembly Bill 171, and I urge the Committee to support it as well.

Mitchell Bechtel, Political Director, Iron Workers Local 118:

We are in full support of Assembly Bill 171, and I urge the Committee to support it as well.

Chair Torres:

I see one additional person in support here in Carson City.

Thomas Morley, representing Laborers' International Union of North America Local 872 and Local 169:

We are in support.

Chair Torres:

We will invite anyone wishing to testify in opposition to A.B. 171.

Joanna Jacob, Manager, Government Affairs, Clark County:

We are testifying opposed today under the rules of the Committee. We are not opposed to best value to award a contract. I have met with Assemblywoman Duran, and I saw the new version of the amendment this morning. We did not have any issues with enforcing the insurance coverage provisions in an earlier version of the amendment. My real testimony here is about the enforceability, as has been discussed by this Committee, that the local agencies would be enforcing this. This is a reminder as we are trying to decide on how to award a contract that is going to go out into the community. I really want to work with the sponsors and the proponents on how we would do that in a fair, objective, and verifiable way. If we could do this by documentation submitted by the contractor, I am assuming a certification letter, or those types of things, that is what our angle is here. We want to make sure that we can award bids in a fair and objective way because we are under a lot of pressure from the community to do it quickly. That is our main concern.

On the insurance questions of coverage that were discussed, that illustrates the question of how we would document those concerns. From an agency perspective, I want to be able, as we work forward on this, to think of how the contractors would be able to supply this evidence so we could award the bid in an objective and fair way. That is why we are opposed, mostly because we would like to work with the proponents on the amendment to address those concerns.

Paul J. Moradkhan, Senior Vice President, Government Affairs, Vegas Chamber:

I would like to thank the proponents of the bill for meeting with the Chamber and discussing the new amendment that has been brought forward. We do believe it addresses some of the Chamber's concerns about it being able to measure some of those qualifications to be more quantitative. I want to clarify some points about some of the comments that were made about the overall process from the Chamber's perspective. It is my understanding that under the Davis-Bacon and Related Acts and Reorganization Plan No. 14 of 1950, the contractor is allowed to put the fringe benefits on top of the paycheck if that is the employee's preference. Sometimes it is the employee's preference to have that cash payment on top of their paycheck instead of the direct benefit payment of insurance.

I want to clarify some of the insurance questions that were brought up. The Vegas Chamber, for example, offers robust health care coverage through Anthem Health Plans. That is a plan that is approved by the state through the Insurance Commissioner. Our insurance plans are some of the most robust in the state because of federal regulations and state regulations. I want to clarify: these are not skinny plans that are offered. In terms of questions, we talked about health care. What typically will happen if a health care policy is declined? The employee, for example, is offered health care, and they will have their coverage. Their spouse will work for another company, and they will take that coverage. It is typically cheaper for the family if they take that option from their primary employers and are not just carried on one plan. So that is how some of the decisions are made. The family will have one coverage for the one parent, or the individual, and then the plan is covered by the other employer for that individual or other family members. I want to clarify why some of those options are typically decided.

Warren B. Hardy II, representing the Urban Consortium; and Associated Builders and Contractors, Nevada Chapter:

I am representing two clients today, the first is the Urban Consortium which is made up of the Cities of Las Vegas, Henderson, Reno, Sparks, and North Las Vegas. Joanna Jacob identified a lot of our concerns, and we need some clarification. We need to continue to work with the sponsors, and we appreciate their meeting with us heretofore to talk about those things and those concerns, mostly enforcement. How do we confirm the compliance? We want to make sure as these things are being confirmed, since we are the ones responsible for enforcing the prevailing wage, that we have access to all that information.

I also represent the Associated Builders and Contractors on this matter, and I will say we have come a long way. I looked at the folks who were testifying, and these are the items we have been talking about for years. We have really come a long way in getting insurance into the hands of these workers instead of cash. That is an option. It is one we discourage if they do not have other options for insurance. What we are talking about here regarding best-value bids probably warrants a more global conversation about the whole concept of best-value bids. It has been a while since we have discussed that in the Legislature and is something we need to revisit. I will say that Assemblyman Carter hit directly on the issue we are concerned with, and it has been spoken to. What if an individual has insurance through another family member? We struggle with this because often the employees are 22 or 23 years old, and they do not think they need insurance. They want the cash in their check. We discourage that. We want them to be covered on behalf of the nonunion industry. Oftentimes, they will have good coverage through their spouse, so they look at it and say we would like the best of both worlds. I have good insurance coverage already through my spouse, so on my job in construction, let me take the cash. Those kinds of options are things that families discuss. To clarify, these need to be bona fide programs. It is extremely important because it was testified that a gym membership as your health insurance does not work, correct? The last thing I would say is we really want to continue to work on this. We do not have any real concerns with the intent of what we are trying to do here, but the devil is always in the details, and we want to make sure, particularly, that Assemblyman Carter's question is addressed sufficiently.

Glen Leavitt, Director of Government Affairs, Nevada Contractors Association:

We represent over 450 of the largest and smallest contractors, some contractors and affiliated industry professionals, primarily in southern Nevada. The Nevada Contractors Association is opposed to Assembly Bill 171 as written. We discussed the proposed amendments with the proponents, and we are reviewing it with our membership. We have concerns that it is adding subjective criteria by which an awarding body could throw out a responsible and responsive bid. We want to ensure that the criteria are fair for all contractors and subcontractors large and small.

Sarah Collins representing National Electrical Contractors Association, Northern Nevada Chapter:

Our sentiments have been echoed through previous testimony, and we look forward to working with the bill sponsor and reviewing the amendments.

Alexis Motarex, Government Affairs, Associated General Contractors, Nevada Chapter:

As amended, A.B. 171 would preclude small businesses, many of which are minority and women-owned businesses, from competing for public works projects. Many of these small firms grow their business by doing public works because it is a guaranteed paycheck and is a way to build a reputation. Many of these small businesses also qualify as a Disadvantaged Business Enterprise, a mandatory element in Nevada Department of Transportation (NDOT) contracts. The requirements in A.B. 171 as amended, however, would make it too costly for these small businesses to comply. I want to address some of the questions that were asked. An employer who provides health insurance that does not necessarily meet the definition of a bona fide benefit will end up paying the full amount of the prevailing wage on a public works in addition to the health benefits that they are already paying their employees. They are potentially getting hit twice in order to be able to compete and perform these public works.

Justin Ivory, President, A-1 Steel, Incorporated, Sparks, Nevada:

We are a small, nonunion steel contractor in Sparks, Nevada, and there are a couple of things I really do not understand on this bill. Does this address the general contractor who presents the bid, or does this also go to all the subcontractors? Many times if a general contractor submits a bid, they might have three employees, correct? Where all the employees are is with the subcontractors doing the work. If it does not address the subcontractors doing the work, I am not sure we are really getting much bang for the buck with this bill. Regardless, I oppose it. Think of yourselves. Did you all start off as legislators, or did you grow into this seat? Many contractors did not start off one day as a contractor. They start off as a handyman, carpenter, or an ironworker, and they slowly grow their business. When you are first looking for a customer as a contractor, one of the best places to go is public works. It is guaranteed not to bid peddle. You are guaranteed to get paid. It is considered open and fair competition, but a lot of these people cannot start off by offering health care benefits to employees and family members. It is just not a reality. They are not doing 100 percent public works jobs, so if they have to go and provide it on the public works jobs, it puts them at a huge disadvantage on the private work they are doing. At the end of the day, if you are going to require that contractors provide health care benefits for the employee and the family,

all you are really going to do is make the bigger contractors bigger, and the smaller contractors will not show up at the bid openings because they will not qualify. You are not going to create a better scenario. You are going to create less competition and you are going to make the bigger guys bigger.

