

MINUTES

LABOR AND MANAGEMENT COMMITTEE
FEBRUARY 8, 1977

Members Present: Chairman Banner
Mr. Goodman
Mrs. Gomes
Mr. Dreyer
Mr. Weise
Mr. Robinson
Mr. Bennett

Guests Present: See attached lists

Chairman Banner called the meeting to order at 3:20 p.m. and announced the order of consideration of today's bills as A.B. 73 and A.B. 69. He then made reference to some telegrams he had received from the Ely area which were critical of the way he had conducted a meeting. Mr. Banner said if anyone had any complaints, he prefers that they take it up with him personally. Attached hereto are copies of two such telegrams. (Exhibit A)

ASSEMBLY BILL 73

Chairman Banner called upon Stanley Jones, Nevada State Labor Commissioner, to testify on behalf of the bill. Mr. Jones stated that this bill was an attempt to lessen the economic strife of the 300,000 wage earners in the State of Nevada. More than one-half of these workers are employed by Nevada corporations and are sometimes deprived of wages as a result of bankruptcy or insolvency. The employees have no recourse and the Labor Commissioner has tried various methods of helping these employees through legislation to no avail. Now he is seeking to protect these workers by making the officers of a corporation personally liable for these wages which amount to thousands of dollars lost each year.

Mr. Robinson questioned whether the employees could not file a claim if a company is bankrupt. However, Mr. Jones stated that this is true only where the corporation has not already disposed of its assets, which is often the case. Mr. Robinson and Mr. Weise objected to the officers being made personally liable since in some cases, they are themselves just employees of the corporation, not the owners, and may lose their personal assets. Mr. Jones stated that he had previously proposed a bill providing for a bond but that it was not passed. Mr. Banner asked about the legality of going after corporate officers and Mr. Jones said the problem is in piercing the corporate veil, which is often next to impossible.

Mr. Jones did not have any figures on the number of people affected in this manner, and Mr. Robinson said the logical place to find them would be in the unemployment lines. Perhaps it would be possible to

have them fill out a form saying their company has gone out of business when they apply for unemployment. Then perhaps their benefits could start with the last day for which they were paid, rather than the last day of work. Mrs. Gomes said you would then be asking the taxpayers to pick up the tab for these employees, but Mr. Robinson pointed out that their employers had been contributing to the Employment Security Department prior to going out of business.

Clark Guild, a Reno attorney representing the Union Pacific Railroad, testified in opposition to A.B. 73 because one of the reasons for forming a corporation is to have limited liability and this bill would do away with the corporation concept. In the interests of consistency, if the officers of a corporation are going to be made liable, why not the officers of an association. He also asked if this requirement can legally be superimposed upon the current corporation statutes.

Clint Knoll, representing the Nevada Association of Employers, agreed with Mr. Guild.

Dennis Hall, of the Division of Mental Hygiene and Mental Retardation, testified in opposition to A.B. 73 due to the possible impact it may have on non-profit private corporations which rely upon volunteers to staff their boards. There is already a reluctance upon the part of citizens to participate and this bill would make it more difficult to maintain boards for private corporations.

John Madole, representing the Associated General Contractors, said his group opposes A.B. 73 on the grounds set forth by Mr. Guild.

ASSEMBLY BILL 69

Labor Commissioner Jones testified that this bill, which permits the Labor Commissioner to mediate disputes, would be an adjunct to the labor-management bargaining process and would provide for early warning communications. The bill is not compulsory in nature but provides for a proffer of assistance to labor and management if they so desire. He stated that the Taft-Hartley law provides for federal mediation but that the federal mediators usually do not have the time to handle the smaller problems and A.B. 69 would allow the Labor Commissioner to handle these at the request of the parties. He noted that 26 states have this type of legislation and that it has worked. Even without this bill, the Labor Commissioner has been mediating disputes on an ad hoc basis, and Mr. Jones read numerous letters from various labor and management organizations praising the services of his office.

Upon questioning by Mr. Weise, Mr. Jones anticipated he would proffer mediation "on his own motion," as permitted in Sec. 4, in a situation affecting the sovereignty of the State of Nevada, such as the state's economic welfare. However, this would not be proffered in a compulsory vein. Mr. Weise asked why we need the law and how this

bill expanded the Commissioner's authority to mediate. Mr. Jones said that at the present time there is no legislative intent to proffer these services, that it is only done on an ad hoc basis. He stated that both employers and employees have a right to know that this service is available in Nevada.

