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REVISED JUNE 17, 2021 (Originally issued on January 28, 2020)

ADVISORY OPINION - NEVADA ADMINISTRATIVE CODE § 607.650

SENATE BILL 207 APPRENTICESHIP UTILIZATION ACT

REVISION EFFECTIVE May 27, 2021 (Original Bill Effective January 1, 2020)

Pursuant to Nevada Administrative Code (NAC) Section 607.650, the Labor Commissioner is issuing the following Advisory Opinion regarding Senate Bill (SB) 207. The Labor Commissioner has received multiple inquiries, opinion requests, comments, suggestions, and proposals on how Senate Bill 207 should be interpreted, implemented, and enforced. The Labor Commissioner also met with various stakeholders.

This Advisory Opinion is intended to provide as much guidance as possible on Senate Bill 207. However, it must be recognized that not every working environment or situation may be encompassed by the answers and guidance set forth in this Advisory Opinion. The Labor Commissioner will continue to work with stakeholders, public/awarding bodies, contractors/subcontractors, and employers and employees on Senate Bill 207. However, the Labor Commissioner will attempt to interpret, implement, and enforce Senate Bill 207 based on the plain language of the bill and the intent of the Legislative Sponsors of the bill to ensure that apprenticeship utilization takes place on public works projects in the State of Nevada.

KEY HIGHLIGHTS OF SENATE BILL (SB 207) – EFFECTIVE JANUARY 1, 2020:

The Legislature hereby finds and declares that: 1. A skilled workforce in construction is essential to the economic well-being of this State; 2. Apprenticeship programs are a proven method of training a skilled workforce in construction; and 3. Requiring the use of apprentices on the construction of public works will ensure the availability of a skilled workforce in construction in the future for this State.

Sec. 1.7. 1. Notwithstanding any other provision of this chapter and except as otherwise provided in this section, a contractor or subcontractor engaged in vertical construction who employs a worker on a public work pursuant to NRS 338.040 shall use one or more apprentices for at least 10 percent of the total hours of labor worked for each apprenticed craft or type of work to be performed on the public work for which more than three workers are employed.

2. Notwithstanding any other provision of this chapter and except as otherwise provided in this section, a contractor or subcontractor engaged in horizontal construction who employs a worker on a public work pursuant to NRS 338.040 shall use one or more apprentices for at least 3 percent of the total hours of labor worked for each apprenticed craft or type of work to be performed on the public work for which more than three workers are employed.

<https://www.leg.state.nv.us/App/NELIS/REL/80th2019/Bill/6351/Text>

DEFINITIONS FOR PUBLIC BODY AND PUBLIC WORK AND AWARDING BODY NEVADA REVISED STATUTES (NRS) SECTION 338.010(17)(18) AND NEVADA ADMINISTRATIVE CODE (NAC) SECTION 338

17. “Public body” means the State, county, city, town, school district or any public agency of this State or its political subdivisions sponsoring or financing a public work.

18. “Public work” means any project for the new construction, repair or reconstruction of a project financed in whole or in part from public money for:

- (a) Public buildings;
- (b) Jails and prisons;
- (c) Public roads;
- (d) Public highways;
- (e) Public streets and alleys;
- (f) Public utilities;
- (g) Publicly owned water mains and sewers;
- (h) Public parks and playgrounds;
- (i) Public convention facilities which are financed at least in part with public money; and
- (j) All other publicly owned works and property.

NAC 338.0054 “Awarding body” defined. ([NRS 338.012](#)) “Awarding body” means a public body, as that term is defined in [NRS 338.010](#), or any authorized agent or representative of a public body.

DEFINITIONS FOR HORIZONTAL AND VERTICAL CONSTRUCTION NRS 338.010(12)(23)

Horizontal Construction NRS 330.010 - Subdivision 13. “Horizontal construction” means any construction, alteration, repair, renovation, demolition or remodeling necessary to complete a public work, including , without limitation, any irrigation, drainage, water supply, flood control, harbor, railroad, highway, tunnel, airport or airway, sewer, sewage disposal plant or water treatment facility and any ancillary vertical components thereof, bridge, inland waterway, pipeline for the transmission of petroleum or any other liquid or gaseous substance, pier, and any other work incidental thereto. The term does not include vertical construction, the construction of any terminal or other building of an airport or airway, or the construction of any other building.