**Jarrett Rosenau, President, Associated General Contractors, Nevada Chapter; and
President, Nevada Operations, Clark/Sullivan Construction, Sparks, Nevada:**

Clark/Sullivan Construction is a local general contractor with a 47-year history, and we are headquartered in Sparks, Nevada. We are also signatory to carpenters and laborers. We are here today to oppose this bill as written and to oppose as presented with the amendment. Our hope is that we can continue, as others have discussed this morning, to talk about how we can amend this so that it is a beneficial bill. Bridging to what Mr. Ivory just said, we do believe this limits competition, and limiting competition will potentially increase the cost of those public works projects. It seems like there is an undercurrent of this bill that will try to streamline this to union contractors. I know that sounds counterintuitive since I am a union contractor and am not in favor of this, but that is the case. There are some thoughts that I had as this bill was presented, also bridging to some of Mr. Ivory's concerns. It seems unclear in the bill who needs to be the qualified contractor at the bid period. If I am Clark/Sullivan Construction and I am the bidding prime contractor and, of course, I am going to be compliant with all these requirements, but the bill is absent of anything that speaks to any of the tiered-subcontractors, vendors, or the sub-tiers that may be participating in the assembly of that qualified best-value bid. Then whose burden is the responsibility to verify that all those people I am taking proposals from are qualified to be bidding and are in good standing with the state? It seems to me that there are some gray areas there as to who is responsible for making sure that they are qualified during the bid. It seems there are other places in the law where this is already stated, and it is a requirement. Maybe there is an opportunity to consider this more a matter of enforcement of the existing laws rather than creating new laws.

Jessica Ferrato, representing Granite Construction:

I want to highlight that Granite Construction is a union contractor and provides a robust health care and benefit program for all their full-time employees. We do have concerns about the bill, particularly provisions that would disqualify many reputable union contractors. As an example, truck drivers do not have a program that would qualify under this bill. We are a union contractor, but this would disqualify us because there is no program in existence for northern Nevada. The rigidity of the bill is a concern to us for a lot of different factors, and as a union contractor we would like to see some changes. We are looking forward to working with the sponsor, and I am here to answer any questions.

Chair Torres:

Is there anyone else here in Carson City wishing to testify in opposition to A.B. 171? [There was no one.] Is there anyone in Las Vegas wishing to testify in opposition to A.B. 171? [There was no one.] Is there anyone on the phone line wishing to testify in opposition to A.B. 171? [There was no one.]

I will let the public know, and I want the record to reflect that we allowed for the opposition to this legislation to come forward. I did not time speakers. I did let you all go a little bit over sometimes just to make sure that we are able to be fair here. Is there anyone in Carson City wishing to testify in neutral to A.B. 171? [There was no one.] Is there anyone in Las Vegas wishing to testify in neutral to A.B. 171? [There was no one.] Is there anyone on the phone line wishing to testify in neutral to A.B. 171? [There was no one.]

I will go ahead and invite the sponsor to come up for any closing remarks.

Greg Esposito:

As we all know, sometimes legislation is a plane that you build after you have already jumped off the cliff. We appreciate the Legislative Counsel Bureau having written it and appreciate everyone that came to the table. All the stakeholders came to the table. It is not our intention or the bill's intention to hurt any existing contractors, to put them out of business, or to stop their current business model. We are just trying to make it to where the workers are a little bit better provided for. We are very much looking forward to working with everybody who testified, putting a stakeholder meeting together, and going over everything that we can do to make this to where everyone comes to the table, not upset with us.

Chair Torres:

We will go ahead and close the hearing on A.B. 171, and we will open the hearing on Assembly Bill 210.

Assembly Bill 210: Revises provisions governing public works. (BDR 28-832)

Assemblywoman Bea Duran, Assembly District No. 11:

Thank you for the opportunity to present Assembly Bill 210, which revises provisions again governing public works. This is a little different from the first bill. With me today, again, is Greg Esposito, Public Relations and Government Affairs Director with Plumbers, Pipefitters and Service Technicians Local 525 as well as Savannah Palmira, Business Representative, International Union of Painters and Allied Trades Local Union 159 of District Council 16, and finally Cristian Cespedes, Organizer, International Union of Painters and Allied Trades Local Union 159 of District Council 16. They will be presenting the bill along with answering any questions that you may have as well.

Greg Esposito, Public Relations and Government Affairs Director, Plumbers, Pipefitters and Service Technicians Local 525:

Currently in Nevada, if a contractor is caught cheating a worker out of wages by the Labor Commissioner, all they owe that worker is the wages that they originally earned. The Labor Commissioner can collect the penalty, but there is no further compensation to the aggrieved worker. This has resulted in widespread worker abuse. The intent of A.B. 210 is to dissuade contractors from cheating their workers and to provide a tool to workers so it is harder to be cheated. On page 7 of the bill, section 6, subsection 2, paragraph (b) provides "... damages to each affected worker in an amount equal to the difference between

the prevailing wages required to be paid and the wages that the contractor or subcontractor actually paid to the worker." So basically, double damages. The intent is if the contractor willfully cheats a worker. Errors happen, and sometimes contractors must adjust wages by a few dollars here and there due to a clerical error, mistake, or some sort of reporting. We are going to be working on an amendment to clarify it is not intended to penalize contractors who had an administrative error, but it is to go after contractors who routinely and knowingly cheat their workers. The intent of the longer part of the bill, pages 2 through 4, is to provide the workers information so they understand what their wages should be on a public works project. A lot of stakeholders have approached the bill sponsor and me very concerned with the way the first part of the bill, pages 2 through 4, has been written. We completely understand their concerns. We are very much looking forward to working with them in the future to amend all of that. The point of the language, though, is for when a contractor hires workers for a public works project, the contractor must hand them a piece of paper that says, if you are doing this type of work, this is the wage you should be paid. That is all we are trying to accomplish with that, nothing too burdensome or nefarious. Mr. Cespedes will testify as to the importance of that notification. That is the basic intent of the bill. As I said, the first sections need heavy improvement, and we accept that. The second section deals with penalties for workers. I would like to hand it over to Mr. Cespedes who has had some real-life experience with this issue.

Cristian Cespedes, Organizer, International Union of Painters and Allied Trades Local Union 159 of District Council 16:

I am here to share some of my personal experiences. When I first started working with a contractor, the only paperwork I was given was my W-2 form and a contract stating that I could not work within 40 miles of Las Vegas, and that we could not sue the company at all. I was working 12- to 14-hour days and was never paid overtime and we were showing up to certain projects after 10 a.m., so the city inspector would not take our names. Assembly Bill 210 could have prevented this. It is a shame that as young workers, we do not know our rights and our labor laws. This is the reason contractors can steal wages. When we first get a job, we have just decided to start working and make money to start investing in life. I wonder why these owners think you owe them your life. For instance, working on a Sunday after eight hours, the workers wanted to go home already, but the owner called me and told me, "Cristian, I do not care what you do, but you better get those workers back to work." What I could hear in the background was his kids playing around. I thought to myself, why can I not do that? These contractors do not change for the better but focus on how they can manipulate the law. This company is a repeat offender of wage theft. In 2014 it was in Utah, and here we are in 2023 and the company was caught once again this time in four states, with Nevada being one. This is why the language in A.B. 210 on double penalties is so important in our state. We need to educate our workers, and we need to have an option to impose stricter penalties on the contractors who steal wages from those workers. Double penalties are going to change many lives of workers. As a father of four children, I financially struggle sometimes. Having this penalty might secure a better future for my family. I wish I would have known my rights from the beginning. This could have

prevented all of this. We as workers should have the right to be educated. Now, I have the pleasure to introduce one of the most significant role models in my life, a leader who is devoted to equality and justice for all, no matter who they are, a leader that changed my life, Savannah Palmira.

Savannah Palmira, Business Representative, International Union of Painters and Allied Trades Union 159 of District Council 16:

I am a native of this great state, and I was born and raised in Las Vegas. Thank you for giving me the opportunity to speak to you on A.B. 210. In 2019, I started to run into a painting contractor all over Las Vegas. After I started interviewing the workers, it was apparent very soon that something was terribly wrong. I interviewed several of these workers and the same version of the same story kept coming up, and it was that they do not get paid overtime at this company. They were working 12 to 14 hours a day and were not getting paid overtime. This company claimed to have over 400 workers, in and out of our state, not getting paid the correct overtime. They were not being compensated properly, by law. After a nearly three-year Department of Labor investigation into a Fair Labor Standards Act violation, I am happy to report these workers will be awarded approximately \$1.9 million in stolen wages. I am even happier to report that they will receive 100 percent of liquidated damages.

Currently, in the state of Nevada, we do not impose this penalty, and I am here today to speak on behalf of those workers and their stories. I have countless stories from workers about how damaging wage theft is to their livelihood. One specific story can show you the importance of the language in A.B. 210. Assembly Bill 210 has the opportunity to change lives. One of the workers from that said company came to me recently with a very big problem. His wife had been pregnant, and she had lost the baby. His wife lost so much blood that she nearly died. He told me that when he had asked the company for health insurance, he was denied. He also told me that the contractor sent his "goons" to his house for proof that she had actually had a miscarriage. One thing he was worried about and was devastated about was how he was going to pay the hospital bills. It is so expensive. How is he going to pay? Can you imagine as I do what this worker's life could have been if he had been given health insurance? If he had been paid his correct wages? This worker, I am happy to report will be awarded his stolen wages that may help him pay his debt, but it is the liquidated damages that are going to help him and his wife start over again.

