

**Amendment No. 650**

Senate Amendment to Assembly Bill No. 86 First Reprint (BDR 54-276)  
**Proposed by:** Senate Committee on Commerce, Labor and Energy  
**Amends:** Summary: Yes Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

ASSEMBLY ACTION				Initial and Date	SENATE ACTION				Initial and Date
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) green bold italic underlining is new language proposed in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill that is proposed to be retained in this amendment; and (6) green bold underlining is newly added transitory language.

EWR/MSM



Date: 5/16/2013

A.B. No. 86—Requires the State Contractors’ Board to suspend or revoke the license of a contractor for failure to comply with certain provisions governing unemployment compensation, industrial insurance and insurance for occupational diseases.  
 (BDR 54-276)



ASSEMBLY BILL NO. 86—ASSEMBLYMEN DALY, CARRILLO; ELLIOT ANDERSON,  
BENITEZ-THOMPSON, BOBZIEN, COHEN, HANSEN, HEALEY AND SPRINKLE

FEBRUARY 11, 2013

JOINT SPONSOR: SENATOR SMITH

Referred to Committee on Commerce and Labor

SUMMARY—Requires the State Contractors’ Board to suspend or revoke the license of a contractor for failure to **satisfy certain judgments concerning unemployment compensation or to** comply with certain provisions governing ~~unemployment compensation,~~ industrial insurance and insurance for occupational diseases. (BDR 54-276)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to contractors; requiring the State Contractors’ Board to notify a licensed contractor **against whom a judgment has been obtained for failure to pay contributions to the Unemployment Compensation Fund or** who is not in compliance with certain provisions governing ~~unemployment compensation,~~ industrial insurance and insurance for occupational diseases; requiring the Board to suspend or revoke the license of a contractor who fails to demonstrate **that such a judgment has been satisfied or that he or she is in** compliance with such provisions; restricting the actions of a contractor whose license has been suspended for failure to **satisfy such a judgment or to** demonstrate compliance with such provisions; requiring the Board to further suspend or revoke the license of a contractor who engages in prohibited activity; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 With certain exceptions, each employer, including each contractor, is required to  
2 contribute to the Unemployment Compensation Fund. (NRS 612.535) Each contractor who  
3 has employees, is a subcontractor for a principal contractor, or submits a bid on a job for a  
4 principal contractor or subcontractor is also required to: (1) maintain industrial insurance and  
5 insurance for occupational diseases; (2) obtain a certificate of qualification as a self-insured  
6 employer from the Commissioner of Insurance; or (3) maintain membership in an association  
7 of self-insured employers. (Chapters 616A-617 of NRS, NRS 624.256) Existing law requires:

(1) the Administrator of the Division of Industrial Relations of the Department of Business and Industry to provide timely notice to the State Contractors' Board if a contractor's industrial insurance coverage has lapsed; and (2) the Commissioner of Insurance to provide timely notice to both the Administrator and the Board if a contractor's certificate of qualification as a self-insured employer is cancelled or withdrawn, or the contractor is no longer a member of an association of self-insured public or private employers. (NRS 616B.630)

**Section 8** of this bill requires the Board, if applicable, to notify each licensed contractor against whom a judgment has been obtained for failure to pay contributions to the Unemployment Compensation Fund or who fails to meet the requirements to ~~contribute to the Unemployment Compensation Fund and to~~ provide and maintain industrial insurance and insurance for occupational diseases that the contractor's license will be suspended if the contractor fails to furnish proof by a certain date that he or she is in compliance with these requirements. **Section 8** also requires that the Board suspend the license of any contractor who fails to furnish proof by a certain date that the contractor has satisfied a judgment for failure to pay contributions to the Unemployment Compensation Fund or that the contractor is in compliance with ~~these~~ the requirements to provide and maintain industrial insurance and insurance for occupational diseases until the contractor whose license has been suspended satisfies the judgment or demonstrates compliance with those requirements. **Section 8** further provides that if a contractor's license is suspended for failure to satisfy a judgment for failure to pay contributions to the Unemployment Compensation Fund or to meet ~~these~~ the requirements to provide and maintain industrial insurance and insurance for occupational diseases: (1) the contractor is required to submit to the Board a list of all the projects for which a contract was entered into before the date of the notice of the suspension; (2) the contractor is prohibited from submitting any bids for any new work or beginning work on a project not described on the list; and (3) the contractor's name is removed from certain lists of contractors eligible to bid on public works projects until the suspension is lifted. **Section 8** provides for the extended suspension or revocation of the license of a contractor who fails to submit a complete list of projects, submits an unauthorized bid or begins work on an unauthorized project. Finally, **section 8** provides for the suspension and revocation of the license of a contractor who fails to ~~meet the requirements~~ satisfy a judgment for failure to contribute to the Unemployment Compensation Fund ~~and~~ or to provide and maintain industrial insurance and insurance for occupational diseases twice within a 5-year period.