Vertical Construction NRS 338.010 - Subdivision 24. “Vertical construction” means any construction , alteration, repair, renovation, demolition or remodeling necessary to complete a public work for any building, structure or other improvement that is predominantly vertical, including, without limitation, a building, structure or improvement for the support, shelter and enclosure of persons, animals, chattels or movable property of any kind, and any other work or improvement appurtenant thereto.

WHAT IS COMPLEX AND/OR HAZARDOUS?

Tasks routinely and customarily performed by an apprentice in an apprenticed craft or type of work, unless specifically prohibited by the applicable Apprenticeship Program or Apprenticeship Standards, are not considered to be either uniquely hazardous or complex tasks for the purpose of enforcement of the provisions of Senate Bill 207 and any regulations adopted pursuant thereto.

SENATE BILL 207 ONLY APPLIES TO PUBLIC WORKS PROJECTS OF \$100,000 OR MORE.

Assembly Bill 136 passed during the 2019 Nevada Legislative Session changed the public works project amount that triggers prevailing wage laws from \$250,000 to \$100,000. The Sponsor of Senate Bill 207, Senator Brooks, stated that the intent of Senate Bill 207 was to apply to public works projects based on prevailing wage laws and the amount that triggers prevailing wage laws. The Legislature determined that amount to be \$100,000. Therefore, Senate Bill 207 only applies to public works projects of \$100,000 or more.

Please see the testimony of Senator Brooks below from the April 25, 2019, Assembly Committee on Government Affairs:

Senator Brooks: “Right now, this would apply to public works projects. I know there is a piece of legislation coming from the Assembly that addresses where that dollar threshold is to trigger a public works project. Right now, I believe \$250,000 on a publicly funded project triggers the prevailing wage requirements that this would apply to. I believe that there is a piece of legislation, and I tend to believe it will be successful, that lowers that threshold to \$100,000. Nothing in this bill specifically refers to that but it points back to statutes that create the need to trigger prevailing wage.”

SENATE BILL 207 DOES NOT APPLY TO DAVIS-BACON OR 100% FEDERALLY FUNDED PROJECTS.

Senate Bill 207 is a state law that applies to state public works projects based on the definition set forth above in NRS Section 338.010 subdivision 17.

Senate Bill 207 does not apply to 100% federally funded projects and/or those projects that fall exclusively under the federal Davis-Bacon Act requirements for compliance and/or enforcement.

For projects that have a mix of state and federal funding, the public/awarding body should include the provisions of Senate Bill 207 as part of their bid documents and apply Senate Bill 207 on those projects.

The public/awarding body can work with their federal funding agencies and seek a determination from them as to whether Senate Bill 207 should apply based on the funding structure of the project. The Labor Commissioner will consider this information in determining whether Senate Bill 207 applies on those types of projects.

THE LABOR COMMISSIONER TYPICALLY DOES NOT HAVE JURISDICTION OVER THE BIDDING PROCESS.

NRS section 338.013 requires an identifying number from the Labor Commissioner. Please see below.

NRS 338.013 Inclusion of identifying number from Labor Commissioner in advertisement or solicitation and bids and other responsive documents; reports by public bodies and contractors to Labor Commissioner.

1. A public body that undertakes a public work shall request from the Labor Commissioner and include in any advertisement or other type of solicitation, an identifying number with a designation of the work. That number must be included in any bid or other document submitted in response to the advertisement or other type of solicitation.

2. Each public body which awards a contract for any public work shall report its award to the Labor Commissioner within 10 days after the award, giving the name and address of the contractor to whom the public body awarded the contract and the identifying number for the public work.