How many workers in our state have similar stories? How much does that cost our workers, and how much does that cost the state of Nevada? The language in A.B. 210 provides the state with an opportunity to impose double penalties on contractors who do not pay the correct prevailing wage. This may help offenders of wage theft from the past to think twice before doing it again. It also gives the state the power to educate workers stepping foot on public works projects of their rights in their preferred language. Assembly Bill 210 provides a great opportunity for the state to not only educate Nevada's workforce, but to empower that workforce going forward and to report violations. Educated workers can be the state's eyes and ears reporting these violations in A.B. 210. Thank you all for your time, and I ask for your support of A.B. 210.

Chair Torres:

Committee members, do you have any questions?

Assemblyman Hibbetts:

I may have missed this in the bill itself, but is there a mechanism in here to determine how the information is translated from English to the preferred language? Are we using Google translate? Are we using a certified interpreter? How is that going to happen?

Greg Esposito:

I do not want to dive too much into the translation aspect because that is very much going to get changed. It is one of the things that people have told me is going to be very cumbersome. Our goal is to make sure that the language is available in the most common languages in that jurisdiction: probably English, Spanish, and either Tagalog or Mandarin. The template is going to be provided by the Nevada Labor Commissioner. Once you create the template, all you have to do is plug in the classification of the worker and the wage. That template can be used time and again, year after year, because the language saying this is what you should get paid does not change. It is only the amount that gets changed.

Chair Torres:

I do not see any additional questions from Committee members, but I will make a couple of comments. Some of the language that we have seen in other bills in this cycle and previous cycles has requested there be multiple languages like those that are on the ballot in a particular jurisdiction. That might be one way to go about it to require the most common languages in that area. For instance, in Clark County, it would be English, Spanish, and Tagalog. It is also good to put it into statute in case we suddenly have an influx of immigrants from a different community that speaks a different language, we would have already addressed that in the statute. I do appreciate Assemblyman Hibbetts' point just making sure that those are fair translations. Unfortunately, there are a number of agencies that have used Google Translate to translate documents and as somebody who is bilingual, I know that does not always have that effect.

At this time, I will invite anyone wishing to testify in support for A.B. 210.

Vince Saavedra, Executive Secretary-Treasurer, Southern Nevada Building Trades Union:

We are in full support of this bill. As you heard right now, this is not some kind of sob story where somebody was misclassified or did not get paid correctly. These types of actions from greed cause real life consequences as you have heard. With that being said, I please urge everybody on the Committee to support this bill.

Thomas Morley, representing Laborers' International Union of North America Local 872 and Local 169:

This kind of thing happens all the time on public works projects where workers are getting cheated. We urge your full support.

Rob Benner, Secretary-Treasurer, Building and Construction Trades Council of Northern Nevada:

We see this a lot with contractors when the penalties are low. If they get caught and they have to pay a small fine, they put it down to the cost of doing business. When they cheat workers and hurt workers and hurt their families, we need to make sure that the penalties are commensurate to that and it is not just the cost of doing business.

Susie Martinez, Executive Secretary-Treasurer, Nevada State AFL-CIO:

On behalf of over 150,000 members and 120 unions, we are in full support of A.B. 210. This legislation addresses a significant issue in our workforce. All workers should be aware of the details of their employment no matter what their background or the language they speak. Additionally, this bill provides penalties for contractors and subcontractors who fail to pay the prevailing wage to the affected workers. With that being said, we are in full support.

Jake McNeill, representing Laborers' International Union of North America Local 169:

We are in full support of this bill.

Paul Catha, representing Culinary Workers Union Local 226:

The Culinary Union supports Assembly Bill 210. Culinary Union members come from 178 countries and speak over 40 different languages. While this bill would not affect Culinary Union members, the Culinary Union understands that language access can be a barrier to workers' rights on the job. The Culinary Union supports Assembly Bill 210 and encourages the Committee to do so as well.

Andy Donahue, Market Representative, Laborers-Employers Cooperation and Education Trust:

We support this bill.

Chair Torres:

Thank you. Just let the record reflect congratulations to Mr. Donohue on his recent marriage.

Alfonso "Al" Lopez, representing Sheet Metal, Air, Rail and Transportation Workers Local 88:

I am here in full support of this bill because I have been an organizer for over 18 years now and I have seen some of the examples that have been ongoing. These contractors are awarded million-dollar projects and they are fined maybe \$500 per worker. Inevitably, it is only the cost of doing business on these jobs. It does not sting them at all. You should send a clear message that if you are not going to play by the rules, then you should pay the consequences.

Chair Torres:

Is there anyone wishing to testify in support of A.B. 210 in Las Vegas?

Aaron Ibarra, Private Citizen, Las Vegas, Nevada:

I am with Southern Nevada Building Trades. We are in full support of A.B. 210, and I urge you all to support this bill as well.

Jimmy Schwartz, Private Citizen, Las Vegas, Nevada:

I am a member of Ironworkers Local 433. I support this bill, and I urge you to support it as well.

Steven Vantine, Private Citizen, Las Vegas, Nevada:

I am a member of the Sheet Metal Workers, and I am in full support of this bill.

Ronald Young, representing International Brotherhood of Electrical Workers Local 357:

We stand in full support of A.B. 210.

Kenneth Bosket, Private Citizen, Las Vegas, Nevada:

I represent the Sheet Metal Union Local 88 in Las Vegas, Nevada. On a personal note, I just want to state that Mr. Cespedes' testimony is very touching, though employers, I realize they are trying to make a profit, but it is not right. It is not right that they do it in such a manner. I urge you to support this bill, and I am in support of A.B. 210.

Jacob Gonzalez, Private Citizen, Las Vegas, Nevada:

I am with the Bricklayers and Allied Craftworkers Local 13, Nevada, and we are in full support of A.B. 210.

Eduardo Zavala, Specialty Field Representative, Bricklayers and Allied Craftworkers Local 13:

I represent Bricklayers and Allied Craftworkers Local 13 in Nevada and we support A.B. 210.

Chair Torres:

Is there anyone on the phone line wishing to testify in support of A.B. 210?

John Carlo, Private Citizen, Las Vegas, Nevada:

I am a young gentleman from Las Vegas. I am calling in appreciation of Assemblywoman González for sponsoring this bill, and I thank you Chair Torres, and the others who are working for the unions. I am also a member of Ironworkers Local 433, and we need to consider how many millions of dollars are going to these contractors, that I know about from the Economic Forum. We need to bring these tax dollars and put them back into the hands of the people of Nevada. I am calling in support of this bill, A.B. 210.

Edward Goodrich, Political Director, International Alliance of Theatrical Stage Employees Local 363:

We are here in full support of Assembly Bill 210. In the final analysis, this bill is simply a necessary mechanism to keep those who would be inclined to cheat, honest. I urge the Committee to support honesty as well.

Francisco Miranda, Organizer, Teamster Local 631:

I am a Teamster in Local 631. I am here in full support of Assembly Bill 210 and urge the Committee to support the bill as well.

Tracy Holland, Business Agent, Ironworkers Local 118:

I am here in full support of Assembly Bill 210, and I urge the Committee to support it as well.

Marc Ellis, President, Communication Workers of America Local 9413:

We are in full support of A.B. 210.

Alberto González, Vice President South, Communications Workers of America Local 9413:

We are in full support of Assembly Bill 210. I urge you to vote for it.

Mitchell Bechtel, Political Director, Iron Workers Local 118:

We are calling in support of Assembly Bill 210 and urge your support as well.

Robert Sumlin, Private Citizen, Las Vegas, Nevada:

I am here in full support of Assembly Bill 210, and I urge the Committee to support it as well.

Will Pregman, Communications Director, Battle Born Progress:

We are in support of A.B. 210. This is a very simple bill that will go a long way in improving the power of workers and upholding ethical standards for conducting business in the state of Nevada. As a member organization of the Nevada Immigrant Coalition, I will refer you to the letter [\[Exhibit D\]](#) on the Nevada Electronic Legislative Information System for more. Ditto those comments and ditto the other labor organizations who testified earlier.