Mrs. Gomes suggested that perhaps these services would save time for both sides in the case of the long-term negotiations that are typical of public employees and employers, rather than always going to binding arbitration, and that it would be helpful to have mediators who are familiar with local problems.

Mr. Jones stated that this bill does not deal with binding or advisory arbitration, explaining that in mediation, the parties themselves reach an agreement with the help of the mediator; in arbitration, the mediator actually makes the decisions. At Mr. Banner's request Mr. Jones explained the mediation procedure: Most labor organizations serve notice upon management a minimum of 60 days prior to the expiration of a contract. Generally, during the next 30 days, they conduct collective bargaining sessions. At this time, if no agreement has been reached, the mediator will contact both sides and make inquiry only as to the status. For the next 30 days and up to the expiration of the contract, the parties may meet without the mediator, or one or both may request his services. With few exceptions, the mediator would not be involved until the last 30 days.

Mr. Robinson objected to the use of the word "shall" in Sec. 3 and elsewhere which makes the bill sound compulsory. He also questioned Sec. 4(3) which states that the Commissioner may call meetings of the parties. Due to their individual strategy, this may not always be beneficial to one side or the other and may actually interfere with such strategy.

Daryl E. Capurro, representing the Nevada Motor Transport Assn. and Nevada Franchised Auto Dealers Assn., testified in opposition to A.B. 69 because it appears compulsory in nature, and is not necessary with respect to the power of the Commissioner to mediate.

Renny Ashleman, an attorney representing the AFL-CIO, testified that Sec. 4 indicates a compulsion on the part of the parties to mediate. He questions Mr. Jones interpretation that the parties would first have to request mediation. He is in favor of Mr. Jones having the legislation he feels he needs to perform mediation services, but that this should be strictly voluntary. Under Sec. 4(5), the parties shall continue to mediate until settlement has been reached or the commissioner determines that a stalemate exists. Mr. Ashleman testified that neither of these conditions might exist and there ought to be a way to stop the mediation process. He also objected to the 24-hour notice of an impending strike or lockout to the Commissioner and the other party. If absolutely necessary, he would agree to notifying the Commissioner only. He also objected to Sec. 8, calling for the Commissioner to urge the parties to binding arbi-

tration in the event they cannot settle. This could be unfair to one side or the other; sometimes binding arbitration is not a good solution.

Bob Alkire, Kennecott Copper Corp., opposes A.B. 69 because it is compulsory. He doesn't see how either side would want to notify the Commissioner 24 hours in advance of strike or lockout. He stated the federal mediators do not require the parties to meet; they generally are there as observers.

Clint Knoll was concerned about the impact of Sec. 8, which deals with binding arbitration. Stated this is a radical departure from the normal course of events in the bargaining process. This would destroy good-faith bargaining and tend to polarize people. The bill is an overreaction to a need.

Robert Petroni, attorney for Clark County School District, does not feel the bill is voluntary. It uses too many "shalls." The Commissioner should only be involved on the request of both parties. If there is a need for additional legislation, it should be in the form of an amendment to NRS 288.190, the public sector law, adding a sentence that the parties may elect to use the services of the Nevada State Labor Commissioner.

Robert Warren, Director of Nevada League of Cities, stated that the cities he contacted generally agreed that this bill is not necessary and that they prefer to continue using their present services. They object to the provision allowing the Commissioner to enter the process at the request of only one party. He suggested changing the wording in Sec. 4(3) to the effect that the meetings are private rather than public. The bill doesn't indicate if the Commissioner has the power to levy a penalty if the parties do not attend a meeting.

Mr. Robinson stated that the bill does provide for confidentiality of meetings. Mrs. Gomes questioned the cost to taxpayers in negotiations involving the public sector.

Jack Kenney, representing Southern Nevada Home Builders, questioned whether under A.B. 69 there could actually be a strike and objects to Sec. 8 on this account. He obtained two different opinions from two attorneys on this point. He also does not see what the bill does to change the present situation and suggested that if it were passed, that it be on a trial basis, such as till the following legislative session.

John Madole, testified that the taxpayers are already paying for a mediation service through the federal government. This bill represents a duplication, and he opposes it on that basis.

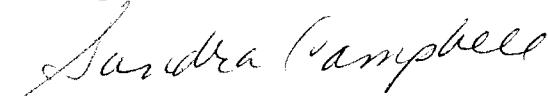
James Prunty, Associated Builders and Contractors, testified in opposition to A.B. 69, particularly with reference to Sec. 5(3), because it subjects a labor union to unfair labor practices under the federal labor relations act and is in violation of NRS 613.280 which deals with right to work.