3. Each contractor engaged on a public work shall report to the Labor Commissioner and the public body that awarded the contract the name and address of each subcontractor whom the contractor engages for work on the project within 10 days after the subcontractor commences work on the contract and the identifying number for the public work.

4. The public body which awarded the contract shall report the completion of all work performed under the contract to the Labor Commissioner before the final payment of money due the contractor by the public body.

The bidding requirements and provisions set forth in NRS 338.1373 et seq. fall under the jurisdiction of the public/awarding bodies, with limited exceptions where the Labor Commissioner can get involved in the bidding and award of contracts if potential violations of prevailing wage and public works laws may be occurring.

Therefore, each public/awarding body is encouraged to work with their respective attorneys/counsel to develop forms and a process to implement Senate Bill 207. Examples and guidance have been provided on how to include the requirements of Senate Bill 207 in bid documents and in determining what is a responsive bid. The Labor Commissioner will not take over or assume any of the bidding and award duties of the public/awarding body as required by existing laws and regulations.

DEFINITION OF APPRENTICE NAC 338.

NAC 338.0052 “Apprentice” defined. ([NRS 338.012](#)) “Apprentice” means a person employed and individually registered in a bona fide apprenticeship program with:

1. The Bureau of Apprenticeship and Training of the Office of Apprenticeship, Training, Employer and Labor Services of the Employment and Training Administration of the United States Department of Labor or its successor; and

2. The State Apprenticeship Council pursuant to [chapter 610](#) of NRS and any regulations adopted pursuant thereto.

THE LABOR COMMISSIONER DOES NOT HAVE JURISDICTION OVER THE APPROVAL AND REGISTRATION OF APPRENTICESHIP PROGRAMS OR APPRENTICES IN THE STATE OF NEVADA.

In 2017, the Nevada Legislature moved the Nevada State Apprenticeship Council to the Governor’s Office of Workforce Innovation. For a list of Registered Apprenticeship Programs, apprenticeship questions, issues and/or complaints regarding Registered Apprenticeship Programs, and the verification and/or qualifications and/or work of an apprentice that is dispatched should be directed to the Registered Apprenticeship Program or the Nevada State Apprenticeship Council.

Please follow the link to their website. <http://owinn.nv.gov/Apprenticeship/AboutSAC/>.

THERE ARE NO REGISTERED APPRENTICESHIP PROGRAMS IN MY JURISDICTION.

A Request for Waiver may be submitted by the public/awarding body. Please follow the link to the Advisory Opinion on “Jurisdiction(s)” for purposes of Senate Bill 207.

http://labor.nv.gov/uploadedFiles/labornvgov/content/Apprenticeship_Utilization_Act/AO-2019-03%20AUA%20Jurisdiction%20definition.pdf

DOES THE AWARDING BODY STILL NEED TO REQUEST A WAIVER IF THERE IS NO REGISTERED APPRENTICESHIP PROGRAM IN THE JURISDICTION?

Yes, a Request for Waiver still needs to be submitted.

However, the Labor Commissioner will not require a Request for Waiver for the Truck Driver Job Classification in the State of Nevada based on the fact that there currently are no Registered Apprenticeship Programs for Truck Drivers in the State of Nevada, and because of the volume of waivers that could be generated simply for the Truck Driver Job Classification.

HOW MANY APPRENTICESHIP PROGRAMS DO I HAVE TO REQUEST APPRENTICES FROM?

A contractor/subcontractor that has more than three workers employed on a public work within the same apprenticed craft or type of work needs to request apprentices from every Registered Apprenticeship Program for that craft or type of work performed in their jurisdiction. This could include requesting apprentices from both a Union Apprenticeship Program and a Non-Union Apprenticeship Program. (See above for Advisory Opinion on “Jurisdiction(s)” for purposes of Senate Bill 207)

For example, the Laborers Job Classification and Job Description may also include Brick and Hod Plaster Carriers, Flaggers, Cement Masons, Fence Erectors, Asbestos Abatement, and Landscaping. Similarly, the Carpenters Job Classification and Job Description may also include different types of work performed. The Labor Commissioner will likely view each different Job Description within the broader Job Classification as separate crafts or types of work for purposes of SB207.