Liz Sorenson, President, Nevada State AFL-CIO:

Obviously, I am in full support of Assembly Bill 210 and obviously, I urge the Committee as well to support A.B. 210.

Linda Ward-Smith, President, American Federation of Government Employees Local 1224:

I am calling in this morning in full support of A.B. 210. I am urging the Committee to support the bill as well.

Wendi Newman, Assistant Chapter Manager, National Electrical Contractors Association, Southern Nevada Chapter:

We support A.B. 210.

Chair Torres:

At this time, we will go ahead and move to opposition for A.B. 210. Is there anyone in Carson City?

Ann Barnett, Chief Executive Officer, Nevada Contractors Association:

We represent over 450 businesses as far as contractors, subcontractors, specialty contractors and those who are small to your largest, most influential. Concerning A.B. 210, Nevada Contractors Association has discussed potential concerns of the bill's components, and we are opposed as written at this time, but we look forward to working further with the bill sponsor.

Paul J. Moradkhan, Senior Vice President, Government Affairs, Vegas Chamber:

First, I would like to thank the proponents of the bill for meeting with the Chamber and addressing some of our concerns, as written. We do believe that we will be able to resolve those concerns specifically to the language section of the bill. As you know, there are many languages spoken in our community. Practicality-wise for our members who are small businesses, restricting it to the top three most-spoken languages in the county would probably be the most practical way of ensuring those transparency issues. I want to clarify for the record, the Chamber is a longstanding proponent of following state laws. We, of course, support the position that employers and employees follow state law. We spent significant resources and time over the years to educate our members. Through workshops, the Labor Commissioner can ensure our members know what the laws of the state are. I just want to clarify that our employers who are Chamber members always try to do the right thing, but of course errors do occur. I want to say they are our community members. They are stakeholders in this community, your constituents, and the job creators of the state.

Alexis Motarex, Government Affairs, Associated General Contractors, Nevada Chapter:

We appreciate the comments that this bill will be amended, but as it is drafted before us, we are opposed. It places an untenable burden on employers to comply. There are over 20 languages spoken at home in Nevada. If this is a priority of the state, then the state should consider making these services available to employers. Additionally, as written, this would require every employer to provide that stack of paperwork with a signed receipt from every employee on every public works. If an employee is working on a prevailing wage public works, going from job to job, there, as written, the employer is required to hand deliver that paperwork to each employee, every time. We find that to be a tremendous burden on the employer and not the best and highest use of anyone's time. Perhaps, at the time of employment or dispatch onto a public works, but paperwork every job, every time, seems excessive. Then the language in section 6 to be as Mr. Esposito stated, we would really like to see language included there for willful intent and not paying prevailing wage. We do not

condone bad behavior any more than the proponents of this bill do. Associated General Contractors prides itself on having a standard for our membership. As Mr. Moradkhan stated about his membership, we too encourage everyone to follow the law and treat their employees well.

Justin Ivory, President, A-1 Steel, Incorporated, Sparks, Nevada:

I want to give you a contractor's perspective or a subcontractor's perspective. I do not want to compete against contractors who are doing what these guys are alleging. You know, as a contractor who plays by the rules, the biggest problem with this bill is that the only people who are going to hand out these flyers to everyone are contractors who play by the rules. A contractor who is willing to cheat their employees, lie on a prevailing wage report, take advantage of their employees, do you think they are going to hand out a piece of paper? Do you think that even matters to them? To put this into perspective, all you are doing is putting a huge burden on all the contractors who are doing a good job. You are punishing them and then you are adding another cost. They have to hire an employee to make sure that everyone has received the piece of paper that was handed out to them, when the people who they are competing against, who are already beating them up because they are misclassifying and mispaying employees, are doing one more thing to come in with a cheaper number. The other unintended consequence that I see happening with this bill is with these same bad contractors, is taking the path of least resistance. If you get a medium-road contractor who plays by most of the rules, but not all the rules, in the morning when it is time to send a crew out to a jobsite, is it going to be easier for them to send all English speaking employees out to the jobsite with one single piece of paper, or is it going to be easier to send a multitude of different employees out with several different papers? All you are doing is hurting the employee who does not speak English at the time, or whatever piece of paper the contractor does not have in his hand at that time. That employee is going to get discriminated against and nobody is going to be able to do anything about it. It is just going to be, here is a piece of paper, go to the jobsite. It is important you have the piece of paper. I am saying that from a contractor who plays by the rules, this is a bad bill. I am not saying that there should not be certain fines for people who intentionally put down on the prevailing wage report that they paid an employee a certain wage and then did not actually pay them that wage. There should be liquidated damages for that. I would be 100 percent for that, but you have to be careful because prevailing wages are a very tricky little thing. It will talk about a 2023 prevailing wage, but it is actually established in a two-year period when you get on the Labor Commissioner's site. There are a lot of easy clerical things that can happen that can cause somebody to mispay somebody by a dollar, or 50 cents, something like that. There is a lot of gray area in it, so we cannot be putting liquidated damages on clerical errors. It would be important to stipulate that.

Chair Torres:

You have a question from Assemblywoman González.

Assemblywoman González:

I wanted to put on the record for clarification. Would discrimination laws still be in effect?

Justin Ivory:

I am not sure. I would assume they would be, but I am not sure. I am not sure what it says in this language. Whether a bad contractor chooses to send somebody out or not. What I am saying is, it could end up being the reality and the unintended consequence to it. If it gets reported. If it does not get reported. You know, if the employee does not understand what their prevailing wage rate is, I am not sure they understand a lot of things that might be happening to them. All I am saying is in my concern, it is another unintended consequence.

Assemblywoman González:

For clarification, you are a subcontractor and you do not know the discrimination laws?

Justin Ivory:

I am a subcontractor, and I do not discriminate.

Chair Torres:

For clarification, I know that bad actors could continue to be prosecuted. If this law did go into effect and a contractor chose to discriminate against individuals because of the language they speak, my understanding of our federal laws is that discrimination could be prosecuted as well. That might be a consideration for Assemblywoman Duran to just make sure that there are protections in place because we definitely would not want to see that type of discrimination.

Jessica Ferrato, representing Granite Construction:

We are a union contractor working throughout the state of Nevada and we are already providing our worker documents in multiple languages to our employees. The bill, as written, is a bit duplicative and broad. I am looking forward to working with the sponsor because it sounds like they are looking to narrow down that language to be more specific.

**Jarrett Rosenau, President, Associated General Contractors, Nevada Chapter; and
President, of Nevada Operations, Clark/Sullivan Construction, Sparks, Nevada:**

We oppose this bill as written and look forward to working with the proponents of the bill on future amendments. Without getting into some of the minutia that has already been stated, I will mirror what Mr. Ivory said. Good contractors will always be good, and bad contractors will always be bad. There are already laws in place that work to ensure that bad contractors are held accountable. With the passing of this law, that bad contractor will choose not to hand somebody a piece of paper. On our projects, we already have job boards that include all sorts of job and project information we are required to post by law. There are some nuances to this. It does seem to create more work for the good guys, and the bad guys can continue to do bad things. I also wonder how prevalent this issue really is on the public works versus a private contract. This law will not have any reach into the private contract world. We are empathetic to everything that has been said here this morning, and we 100 percent agree that tradespeople should be paid for 100 percent of the time they spend on the project. In the current form, we oppose, and we look forward to working with the proponents.

Joseph D. Bingham, Director, Mt. Rose Heating and Air Conditioning, Reno, Nevada:

I am here for all the reasons already mentioned. I oppose this bill.

**Samantha Sato, representing Mechanical Contractors Association of Las Vegas; and
Sheet Metal and Air Conditioning Contractors' National Association of
Southern Nevada:**

We are here in opposition to A.B. 210, and I will leave a ditto.

**Sarah Collins, representing National Electrical Contractors Association, Northern
Nevada Chapter:**

A lot of our sentiments have already been stated, but I want to put this on the record. We at National Electrical Contractors Association think this would be costly to implement. We think there needs to be an inclusion to this if the contractor, subcontractor, or signatory—a collective bargaining agreement for the works that they are performing on the project meets the requirements of *Nevada Revised Statutes* (NRS) Chapter 338.

[[Exhibit E](#) in opposition to Assembly Bill 210 was submitted but not discussed and is included as an exhibit of the hearing.]

