

MINUTES

LABOR AND MANAGEMENT COMMITTEE
April 19, 1977

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

Guests Present: See attached lists.

Vice Chairman Goodman called the meeting to order at 4:05 p.m. for the hearing on A.B. 634, which he sponsored.

ASSEMBLY BILL 634

Stanley Jones, State of Nevada Labor Commissioner, testified in support of A.B. 634, which would allow his office to withhold progress payments on public works projects in the case of wage disputes. The Legislature has mandated that the Labor Commissioner check public works projects to insure compliance with wage and hour laws. However, he does not have the staff to conduct onsite compliance inspections and audits of all these projects throughout the state. This bill, which provides that all such contractors submit a monthly report to the Labor Commissioner, would enable him to do his job.

Mr. Robinson questioned Mr. Jones on Section 2, Subsection 4, regarding the withholding of all progress payments for a contractor until a claim is resolved. Mr. Jones agreed that the wording would allow the withholding of all monies in a dispute with only one employee; however, he said it was not the intent of the bill to withhold substantial amounts for a minor claim, and that generally there was more than one employee involved in a claim.

Mr. Weise asked about the hearing procedure in a dispute. Mr. Jones said his office would first discuss the claim with the contractor. If it was not resolved at that point, a formal hearing would be held which is then subject to judicial review.

Mr. Dreyer questioned the provision in Section 1, Subsection 2, requiring contractors to submit monthly payroll reports. Mr. Jones said that his staff cannot physically go out and look at each public works project in the state. Most of these are subject to federal regulations, because they receive federal funds, so they already have to submit this type of information to the federal government. Therefore, it should be no problem to also submit it to the Labor Commissioner.

Laura Roser, Compliance Investigator for the Labor Commission, testified that she receives much harassment from contractors when trying to audit their records and that it is impossible to audit all of these onsite. If the records were mailed in, she would be able to review all of these in the office. (quessy)

Don C. Hill, Deputy Attorney General and representing the Labor Commissioner in legal matters, testified in favor of A.B. 634. However he said that the first sentence of Section 2, Subsection 4, is possibly unconstitutional and probably should be amended, but that the second sentence clarifies the matter. Mr. Weise asked why, if Nevada already has a long arm statute to use against out-of-state contractors, do we need this law. Mr. Hill said it gives added incentive to the contractor to settle the claim when his money is being held. Mr. Weise asked if the law could be made to apply only to out-of-state contractors, if this is the main area of concern, but Mr. Hill said that would possibly be discriminatory. Mr. Weise then asked if the bill could be changed so as to withhold only an amount equal to the disputed claim, and Mr. Jones said that would accomplish what he wanted.

Roland Oakes, representing the Associated General Contractors, testified in opposition to A.B. 634, stating that there is not much of a problem in this area, because it applies only to non-union contractors and therefore affects fewer than 5% of the contractors. But the cost of this extra paperwork for all contractors will have to be added to the cost of buildings. If the procedure is necessary, the money to accomplish it should be appropriated for the office of the Labor Commissioner. Mr. Oakes also stated that under this bill, a contractor's money could possibly be held for several years while the case is decided in court, and this would cause contractors to settle a case even if the claim is not valid.

Mike Chadburn, representing Southern Nevada Building and Construction Trades Council, was in favor of the bill as a protection against the fly-by-night operators who come in from out of state and don't pay the prevailing wage. He agreed that it would not be fair to withhold all funds pending the outcome of a dispute, and that Subsection 4 should probably be changed.

Paul B. Wise, of the Operating Engineers Local #3, testified in support of A.B. 634 as an aid to the Labor Commissioner. He also agreed that Subsection 4 should be changed.

Barry Becker, Nevada State Home Builders Association, was in opposition to the bill and objected to the filing of a monthly report. He said many public works jobs are not federally funded so the contractor is not always automatically making these reports to the federal government.

Daryl Capurro, Managing Director of Nevada Motor Transport Association, testified in opposition to the bill, stating that increasing paperwork required by a number of federal and state agencies is becoming a burden to the small contractor and eventually many will go out of business.

Steven Stucker, Deputy City Attorney for North Las Vegas, opposed the bill, particularly Subsection 4. However, if the contractor is paid before the dispute arises, this bill would not help. A bond would be a better solution.

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There being no further testimony, the Vice Chairman adjourned the meeting at 4:53 p.m.

Respectfully submitted,

Sandra Campbell

Sandra Campbell, Assembly Attache

LABOR AND MANAGEMENT COMMITTEE

PLEASE REGISTER IF YOU WISH TO BE RECOGNIZED

Assembly Bill 634
AGENDA

4-19-77
DATE

NAME (please print)	REPRESENTING	BILL NUMBER	CHECK	
			FOR	AGAINST
Stan Jones /	Labor Comm	AB634	✓	
Mike Chadburn /	So. Nev. Blvd. Trades Council	AB634	✓	
Paul B. Wier /	Oper. Eng. #3	AB634	✓	
Darryl Capurro /	New Motor Transport	634		✓
Don Hill /	ATTY GEN'S	AB634	✓	
Jayma Fisher /	Labor Comm	AB634	✓	
Walt Jordan /	Labor Local 69	AB634	✓	
Foukuan Allen ✓	AOC	AB634		
Alan Taylor /	B. M. I.			✓
Barry Becker /	New State Home Builders Ass	AB634		✓

Date: 4-19-77

LABOR AND MANAGEMENT COMMITTEE

GUEST LIST (Non-Speakers)

NAME (Please print)	REPRESENTING
<i>Frank Byme</i>	N. Nev. BLDG. TRADES.
<i>E. Pierce</i>	Painter, & allied trades
<i>Bill Wilson</i>	Iron worker Local 118
<i>John H. Pruitt</i>	971 RENO NEV.
<i>Tom Caruthers</i>	Laborers Local 169
<i>James J. Seibold</i>	Carp & U 971
<i>John Madole</i>	ASSOC. GEN. CONTR.
<i>(Also Names)</i>	
<i>Steven Tucker</i>	