The contractor/subcontractor should identify the craft or type of work to be performed and determine how that work is bid and assigned according to area practice and within that jurisdiction. The Labor Commissioner does not have jurisdiction over jurisdictional disputes involving collective bargaining agreements where contractors/subcontractors and/or the Unions are claiming a type of work that has been assigned according to area practice and is set forth in the collective bargaining agreements.

Please also see the sample Project Workforce Checklist on the link below.

http://labor.nv.gov/Apprenticeship_Utilization_Act/Apprenticeship_Utilization_Act/

WHAT HAPPENS IF THE DISPATCHED APPRENTICE DOES NOT SHOW UP OR THERE ARE OTHER ISSUES WITH THE APPRENTICE?

The contractor/subcontractor should contact the Registered Apprenticeship Program and notify them that the apprentice did not show up. The contractor/subcontractor should also document the incident and notify the prime contractor and/or public/awarding body of the situation.

Apprenticeship questions, issues and/or complaints regarding Registered Apprenticeship Programs and the verification and/or qualifications and/or work of an Apprentice that is dispatched should be directed to the Registered Apprenticeship Program or the State of Nevada Apprenticeship Council.

Please follow the link to their website. <http://owinn.nv.gov/Apprenticeship/AboutSAC/>.

WHAT HAPPENS IF THE CONTRACTOR/SUBCONTRACTOR IS ONLY GOING TO HAVE MORE THAN 3 WORKERS PER CRAFT OR TYPE OF WORK TO BE PERFORMED FOR ONE DAY OR A LIMITED PERIOD OF TIME?

The Labor Commissioner cannot possibly address every individual situation that could arise on a public works jobsite. In the event that a contractor/subcontractor is required or finds the need to bring on additional workers that triggers the requirements of Senate Bill 207, the contractor/subcontractor should make every effort to bring on an apprentice to comply with the requirements of Senate Bill 207.

The Labor Commissioner also recognizes that there may be situations where the contractor/subcontractor only has more than 3 workers within a specific apprenticed craft or type of work for a day or for a limited period where it may not be reasonable and/or practical to request and/or obtain apprentice(s). The contractor/subcontractor should document the reason for the increase in workers and why it was necessary, and work with the prime contractor and/or public/awarding body to determine if the increase in workers will be temporary or a long-term situation.

The contractor/subcontractor should then determine if the contractor/subcontractor needs to request apprentices or if the public/awarding body should seek a Request for Waiver from the Labor Commissioner. In situations like this, the Labor Commissioner may look at the project as a whole and will review the actions of the contractor/subcontractor and public/awarding body to determine if their actions were reasonable and not an attempt to circumvent the requirements of Senate Bill 207.

In addition, in cases of emergencies, the law provides an exemption to prevailing wage requirements, and therefore the requirements of Senate Bill 207. (See also NRS sections 338.011 and 338.090.)

HOW WILL SENATE BILL 207 BE ENFORCED?

The plain language of Senate Bill 207 provides that it will be enforced contractor by contractor, subcontractor by subcontractor, and project by project. Therefore, the general/prime contractor cannot satisfy the 10% or 3% requirement on the project for all their subcontractors. If a subcontractor has more than 3 workers for an apprenticed craft or a type of work performed, they will need to comply with the requirements of Senate Bill 207 separately. Similarly, a general/prime contractor that has more than 3 workers within an apprenticed craft or type of work performed will need to comply with the requirements of Senate Bill 207 separately.

So for example, if you have 4 Electricians who each work a 40 hour week, $40 \times 4 = 160$, and that was the total hours they worked on the entire project. Because there were more than 3 workers per craft or type of work performed that would trigger the requirements of Senate Bill 207. Depending upon whether it was Vertical Construction = 10% or Horizontal Construction = 3% of the total hours of the project for that craft or type of work performed would have to be hours worked by an Apprentice based on the 160 total project hours.