Chair Torres:

Is there anyone else here in Carson City wishing to testify in opposition to A.B. 210? [There was no one.] Is there anyone in Las Vegas wishing to testify in opposition to A.B. 210? [There was no one.] Is there anyone on the phone line wishing to testify in opposition to A.B. 210? [There was no one.] Is there anyone wishing to testify neutral to A.B. 210 here in Carson City? [There was no one.] Is there anyone wishing to testify neutral to A.B. 210 in Las Vegas? [There was no one.]

Brett Harris, Labor Commissioner:

I wanted to be present to answer any questions the Committee may have.

Chair Torres:

Committee members, do you have any questions for the Labor Commissioner?

Assemblywoman Thomas:

How do you handle the bad actors that we have been discussing here this morning? The ones who are not following the rules as they apply to contractors and subcontractors.

Brett Harris:

Our enforcement on public works projects is by complaint. We get a complaint from the awarding body, public body, or a third party, and then it is investigated to determine whether there are any violations.

Assemblywoman Thomas:

Just for the record, can you give me the average number of complaints you receive, per year?

Brett Harris:

In fiscal year 2022, we received 222 complaints or actions under NRS Chapter 338.

Assemblyman Nguyen:

Could you give me an idea of how many languages the Office of the Labor Commissioner keeps track of in terms of the languages in Nevada, and if any of those complaints surrounding languages concern access?

Brett Harris:

I investigated that after my presentation to this Committee, and we do have translation services available that we can access from our office. In terms of your question, I am sorry, are you asking how many languages do we track?

Assemblyman Nguyen:

Yes, in terms of folks contacting your office for any types of grievances or any types of discrimination, does your office keep track of the types of language needs that these complaints come in with?

Brett Harris:

I am not sure. I would have to check if there is a language tracking component with our cases.

Assemblyman DeLong:

I would like to follow up on Assemblywoman Thomas's question. In fiscal year 2022, of the 200-plus cases that you had, how many cases resulted in a conviction and a fine?

Brett Harris:

I would have to pull the data on that. I do not have those numbers right here.

Assemblywoman González:

I wanted to clarify on the record, if you could, a walkthrough of what current protection exists when we talk about discrimination, and workers who only speak English getting work. What does that look like for your office?

Brett Harris:

The Office of the Labor Commissioner does not handle discrimination claims.

Assemblywoman González:

Do you know what office they are referred to?

Brett Harris:

The U.S. Equal Employment Opportunity Commission (EEOC).

Chair Torres:

They can also be referred to the Nevada Equal Rights Commission as well. The EEOC obviously is the federal office. For Committee members consider the EEOC as the federal office, and our state office.

Is there anyone else wishing to testify in neutral on A.B. 210 in Las Vegas? [There was no one.] Is there anyone on the phone line wishing to testify in neutral to A.B. 210? [There was no one.]

Assemblywoman Duran, would you like to give any closing remarks?

Greg Esposito:

I did not hear a lot of opposition. I heard a lot of not yet, we have not gotten there yet. I really appreciate all the stakeholders having approached me before this hearing to express their concerns. Once again, we are going to work with them to clean up the language. The intent is definitely not to penalize the good acting contractors. It is to give everyone in the state a tool to go after the bad acting contractors. The only specific testimony I would like to address is the handing out of the piece of paper, and that bad contractors will not do it. Cool. Then we have another way to bust them because if you break the law and you do not hand your worker the wage sheet and you do not have a record that you hold onto for two years that you have had in the wage sheet, we can refer them to the Labor Commissioner and the Labor Commissioner starts crawling over the business with a microscope. If a bad actor continues bad acting, we need laws in place like what we are trying to accomplish here to catch them, and that is the goal. I appreciate the concerns that once again, the intention is to have one piece of paper that gets handed to an employee, one time. Some of the testimony as far as the stack of paperwork, I understand. The wage determination for a year is very thick. No, it should be one line. You are a painter. You are making this much money. You are a plumber. You are making this much money. It is one piece of paper, and not job-to-job. If you have handed it to a worker for the year, unless the wages changed, then you and the worker have been informed.

Very briefly, in speaking to Mr. Cespedes last night, he did not know he was getting cheated for nine years. For nine years, his contractor was getting over on him. He did not know until he showed up on a public works project and the other workers on the job told him how much he was supposed to have made. Did he understand that he needed to file a complaint? Did he understand you need to go to the authorities? It is a matter of information. Some of these workers do not know what a public works project is. They are doing houses or whatever and then they get bumped up, and they go to these public works projects. They do not know the wage difference. They continue working the way they always have. That piece of paper is designed to educate them, so they know their rights. I appreciate the Committee. I appreciate the testimony from the stakeholders, and I look forward to working with them on making this to where everyone is happy with it.

Chair Torres:

Assemblywoman Duran, do you have any additional closing remarks?

Assemblywoman Duran:

Thank you for clarification, and hopefully everybody understands. If you have any questions or concerns, we will be working with the stakeholders who are willing to meet. Hopefully, we will get this passed, and if any of you want to meet with us, you are invited.

Chair Torres:

We will go ahead and close the hearing on A.B. 210, and we will open the hearing on Assembly Bill 235.

Assembly Bill 235: Revises provisions governing public works projects. (BDR 28-176)

Assemblywoman Daniele Monroe-Moreno, Assembly District No. 1:

I am here today to present Assembly Bill 235. Presenting with me today, I have Mr. Alfonso Lopez with Sheet Metal, Air, Rail and Transportation Workers (SMART) Local 88. He is an organizer for that union, and Mr. Randy Soltero with Soltero Strategies. Joining us in Las Vegas to answer questions, I have Mr. Kenneth Bosket and Mr. Steven Vantine who are also with SMART.

I would like to provide to you today a brief overview of the bill as introduced and the proposed amendment [[Exhibit F](#)] before handing the presentation off to the gentlemen joining me. Assembly Bill 235 requires the payment of prevailing wage to workers who perform custom fabrication on a public works or for certain performances, contracts of local governments, and state agencies. "Custom fabrication" is defined in section 1, subsection 5 of A.B. 235 to mean the "manufacture, assembly or other production of any nonstandard good or material that is manufactured, assembled or otherwise produced for a specific public works." Section 1, subsection 17 of the original bill defines a "nonstandard good or material" to include, without limitation, any nonstandard good or material used in any of the following systems: plumbing and pipe fitting, ventilation systems, air conditioning systems, heating systems, refrigeration systems, sheet metal or other systems, boiler systems, electrical systems, welding work, mechanical installation work, or ornamental ironwork. However, after a very comprehensive stakeholder meeting and numerous conversations post the stakeholder meeting, there has been a friendly amendment proposed, and you all should have a copy of that [[Exhibit F](#)]. That amendment deletes refrigeration system, boiler system, electrical system, welding work, mechanical installation work, and ornamental iron work from the list of custom fabricated nonstandard good or material for public works project.

Chair Torres:

I apologize for interrupting, but to the Committee members, the amendment did go on the Nevada Electronic Legislative Information System (NELIS) just this morning. If you do not have it, you can find it posted there.

Assemblywoman Monroe-Moreno:

With the sheet metal, we removed "duct systems" and put "other sheet metal products" and we added to the language signage, "illuminated or unilluminated signs." With that, I will turn the presentation over to my copresenters.

Randy Soltero, representing Soltero Strategies:

I wanted to go over some parts of the bill. We have talked to all of you except Assemblywoman Taylor, with whom we have a meeting next week. We wanted to have an opportunity to go over what we are trying to do here, and you should all have a binder which Mr. Lopez will go over with you.

I wanted to go through a part of the bill, especially in section 1, subsection 17, the words "nonstandard good or material." What this bill is really trying to do is on a public works project, if you can perform that work as a contractor with any good or material that is standard, it does not apply to this bill. In other words, if you can buy it from a catalog or you can buy it at Home Depot, it does not count. This is only for specific things that cannot be purchased as a regular catalog item that will be going on to a public works. Currently, how it works on public works projects is prevailing wages are paid for work done by persons who are on the site of the public works. That is where it is limited to, or it can be across the street at a laydown yard or preparation yard, but that is where it pays for that. Modern technology has come forward. You are going to see some things that Mr. Lopez is going to go over. It is going to show you that with the technology, sometimes the specific items could not be built on the site of that public works. They would have to be done at a remote site. What we are doing with this bill is extending that right for prevailing wage rates to be paid not exclusively on that site, but also on that remote fabrication site, that offsite location, if that product is a nonstandard good or material and something you cannot buy at Home Depot. It would not be everything, but only those things that are specialty items. With that, I would like to turn it over to Mr. Lopez to go over the binder that you have in front of you and to go through the process, so you can better understand what, in his case, is a nonstandard good.