**Section 8.5** of this bill requires the Administrator of the Employment Security Division of the Department of Employment, Training and Rehabilitation ~~to provide quarterly~~ notify the Board ~~to list~~ of ~~contractors who have failed to make the required contribution~~ any contractor against whom a duly filed judgment has been obtained for failure to pay contributions to the Unemployment Compensation Fund.

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

**Section 1.** (Deleted by amendment.)

**Sec. 2.** (Deleted by amendment.)

**Sec. 3.** (Deleted by amendment.)

**Sec. 4.** (Deleted by amendment.)

**Sec. 5.** (Deleted by amendment.)

**Sec. 6.** (Deleted by amendment.)

**Sec. 7.** (Deleted by amendment.)

**Sec. 8.** NRS 624.256 is hereby amended to read as follows:

624.256 1. Before granting an original or renewal of a contractor's license to any applicant, the Board shall require that the applicant submit to the Board:

(a) Proof of industrial insurance and insurance for occupational diseases which covers the applicant's employees;

1 (b) A copy of the applicant's certificate of qualification as a self-insured  
2 employer which was issued by the Commissioner of Insurance;

3 (c) If the applicant is a member of an association of self-insured public or  
4 private employers, a copy of the certificate issued to the association by the  
5 Commissioner of Insurance; or

6 (d) An affidavit signed by the applicant affirming that he or she is not subject  
7 to the provisions of chapters 616A to 616D, inclusive, or chapter 617 of NRS  
8 because the applicant:

9 (1) Has no employees;

10 (2) Is not or does not intend to be a subcontractor for a principal contractor;  
11 and

12 (3) Has not or does not intend to submit a bid on a job for a principal  
13 contractor or subcontractor.

14 2. The Board shall notify the Fraud Control Unit for Industrial Insurance  
15 established pursuant to NRS 228.420 whenever the Board learns that an applicant  
16 or holder of a contractor's license has engaged in business as or acted in the  
17 capacity of a contractor within this State without having obtained *or maintained*  
18 industrial insurance or insurance for occupational diseases in violation of the  
19 provisions of chapters 616A to 617, inclusive, of NRS.

20 3. Failure by an applicant or holder of a contractor's license to file or  
21 maintain in full force the required industrial insurance and insurance for  
22 occupational diseases constitutes cause for the Board to deny, revoke, suspend,  
23 refuse to renew or otherwise discipline the person, unless the person has complied  
24 with the provisions set forth in paragraph (d) of subsection 1.

25 4. ~~Within 30 days~~ *As soon as practicable, but not more than 3 business days*  
26 *after receiving notice from the Department of Employment, Training and*  
27 *Rehabilitation pursuant to section 8.5 of this act that a judgment has been*  
28 *obtained against a contractor for failure to pay contributions to the*  
29 *Unemployment Compensation Fund or from the Division of Industrial Relations*  
30 *of the Department of Business and Industry pursuant to NRS 616B.630 that a*  
31 *contractor is not in full compliance with the requirements of chapters ~~612 and~~*  
32 *616A to 617, inclusive, of NRS, the Board shall ~~immediately~~ notify the*  
33 *contractor by mail at the last known address of the contractor, as it appears in the*  
34 *records of the Board, that the Board will suspend the license of the contractor if*  
35 *the contractor does not furnish proof, within 30 days after the date of the notice*  
36 *sent by the Board, that the contractor has satisfied the judgment reported to the*  
37 *Board pursuant to section 8.5 of this act or is in full compliance with the*  
38 *requirements of chapters ~~612 and~~ 616A to 617, inclusive, of NRS.*

39 5. *If the contractor fails to furnish proof, within 30 days after the date of*  
40 *the notice sent by the Board pursuant to subsection 4, that the contractor has*  
41 *satisfied the judgment reported to the Board pursuant to section 8.5 of this act or*  
42 *is in full compliance with the requirements of chapters ~~612 and~~ 616A to 617,*  
43 *inclusive, of NRS, the Board shall, as soon as practicable, but not more than 3*  
44 *business days after the expiration of the 30-day period, for a first offense:*

45 (a) ~~Immediately summarily~~ *Summarily* suspend the license of the  
46 contractor without further notice pursuant to subsection 4 of NRS 624.291; and

47 (b) ~~Immediately require~~ *Require* the contractor to submit to the Board a list  
48 of all projects for which the contractor has unfulfilled contractual obligations  
49 where the contract was entered into on or before the date of the notice sent by the  
50 Board pursuant to subsection 4.