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John Gianoti, V. P. of Harrah's, testified in opposition to A.B. 69 because of the duplication of effort and objects to the use of the word "shall" throughout the bill. He recommended amending the bill in Sec. 3(1) to add at the end of the sentence, "when requested by either or both parties," and to delete in Sec. 4(1), "on his own motion."

Upon motion by Mr. Robinson, second by Mr. Bennett, and unanimous passage, Mr. Banner adjourned the meeting at 4:57 p.m.

Respectfully submitted,



Sandra Campbell, Assembly Attache

LABOR AND MANAGEMENT COMMITTEE

PLEASE REGISTER IF YOU WISH TO BE RECOGNIZED

AB 69 & 73

AGENDA

2-8-77

DATE

NAME (please print)	REPRESENTING	BILL NUMBER	CHECK	
			FOR	AGAINST
Stan Jones	Nev. State Labor Comm.	H.B. 69-73	X	
CLARK Guild	UPRR Co	73		X
JAMES PRUNTY	Associated Builders & Comm.	AB. 69		X
CLINT KROLL	Nev. Ass'n of Employers	AB 66 & 73		X
Robert Starnin	Nev League of Cities	A 69	X	X
Bob Alford	Kennecott Copper	AB 69-73		X
DENNIS HALL	DIV. MAINT. CTC	AB 73		X
JOHN MADOLE	ASSOC. GEN. CONTR.	AB 69 & 73		✓
FRED DAVIS	GREATER ^{RENO.} COFF	72		
Bob Best	Nev State School Boards Assoc	71		
W. H. HARRIS	3rd	73		✓
JACK KENNEY	SONEVADA HOME BLDGS	AB 69 & 73		
F. R. Shulman	AFL - CIO	AB 69 & 73		
E. L. Newton	NTA			✓
Robert F. Ginn	Nev Motor Transport Assn Nev. Franchise & Auto Retail	AB 69 & 73		

Date: 2-8-77

LABOR AND MANAGEMENT COMMITTEE

GUEST LIST (Non-Speakers)

NAME (Please print)	REPRESENTING
Carol Senary	Div. of MHA & MMR
Louis Valey	Nev. AFL-CIO
SUSAN HAASE	Nev. Assoc. for Retarded Citizens
Bill Hottel	Fuchs Wholesale Pkg.
Stan Cleburn	Nev Bell
Sam Young	Sierra Power
Mike Ewald	City of Reno
STEVEN STUCKER	CITY OF NORTH LAS VEGAS
Thomas W. Case	Central Telephone Co.
Frank Robinson	Glendon Hotels Corp.
JOHN GUANOTTI	HARRALIS
Carl A. Doderblom	Nev. R.R. Assn.
Carl Doderblom	Nev. R.R. Assn.
C. Holbrook Hawes	AFL-CIO
DEL CARLO	FNB
Wanda Snow	Div - MHA & MMR
John Hawkins	CRISON city school
Oliver A. Thomas	Southern Pacific Trans. Co.

WU SL CARS

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PMS JAMES BANNER, DLR

CHAIRMAN OF THE LABOR AND MANAGEMENT COMMITTEE RM 322 NEVADA

STATE LEGISLATURE

CARSON CITY NV 89701

RE ABI15-116 DEAR CHAIRMAN WE VIOLENTLY OPPOSE THE METHODS USED IN
PASSAGE OF ABI15 AND 116. THESE ARE OBVIOUSLY POOR PIECES OF
LEGISLATION IF TRICKERY IS NECESSARY FOR PASSAGE.

LARRY DUNTON ADMINISTRATOR EASTERN NEVADA MEDICAL CENTER

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WU SL CARS
1227P PST

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PMS ASSEMBLYMAN JAMES BANNER, CHAIRMAN OF LABOR AND MANAGEMENT
COMMITTEE, DLR

ROOM 322 NEVADA STATE LEGISLATURE

CARSON CITY NV

YOUR COMMITTEES HANDLING OF AB115 AND 116 MOST UNFORTUNATE AND
FISCALLY IRRESPONSIBLE. PREMIUM PAYERS SHOULD BE HEARD. WE REQUEST
ADEQUATE HEARINGS IN THE FUTURE.

BILL COFFMAN, CHARIMAN OF WHITE PINE LEGISLATIVE COMMITTEE

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