Alfonso "Al" Lopez, representing Sheet Metal, Air, Rail and Transportation Workers Local 88:

I have over 36 years of experience in the sheet metal trade. I began my career working in the custom fabrication shop for my entire five-year apprenticeship. I am here today to explain to you the complex process to build various fittings in heating, ventilation, air conditioning, and other sheet metal products. From the time this trade was created and throughout the 1970s, skilled and trained journeymen and apprentices stood behind work benches and what we call layout. This is an example of what these guys did back in the day, laying out on a workbench in a shop. They used geometric and algebraic formulas to create these patterns from a flat piece of metal like I have here to build whatever fittings or duct work that were detailed and drawn up from forming out on the jobsites. Moving forward from the 1980s until the present day, technology took over designing patterns using computer-aided drafting. I will now refer you to the binders. You will see in the front pocket [[Exhibit G](#)], it has a picture of the various fittings that are done in ductwork systems. The following pages contain the patterns that are made through computer-aided drafting. This process cannot be done on the job, like I said. It could be done, but it is a long process to get these fittings implemented into the computer and produced. Once they are available, then they are taken over to a plasma table, which you will see in the pictures toward the back of the binder. On the plasma table, the flat sheets of metal are rolled out and the patterns are burned out with

the computer system. Once these patterns are burned out, they are taken throughout the shop and to mechanical equipment where they are then beaded, rolled, bent, or whatever the case may be to form what you see sitting here before you into a finished product.

On the last page we have in the book, it shows you a sample of what ductwork would look like in a Clark County School District, higher education, or even any commercial public works project. Looking at it, you can tell these are custom fabricated items here that I explained to you goes through this long process. This is something that would be very hard to do out on the jobsite. Can you imagine trying to set up a lot of this heavy equipment? It takes a whole gigantic facility just to put the equipment in there, much less try to set up a temporary site across the street from a jobsite or even on the site. It is a money saver for contractors to do within a fabrication shop.

In closing, I would like to say that A.B. 235 only pertains to goods and materials that are strictly not bought in a Lowe's, Home Depot, or any type of supply house. This pertains to items that are built in a facility such as what I have presented today, and that is what a lot of people are mixed up about. They think that if they buy something from Lowe's, Home Depot, or any supply house they will be stuck, but this does not include them whatsoever. If you have any questions for me or for my counterparts down in Las Vegas, we are open to any questions.

Chair Torres:

Committee members, do you have any questions?

Assemblywoman Thomas:

When we are talking about the nonstandard goods, am I understanding it correctly that the plumbing pipefitters would be included in this because they have specialized piping that goes into some of these large hotels' water systems? You are now including the plumbing and pipefitters, for the record?

Randy Soltero:

Yes, we are including the plumbing and pipefitters. I think that you may hear from representatives from their organization that will describe exactly what you are asking for is the type of work that they do. It pertains partially to a clean room application where you have to enclose the space so there is zero contamination; it has to be in a controlled situation, not necessarily on the jobsite.

Assemblywoman Thomas:

Now let us get back to that specialized workforce you were describing. You have to actually go offsite to get something built which you would use for air conditioning and heating. This could be like a small business contractor who would specialize in their ability to create offsite something that you need for a building.

Alfonso "Al" Lopez:

We have six different fabrication shops in the Las Vegas area. There is a gentleman that works out of his house doing a prevailing wage job right now, and he ordered from one of our contractors. The possibility of a small contractor being left out of this process is not even near the truth.

Assemblyman Carter:

My concern is why the narrowing? We saw in the building of Allegiant Stadium, we had the iron contractor trans-shipping supplies out of our state, across the state line to Arizona, building the trusses to avoid the prevailing wage and then bringing them back in. I remember it made the news quite specifically. We also see the same thing happen with power plants like one that was approved for NV Energy yesterday, where they export all the electrical equipment, either across the state line or across the border into Mexico and have the control shacks and inverter skids and stuff like that prefabricated, either out of state or out of the country. Why are those being excluded here?

Randy Soltero:

It is not included in this bill because that is already part of law. We have a legal opinion that shows, and we are going to ask for concurrence with the Legislative Counsel Bureau (LCB), if you choose to go out of state and have something manufactured to go onto a public works project, you need to ensure that that product is made using Nevada's prevailing wage rate. If you do not, then that product would not be allowed to be going on to that project. That is what we understand to be current law. If that is not happening, that is a problem, but that is not addressed in this bill. That is current law. We are not here to change any law or start any law that already exists. That is why the example you used is not included in this because it is, as we understand, currently how it is done.

Assemblyman Carter:

By your testimony, you just proved that this bill is superfluous because you just explained that existing law already protects for the other trades. I am trying to understand the logic here while pushing out other trades and narrowly tailoring this to one trade. You just said the other trades are protected by existing law. Why is not the "show and tell" we just had protected by that existing law?

Assemblywoman Monroe-Moreno:

When you look at the items that are here, these are items that you cannot order online; you cannot order them from a company in Arizona or a company in another country, correct? These are things that must be specially built, they cannot be built on site. It has been done where contractors have brought in a huge tent and the equipment out to the site to do that. These are specially made, fabricated items. Currently, if they are made offsite by the steelworkers, then the prevailing wage does not apply. We are trying to close that loophole. In our stakeholder meetings, we heard from people who may come up to the table where the items that they build are not items that have these specialized fabrications. That is why they were taken out of this language. It is closing the loophole that is in the current law.

Assemblywoman Duran:

In following up with Assemblyman Carter's question, is this something in what Mr. Soltero said concerning the interstate commerce protection for bringing in supplies?

Randy Soltero:

Again, we have an interpretation from our legal counsel that we want to make sure the Legislative Counsel Bureau Legal Division can concur with. If it is the pleasure of this body or you, Assemblywoman, to ask for that, we cannot do that. It would be up to the Committee to ask that.

Chair Torres:

If we could get a copy of that opinion, then we can send it to our legal team as well and get that reviewed.

Randy Soltero:

We would be happy to share that.

Assemblyman D'Silva:

To clarify, when we are talking about these fabricated, customized products, is one of the key intents of this bill for the prevailing wage to be paid at the offsite location where they are being created and to make sure that we have that statutorily in place? In the future, to potentially avoid conflict with folks who are contracting with prevailing wage jobs, these products cannot be found in a catalog, these are custom-made by the craftsmanship of the individuals who are creating these products. That is one of the main intents of this bill, correct?

Assemblywoman Monroe-Moreno:

That is correct.

Assemblywoman Taylor:

I have a question from a management standpoint. Did you get any feedback from the stakeholders on the challenge they have where they have some workers making prevailing wage and some workers not making prevailing wage? They are working on the same job even though they are doing different things. Did you get any feedback of any kind of impact from that?

Assemblywoman Monroe-Moreno:

I will take a shot at that, and then I will pass it on. In the stakeholder meeting, we got a lot of feedback, but this bill pertains to public works jobs and those are prevailing wage jobs. There should not be workers who are not making prevailing wage in those public works shops. That feedback also led to the amendment you saw removing some of the systems because they do not do that. They can buy their tools and equipment they need for their jobs from a catalog. We want to encourage businesses to grow in the state, especially small businesses, and they have every right to get the lowest bid they can for the products they are needing to do the jobs. This is simply for those prevailing wage jobs on public works sites.

Randy Soltero:

Assemblywoman Taylor, we did hear from stakeholders who were concerned about having to manage tracking the hours spent working on prevailing wage items they were producing versus non-prevailing wage work items they were producing. We understand and we are cognizant that, as a business owner, you would have to track those workers. We also understand there are businesses we are familiar with who do track those things. If they are working in the shop, they find it is easier to track what those folks are doing because they are working on pieces individually. On the jobsite, they are working the entire time there for prevailing wage, but we believe that it is part of the cost of doing business in tracking what your employees are doing without that being such a radical idea to pay them correctly. Again, we are cognizant of those concerns from some of the stakeholders that came through, and we understand their position, but it is manageable.

Assemblywoman Taylor:

It sounds like it is something that is manageable.

Randy Soltero:

You may hear that it is. You may hear that it is not. That would be up to the preference or the opinion of individual contractors.

Chair Torres:

Thank you, Committee members. Seeing no more questions, I will invite anyone wishing to testify in support of A.B. 235 to please come up.