51 6. *If a contractor's license is suspended pursuant to paragraph (a) of*  
52 *subsection 5:*

1 (a) The suspension must continue until the contractor furnishes proof that  
2 the contractor has satisfied the judgment reported to the Board pursuant to  
3 section 8.5 of this act or is in full compliance with the requirements of chapters  
4 ~~612 and~~ 616A to 617, inclusive, of NRS;

5 (b) During the term of the suspension, the contractor shall not submit any  
6 bids for any new work or begin work on any project not described in the list  
7 submitted to the Board pursuant to paragraph (b) of subsection 5; and

8 (c) The Board shall notify:

9 (1) The Office of the Labor Commissioner, which shall, ~~immediately~~  
10 ~~upon~~ as soon as practicable, but not more than 3 business days after receipt of  
11 the notice, add the name of the contractor to the list of contractors who are  
12 disqualified to bid on public works; and

13 (2) The State Public Works Board, which shall, ~~immediately upon~~ as  
14 soon as practicable, but not more than 3 business days after receipt of the notice,  
15 add the name of the contractor to the list of contractors who are not prequalified  
16 to bid on public works.

17 7. If the name of a contractor is added to a list pursuant to paragraph (c) of  
18 subsection 6, the Office of the Labor Commissioner or the State Public Works  
19 Board, as applicable, shall remove the name from the list when notified by the  
20 Board that the suspension has been lifted pursuant to paragraph (a) of subsection  
21 6.

22 8. If the Board finds that a contractor has failed to provide a complete list  
23 of projects in accordance with paragraph (b) of subsection 5 or has violated  
24 paragraph (b) of subsection 6, the Board shall:

25 (a) For a first offense, suspend the contractor's license for an additional 12  
26 months after the contractor furnishes the proof described in paragraph (a) of  
27 subsection 6; and

28 (b) For a second or subsequent offense, conduct a hearing pursuant to NRS  
29 624.291, and, if it is determined at the hearing that a second or subsequent  
30 offense has been committed, revoke the contractor's license.

31 9. If a contractor for whom the suspension of a contractor's license has  
32 been lifted after providing the proof required pursuant to paragraph (a)  
33 of subsection 6 receives notice from the Board pursuant to subsection 4 within 5  
34 years after the date of reinstatement and the contractor fails to furnish proof,  
35 within 30 days after the date of the notice sent by the Board, that the contractor  
36 has satisfied the judgment reported to the Board pursuant to section 8.5 of this  
37 act or is in full compliance with the requirements of chapters ~~612 and~~ 616A to  
38 617, inclusive, of NRS, the Board shall conduct a hearing pursuant to NRS  
39 624.291 and, if it is determined at the hearing that a second or subsequent  
40 offense has been committed within a 5-year period, revoke the contractor's  
41 license.

42 **Sec. 8.5.** Chapter 612 of NRS is hereby amended by adding thereto a new  
43 section to read as follows:

44 The Administrator shall ~~], at least once each calendar quarter, provide to the~~  
45 ~~State Contractors' Board a list setting forth each contractor who is not in~~  
46 ~~compliance with the provisions of this chapter regarding contributions or~~  
47 ~~payments in lieu of contributions to the Fund. The list must include, to the extent~~  
48 ~~available, the name, address, telephone number, resident agent, principal owner~~  
49 ~~and contractor's license number of the contractor.]~~ notify the State Contractors'  
50 Board of any licensed contractor against whom a judgment is obtained for failure  
51 to pay contributions to the Unemployment Compensation Fund pursuant to this  
52 chapter.

1       **Sec. 8.6.** NRS 612.265 is hereby amended to read as follows:

2       612.265 1. Except as otherwise provided in this section and NRS 239.0115,  
3       *and section 8.5 of this act*, information obtained from any employing unit or person  
4       pursuant to the administration of this chapter and any determination as to the  
5       benefit rights of any person is confidential and may not be disclosed or be open to  
6       public inspection in any manner which would reveal the person's or employing  
7       unit's identity.