It is important to look at and recognize the craft or the type of work performed. For example, the Flagger Job Classification is listed as separate, but the assignment of this work typically falls under the Laborers through collective bargaining agreements and area practice. However, a Flagger performs a distinct type of work from a general Laborer. So, if there are more than 3 Flaggers on a public works jobsite, there will need to be an apprentice on the jobsite for that craft or type of work performed, or a waiver obtained. Senate Bill 207 specifically specifies "craft" or "type of work performed." Prevailing wage laws require that workers are paid based on the type of work the worker actually performs. Senate Bill 207 reinforces this requirement by requiring apprentices specifically for the craft or type of work performed.

The Laborer and Operator Job Classifications contain Groups. The Groups will not be considered separately but will be counted together towards the more than 3 workers threshold. As stated above, exceptions to this could be Laborers if they are performing a separate and distinct type of work, such as a Flagger. If there is an Operator Group 1 worker, an Operator Group 2 worker, an Operator Group 4 worker, and an Operator Group 5 worker, they will all be counted together as 4 Operators, thereby triggering the requirements of Senate Bill 207.

There may be situations where the Labor Commissioner may need to look at and/or review the project on a broader basis or as a “whole” to determine compliance with Senate Bill 207. While the law does not necessarily provide any “carve outs” to not enforce the law contractor by contractor, subcontractor by subcontractor, or project by project, the Labor Commissioner will review compliance with Senate Bill 207 and compliance with prevailing wage laws based on the facts and evidence presented and the actions of the contractors, subcontractors, and public/awarding bodies.

WHAT HAPPENS IF THE PUBLIC/AWARDING BODY AND/OR LABOR COMMISSIONER FIND I COMMITTED A VIOLATION?

The law provides for notice, due process, and an opportunity to be heard. NAC sections 338.105 through 338.116 set forth the provisions governing the investigation, determination, objection, and hearing process. NRS section 338.015 also provides for notice and an opportunity for a hearing before an administrative penalty may be imposed. The Labor Commissioner does have the authority to impose administrative penalties of up to \$5,000 per violation against contractors, subcontractors, and public/awarding bodies.

Contractors, subcontractors, and public/awarding bodies should comply with the certified payroll reporting and review requirements set forth in NRS and NAC section 338 to monitor and review compliance with Senate Bill 207 and prevailing wage laws.

In the event a claim/complaint is filed with the Labor Commissioner it will follow the process set forth in NAC sections 338.106 through 338.116 and/or NRS section 338.015, and any other applicable laws and regulations.

Failure to maintain proper documentation and/or submit required reports, such as certified payroll reports, could result in potential violations and disqualification.

Intentional and/or purposeful actions that demonstrate an intent to circumvent the requirements of Senate Bill 207 and prevailing wage laws may result in administrative penalties and disqualification.

CONCLUSION

In this Advisory Opinion, the Labor Commissioner has attempted to provide guidance on the interpretation and implementation of Senate Bill 207. The Labor Commissioner will defer to the legislative intent, plain language, legislative testimony, and intent of Senate Bill 207 should additional questions arise.

The Labor Commissioner has made every effort to address the questions, concerns, and issues raised relating to Senate Bill 207. To the extent that a question, concern, or issue is not addressed in this Advisory Opinion, it is recommended that you contact the Office of the Labor Commissioner and submit your question(s) in writing to AUA@labor.nv.gov or contact our office at the phone numbers and address locations listed on the first page of this Advisory Opinion.

Please be advised that the Labor Commissioner may revisit the interpretation and implementation of Senate Bill 207 as needed through an additional Advisory Opinion or through the Administrative Rulemaking process.

Sample Forms and information on SB 207 can be found at:

http://labor.nv.gov/Apprenticeship_Utilization_Act/Apprenticeship_Utilization_Act/

Sincerely,

A handwritten signature in blue ink, appearing to read "Shannon M. Chambers", with a long horizontal flourish extending to the right.

Shannon M. Chambers
Labor Commissioner
Office of the Labor Commissioner State
of Nevada
Department of Business and Industry