Greg Esposito, Public Relations and Government Affairs Director, Plumbers, Pipefitters, and Service Technicians Local 525:

As was alluded to during testimony, my trade does create these specialized materials for jobs at public works projects. Many of you have toured our training facility and have seen firsthand the level of technology that goes into our trade. What Mr. Soltero was alluding to is high-purity welding situations. We require a welding process to have such a purity that there are no imperfections in a weld on a piece of pipe that is two feet in diameter and two to three inches thick using different types of welding. If you try to do those processes out in the field, exclusively, you add a lot of cost to the project. Many of the special products, even the geometry that Mr. Lopez is showing, we do the same thing when we have to create "wazoo" fittings to get from point A to point B in a nonstraight line. We create those products as well. We appreciate Assemblywoman Monroe-Moreno for bringing the bill forward to cover the workers who do that work. We appreciate Sheet Metal Workers Local 88 for bringing the bill forward, and we appreciate the intent of the bill.

Paul Catha, representing Culinary Workers Union Local 226:

The Culinary Union supports Assembly Bill 235 because the union strongly believes in paying prevailing wage to Nevada's construction workers. My father worked new construction as a member of the painter's union for much of his life. It enabled my family to have a good quality of life, for me to go to the doctor regularly as a sick kid with asthma, and

to attend university. Many Culinary Union members have a household member who works in the construction trades, and children of culinary workers benefit from the good pay these jobs offer, just as I did. The Culinary Union urges the Committee to support and pass Assembly Bill 235.

Susie Martinez, Executive Secretary-Treasurer, Nevada State AFL-CIO:

We are in full support of Assembly Bill 235. It is our position that Nevada's workers who perform the complex process of custom fabrication on the public works should be paid prevailing wage. I would also like to thank Assemblywoman Daniele Monroe-Moreno for bringing this bill forward, and I urge the Committee to support Assembly Bill 235.

Chair Torres:

Thank you. Is there anyone in Las Vegas wishing to testify in support of A.B. 235?

Kenneth Bosket, Private Citizen, Las Vegas, Nevada:

I am with the Sheet Metal Workers Local 88 in Las Vegas, Nevada. I am in support of A.B. 235. For public works projects that call for custom fabricated items of construction, they should be able to receive quality products for the building. In other words, if you want a good final product, you want to have quality workers working on that product. At our journeyman training center, we train our apprentices to be able to do such things. That is what any client would want. Any client would want a top-quality product for what they pay. I am in support of this bill, and I appreciate this bill being brought up.

Steven Vantine, Private Citizen, Las Vegas, Nevada:

I am a member of Sheet Metal Workers Local 88. I also support this bill, and I urge you to do the same.

Chair Torres:

Is there anyone else in Las Vegas wishing to testify in support of A.B. 235? [There was no one.] Is there anyone on the phone line wishing to testify in support of A.B. 235?

Liz Sorenson, President, Nevada State AFL-CIO:

I am here this morning in full support of A.B. 235, and I urge the Committee to support the bill as well.

Rita Weisshaar, Private Citizen, Reno, Nevada:

I am in full support of Assembly Bill 235 and urge the Committee to support it as well.

Robert Sumlin, Private Citizen, Las Vegas, Nevada:

I am with the Machinists Union Local SC711 here in Las Vegas, Nevada. I am here in full support of Assembly Bill 235, and I urge the Committee to support it as well.

Chair Torres:

We will invite anyone wishing to testify in opposition to A.B. 235. I am sure there will be some familiar faces.

Warren B Hardy II, representing the Urban Consortium; and Associated Builders and Contractors, Nevada Chapter:

It is uncomfortable to be up here in opposition, but per the Committee rules, I have to be because the bill needs a little bit of work. I appreciate Assemblywoman Monroe-Moreno bringing this bill forward because I am unaware of anyone who believes that if something is manufactured specifically for a public works job the payment of prevailing wage should not occur. This session represents the thirty-second year I have been working on this issue of on site/offsite fabrication. Years ago, we talked about whether it should be paid to the fuel truck drivers who come in and refuel the equipment and lubricate the trucks and those sorts of things. We struck a pretty good balance which lasted about ten years. I do understand the complexity that Mr. Lopez described of these things that are fabricated specifically for projects. The devil is always in the details. I am one of the people who brought up the issue of the interstate commerce clause and how we, as local governments, can enforce if a prevailing wage item is fabricated out of state. I am anxious to get an answer to Mr. Soltero's legal opinion because that will inform our ultimate position on this, but if the requirement is to pay the prevailing wage, we still must enforce it. As local governments, we have no authority or jurisdiction to enforce prevailing wage laws in Arizona, California, or Utah, which my friends in labor tell me that a lot of these items are manufactured out of state. That is our challenge. No question, no argument with the notion of the idea that the prevailing wage ought to be paid on those, but how do we enforce that? A violation of prevailing wages is a serious thing and there are serious penalties for it. We need to make certain that we understand how the enforcement is going to occur because there are challenges, correct? We talked about saying, well this applies to local fabrication only, which is easy because then we can enforce it. However, that then creates an incentive which somebody on the Committee addressed, to go out of state to avoid these laws. Going out of state to avoid prevailing wage laws are and should be very seriously dealt with.

Again, we have no opposition of what we are trying to accomplish here, but we are concerned about our ability to enforce, and my contractors are also concerned about the liability they have if those things are not enforced. I look forward to continuing to work with the sponsor. Assemblywoman Monroe-Moreno has been, as always, wonderful to work with and we will continue to work with her. The central issue is the answer to the interstate commerce question and the enforcement of prevailing wages in other states. That is a central issue for us. Once that is resolved, I am sure we can come to an agreement on this bill.

Ann Barnett, Chief Executive Officer, Nevada Contractors Association:

Concerning A.B. 235, Nevada Contractors Association discussed potential concerns of the bill's components. We are appreciative of the stakeholder meeting where several of our contractors voiced concerns, copying what Mr. Hardy addressed. We are looking forward to the amendment and hoping for clarity and future work with the bill sponsor.

Paul J. Moradkhan, Senior Vice President, Government Affairs, Vegas Chamber:

The Vegas Chamber is opposed to the bill as written; however, we have been in communication with the bill sponsor, and appreciate her willingness to work with the

business community and the proponents. We do believe the revised lists are going in the right direction. There are some additional clarification points we need to work out, but our intent is of course to resolve these issues as soon as possible and move to neutrality.

Alexis Motarex, Government Affairs, Associated General Contractors, Nevada Chapter:

We, too, have some concerns with this bill. Most of the issues have been stated. I will not repeat them. We do want to mention though, that we are worried this could limit workforce development. Many people entering the career field of sheet metal work begin as helpers in the shop, fabricating these fittings and ductwork. Helpers are specifically prohibited from working on public works prevailing wage jobs. There is a concern there, and then it was stated in the presentation of the bill that it is current law we should be enforcing our prevailing wage out of state when things are ordered. *Nevada Administrative Code 338.009* specifically says that prevailing wage must be paid, and an employee deemed to be working on a public works on the site of the public works. As stated, it "does not include a permanent home office, branch plant establishment, fabrication plant, tool yard or any other operation of a contractor, subcontractor or supplier if the location or the continued existence of the operation is determined without regard to a particular public works." So, that is an inaccurate statement that was made during the presentation. We, too, look forward to that legal opinion on the commerce clause.

Stephen Wood, representing Nevada League of Cities and Municipalities:

We share a lot of the concerns regarding compliance and enforcement with this legislation. We look forward to the continued work and resolution, but we are in opposition as written.

Samantha Sato, representing Mechanical Contractors Association of Las Vegas; and Sheet Metal and Air Conditioning Contractors' National Association of Southern Nevada:

We, too, are here in opposition to A.B. 235.

Sarah Collins, representing National Electrical Contractors Association, Northern Nevada Chapter:

This bill, as drafted, would make it difficult to purchase or employ prefabricated products on public works projects. The labor market is already stretched to the maximum, and this bill would affect the ability of contractors to purchase or construct products and assemblies that support projects which fall under the requirement of NRS Chapter 338. This would cause a massive impact on workforce and would dramatically increase the cost and amount of time it would take to complete the public works. While the intent is admirable, the application would be traumatic to the industry. We do look forward to working with the bill sponsor and reviewing the amendment.