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

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

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

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

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

21      (d) The Department of Taxation; and

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

24      ↳ Information obtained in connection with the administration of the Employment  
25      Service may be made available to persons or agencies for purposes appropriate to  
26      the operation of a public employment service or a public assistance program.

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

39      5. The Administrator may publish or otherwise provide information on the  
40      names of employers, their addresses, their type or class of business or industry, and  
41      the approximate number of employees employed by each such employer, if the  
42      information released will assist unemployed persons to obtain employment or will  
43      be generally useful in developing and diversifying the economic interests of this  
44      State. Upon request by a state agency which is able to demonstrate that its intended  
45      use of the information will benefit the residents of this State, the Administrator  
46      may, in addition to the information listed in this subsection, disclose the number of  
47      employees employed by each employer and the total wages paid by each employer.  
48      The Administrator may charge a fee to cover the actual costs of any administrative  
49      expenses relating to the disclosure of this information to a state agency. The  
50      Administrator may require the state agency to certify in writing that the agency will  
51      take all actions necessary to maintain the confidentiality of the information and  
52      prevent its unauthorized disclosure.

1           6. Upon request therefor, the Administrator shall furnish to any agency of the  
2 United States charged with the administration of public works or assistance through  
3 public employment, and may furnish to any state agency similarly charged, the  
4 name, address, ordinary occupation and employment status of each recipient of  
5 benefits and the recipient's rights to further benefits pursuant to this chapter.

6           7. To further a current criminal investigation, the chief executive officer of  
7 any law enforcement agency of this State may submit a written request to the  
8 Administrator that the Administrator furnish, from the records of the Division, the  
9 name, address and place of employment of any person listed in the records of  
10 employment of the Division. The request must set forth the social security number  
11 of the person about whom the request is made and contain a statement signed by the  
12 chief executive officer certifying that the request is made to further a criminal  
13 investigation currently being conducted by the agency. Upon receipt of such a  
14 request, the Administrator shall furnish the information requested. The  
15 Administrator may charge a fee to cover the actual costs of any related  
16 administrative expenses.

17           8. In addition to the provisions of subsection 5, the Administrator shall  
18 provide lists containing the names and addresses of employers, and information  
19 regarding the wages paid by each employer to the Department of Taxation, upon  
20 request, for use in verifying returns for the taxes imposed pursuant to chapters  
21 363A and 363B of NRS. The Administrator may charge a fee to cover the actual  
22 costs of any related administrative expenses.

23           9. A private carrier that provides industrial insurance in this State shall submit  
24 to the Administrator a list containing the name of each person who received  
25 benefits pursuant to chapters 616A to 616D, inclusive, or chapter 617 of NRS  
26 during the preceding month and request that the Administrator compare the  
27 information so provided with the records of the Division regarding persons  
28 claiming benefits pursuant to this chapter for the same period. The information  
29 submitted by the private carrier must be in a form determined by the Administrator  
30 and must contain the social security number of each such person. Upon receipt of  
31 the request, the Administrator shall make such a comparison and, if it appears from  
32 the information submitted that a person is simultaneously claiming benefits under  
33 this chapter and under chapters 616A to 616D, inclusive, or chapter 617 of NRS,  
34 the Administrator shall notify the Attorney General or any other appropriate law  
35 enforcement agency. The Administrator shall charge a fee to cover the actual costs  
36 of any related administrative expenses.

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

43           11. If any employee or member of the Board of Review, the Administrator or  
44 any employee of the Administrator, in violation of the provisions of this section,  
45 discloses information obtained from any employing unit or person in the  
46 administration of this chapter, or if any person who has obtained a list of applicants  
47 for work, or of claimants or recipients of benefits pursuant to this chapter uses or  
48 permits the use of the list for any political purpose, he or she is guilty of a gross  
49 misdemeanor.

50           12. All letters, reports or communications of any kind, oral or written, from  
51 the employer or employee to each other or to the Division or any of its agents,  
52 representatives or employees are privileged and must not be the subject matter or

1 basis for any lawsuit if the letter, report or communication is written, sent, delivered  
2 or prepared pursuant to the requirements of this chapter.

3 **Sec. 9.** This act becomes effective:

4 1. Upon passage and approval for the purpose of performing any preparatory  
5 administrative tasks; and

6 2. On January 1, 2014, for all other purposes.