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TASK FORCE ON EMPLOYEE MISCLASSIFICATION MEETING MINUTES - FEBRUARY 23, 2021

- 1. Call to Order and Roll Call**
Chair, Teresa McKee, called the meeting to order at 9:00 a.m. Roll Call and Quorum.
- 2. Public Comment**
There was no public comment.
- 3. Approval of Minutes from January 25, 2021 meeting.**
A motion to approve the minutes as written was made by Margi Grein, and seconded by Vice Chair, Fran Almaraz. The motion passed unanimously.
- 4. What is Misclassification and Studies on Misclassification?**
Shannon Chambers, Nevada Labor Commissioner.

Shannon Chambers, Nevada Labor Commissioner, presented this item. Ms. Chambers provided the members on the Task Force on Employee Misclassification (Task Force) with recent information and studies that had been conducted on the potential costs of misclassification including, a recent study (January 2021) conducted by the Institute for Construction Economic Research (ICERES) and the University of Nevada Las Vegas (UNLV). The ICERES and UNLV study focused on misclassification and “payroll fraud” in the Nevada Construction Industry and the time-period covering 2018-2020. The ICERES and UNLV study concluded that misclassification in the construction industry alone is costing the State of Nevada tens of millions of dollars.

Vice Chair Almaraz, provided some history on various studies that had been conducted on the issue of misclassification, and the actions that had been taken by the Nevada Legislature to address the issue including, the passage of Senate Bill 493 in 2019, which created the Task Force on Employee Misclassification and established a definition of what “misclassification” is.

Information from the United States Department of Labor was also provided that estimated the costs of misclassification to the United States Government in lost tax revenue alone, in the billions of dollars.

The Task Force Members discussed the studies and potential options for addressing misclassification including, collaboration between state and federal agencies to address misclassification. Ms. Chambers and Ms. Grein provided information on how the Labor Commissioner and Nevada State Contractor's Board are working together and have a memorandum of understanding in place to collaborate on enforcement and investigations.

In addition, the Office of the Labor Commissioner prepared a guide for Nevada employers providing tips on how to avoid misclassification.

The Task Force members agreed that issues involving misclassification and potential changes to legislation and rules and regulations at the State and Federal level would continue to be monitored.

5. **Appointment of Task Force Members to Subcommittees**

Teresa McKee – Chair and Fran Almaraz – Vice Chair
Shannon Chambers, Nevada Labor Commissioner

Nevada Revised Statutes (NRS) section 607.2195 provides the authority for the Task Force on Employee Misclassification to create Subcommittees.

The following Subcommittees were proposed: Agency Review and Policy Subcommittee and Legislative and Industry Subcommittee. The Task Force Members approved the creation of the Agency Review and Policy Subcommittee and Legislative and Industry Subcommittee.

The members appointed to the Agency Review and Policy Subcommittee are: Chair McKee, Vice Chair Almaraz, Margi Grein, Rob Benner, and Alfonso Lopez.

The members appointed to the Legislative and Industry Subcommittee are: Chair McKee, Vice Chair Almaraz, Mary Beth Hartleb, Ashley Eddy Kott and Tom Burns.

A motion was made by Tom Burns to create and approve the Subcommittees and appointment of members to the Subcommittees. The motion was seconded by Margi Grein. The motion passed unanimously.

The Labor Commissioner will provide support to the Subcommittees.

6. **Legislative Updates**

Shannon Chambers, Nevada Labor Commissioner

Shannon Chambers, Nevada Labor Commissioner, presented this item and provided updates on the 2021 Nevada Legislative Session so far. Ms. Chambers noted that it was still early in the Session, and that while there were several Bill Draft Requests (BDR's) that had the title "employment" in them, there did not appear to be any specific bills related to misclassification that had been introduced yet.

7. **Agenda Items for next meeting (for discussion)**

The Task Force members discussed potential agenda items for the next meeting including: Reports from Subcommittees; Legislative Updates; Presentations from other State/Federal Agencies; and Industry Updates and Presentations.

8. **Public Comment**

There was no public comment.

9. **Adjournment**

The meeting was adjourned at 10:44 a.m.