Joseph D. Bingham, Director, Mt. Rose Heating and Air Conditioning, Reno, Nevada:

I have been a proud member of Sheet Metal Union Local 26 for the past 43 years. We are signatory with both mechanical unions in northern Nevada. As an owner-member, I try to look out for my union brothers and sisters along with the industry as a whole. In looking at

this bill, my first thought was, How in the world would we be able to keep track of all these hours? We are fabricating as many as 30 or more different jobs per day along with loading, unloading trucks, and other duties. This would be a reporting nightmare. As a Nevada contractor, we would be at a disadvantage compared to out-of-state contractors who could easily not report properly or just buy out of state. There are more sophisticated suppliers out there that would offer way more products than just a Home Depot. In discussions earlier this week, both local unions knew little or nothing of this bill. It is my opinion that A.B. 235 would not benefit my union brothers and sisters. If anything, it would be harmful and the fact that entry level positions as helpers would be eliminated. These people are the future of our industry. This bill did not appear to be an issue with the local unions. It would be an extreme burden on contractors. It would also cost taxpayers more money in these projects and add more burden to the state Labor Commissioner. This bill would be bad for the industry, bad for Nevada, and I oppose this bill.

**Jarrett Rosenau, President, Associated General Contractors, Nevada Chapter; and
President, Nevada Operations, Clark/Sullivan Construction, Sparks, Nevada:**

To mirror the previous testimony, this bill will increase the cost of public works for all the reasons mentioned. After hearing the presentation of the bill, I would like to offer that I was part of the stakeholder meeting on Friday, and I do appreciate the "show and tell." There is a lot of thought and detail put into these kinds of things, but as Mr. Bingham stated, there is such a national and global relationship now with construction, even in Nevada, that even though that piece may be completely custom today, you could draw it up and detail it and send it off to a custom fabrication shop. You have taken a nonstandard item, and now it is a standard item.

After the stakeholder meeting, there seemed to be a lot of things that were stripped out of this which are no longer participating like a boiler. I honestly cannot think of anything more custom than a boiler that is going into a state public works project where we have complicated mechanical, electrical, and plumbing systems. In my 23 years of doing public works in Nevada, we have never had to report on prevailing wage for fabrications of custom components which have been made out of state or out of country. There is a lot of opportunity for the proponents of the bill to meet with stakeholders to try to really garnish what the intent of this bill is. What is really a standard good versus a nonstandard good? It was explained to us that if you could, in fact, go somewhere and buy that good, it was not considered a nonstandard good. If there is anywhere in the United States or in the world that you could figure out how to make an order and bring in that component, in our opinion, the way that it was explained to us, it is now a standard good. You start to sort of chip away at what this is applicable to at all. In its current form, we oppose this bill as written and look forward to working in the future with the proponents of the bill.

Chair Torres:

Is there anyone else here in Carson City wishing to testify in opposition to A.B. 235? [There was no one.] Is there anyone in Las Vegas wishing to testify in opposition to A.B. 235?

Rebecca Fountain, Owner and Chief Financial Officer, KOR Building Group, Las Vegas, Nevada:

I am native to Las Vegas and have been a business owner for over 25 years. I am past president of Nevada Contractors Association (NCA), the current chair of government affairs for the NCA, and I am involved in my community. I am a woman-owned construction company, and our work is primarily in the public works space, hotels, and airports. Assembly Bill 235 would require prevailing wage to be paid to workers who perform custom fabrication for public works projects. I have concerns about the bill as it is written. In the public works space, the materials and fabricated equipment can come from anywhere in the United States and abroad. The way the bill is written it would also become overwhelmingly burdensome and costly in labor and administrative tracking to any company that works in this space. The bill does not contemplate how, as a business owner, I can require a vendor, including from out of state or abroad, to pay Nevada prevailing wage in their shop. For this reason, I am in opposition.

Chair Torres:

Is there anyone else wishing to testify in opposition to A.B. 235 in Las Vegas? [There was no one.] Is there anyone on the phone line wishing to testify in opposition to A.B. 235? [There was no one.] Is there anyone here in Carson City or in Las Vegas wishing to testify in neutral to A.B. 235?

Brett Harris, Labor Commissioner:

I am just here to answer questions.

Chair Torres:

Are there any questions from Committee members for the Labor Commissioner regarding A.B. 235? [There were none.] Is there anyone on the phone online wishing to testify in neutral to A.B. 235?

John Carlo, Private Citizen, Las Vegas, Nevada:

I would like to start my speech by saying let us start manufacturing in Las Vegas, and in all of Nevada. Nevada has some of the highest unemployment rates in America, and we could be going into the next recession. You guys have heard about the banks failing. Then with COVID-19, we had the largest number of job losses in the whole United States. There are parts of the bill that I really like because I know about manufacturing steel and other building trades. I have worked in nonunion and union jobs, and I have seen illegal immigrants on public works projects, and I personally am an American who has had family that fought for this country, and it is a whole different thing. I believe that these jobs should be going to the American people. The manufacturing should not be going to other states and out of the country. That money needs to stay here in Nevada and would only help our economy. We want to go green, but it is not economically sound because of the amount of fuel that it would take and the travel. Also, other countries do not have the same safety standards that we do for their employees. They do not have the same environmental standards. As I said, I have

worked nonunion on public works jobs, and I know that illegal immigrants are getting these jobs, and I am Hispanic. I know about the Spanish people. I care about that. I, myself, am Spanish. Please consider putting Americans to work in Nevada, and I appreciate the Assemblyman who spoke up in this regard.

Chair Torres:

I will invite the bill sponsor for any closing remarks.

Assemblywoman Monroe-Moreno:

Thank you, Madam Chair and Committee, for hearing our bill. Please look over the presentation materials you received. I think the people who spoke up in support and in opposition are kind of funny. We heard three bills in this Committee today and a lot of the same opposition on all three bills. I agree with the last caller on one thing. We are coming out of a pandemic situation, and we saw how America was lacking in so many areas because we depend upon foreign trade. If we can build things here in America by Americans, and build things in Nevada by Nevadans, we would all prosper. I, too, have been a small business owner and truly support small businesses. I do not want to do anything that would hinder small businesses, but I also want to make sure that workers, no matter what industry they are in, are paid a fair, livable wage. If you are working on a public works worksite, you are paid at prevailing wage and any fabrication of materials going into those worksites should be paid at that wage. Thank you, Madam Chair, and I hope that we earn your support. We will continue working with the stakeholders on this bill to address the questions they voiced today.

Randy Soltero:

I want to clarify in this bill where it addresses interstate commerce law. We mentioned that because that was something that came up in the stakeholder's meeting, but just to clarify, where in this bill is it addressing interstate commerce law or trying to change interstate commerce law? I wanted to put that on the record.

Alfonso "Al" Lopez:

I am here just to reiterate that we have already received fiscal notes in the amount of zero dollars. It is not going to cost any additional money. One complaint that is trending is that this will require more administration and more office work, but that is such a small cost to do business. To earn the money that is being put out on the prevailing wage projects, just a little bit of admin work is all it is going to take.

Chair Torres:

At this time, we will close the hearing on A.B. 235, and we will open it for public comment. Is there anyone in Carson City wishing to give public comment? [There was no one.] Is there anyone in Las Vegas wishing to give public comment? [There was no one.] Is there anyone on the phone line wishing to testify in public comment? [There was no one.] [Committee reminders were given.] The meeting is adjourned [at 10:43 a.m.].

RESPECTFULLY SUBMITTED:

Diane Abbott
Committee Secretary

APPROVED BY:

Assemblywoman Selena Torres, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.

[Exhibit C](#) is an amendment to Assembly Bill 171, dated March 16, 2023, submitted by Assemblywoman Bea Duran, Assembly District No. 11.

[Exhibit D](#) is written testimony dated March 16, 2023, submitted by Deanna Hua Tran, Coordinator, Nevada Immigrant Coalition, in support of Assembly Bill 210.

[Exhibit E](#) is a letter dated March 14, 2023, submitted by Henderson Chamber of Commerce Legislative Committee Chair, Aviva Gordon, and Director of Government Affairs, Emily Osterberg, in opposition to Assembly Bill 210.

[Exhibit F](#) is a proposed amendment to Assembly Bill 235, dated March 16, 2023, submitted by Assemblywoman Daniele Monroe-Moreno, Assembly District No. 1.

[Exhibit G](#) is a page of illustrations presented by Alfonso "Al" Lopez, representing Sheet Metal, Air, Rail and Transportation Workers Local 88.