

NOTICE AND EXPLANATION

The purpose of the hearing is to receive comments from all interested persons regarding the amendment of a regulation that pertains to Chapter 612 of the Nevada Administrative Code.

The following information is provided pursuant to the requirements of NRS 233B.0603:

1. Statement of need and purpose of the proposed regulation

The proposed amendment to the regulation pertaining to NAC 612, pursuant to Nevada Revised Statute (NRS) 612.607, clarifies the following: the requirements of conditions for approval of loans, the maximum loan amounts, how interest is charged, and the reimbursement of administrative costs.

2. Description of the regulations to be amended

The proposed amendment clarifies the requirements of conditions for approval of loans, modifies the maximum loan amounts, clarifies how interest is charged and clarifies the reimbursement of administrative costs.

3. The estimated economic effect

Effect on Businesses Affected by Regulation

The proposed regulation will only regulate a nonprofit lender who chooses to participate in the CEP loan program. The regulation only places additional burdens on any such lenders with respect to the grants received for this loan program, and does not restrict any business practices outside of the loan program. The regulation does provide for reimbursement of administrative costs both through interest collected on loans issued and provides for up to 10% of the grants made to the lender to be used for reimbursement of administrative expenses. Therefore, no adverse effects on the business being regulated are expected, in the short term or long term. A nonprofit lender participating in the program will have access to additional funds, which may be used to issue loans to qualified borrowers, potentially increasing the amount of business that lender is able to participate in. This would be a potential benefit to the lender.

Effect on the Public

Under this regulation, there are two paths by which the public is affected. First, the effect of the loans being made in assisting the formation of new businesses. The potential beneficial impact here is to the owners of any business that may take advantage of these loans, which would provide an interest-free loan for the first year of borrowing, which is a cheaper cost of capital than may otherwise be available. If such a business has employees, the cheaper cost of capital may allow for additional employment opportunities. Such effects may be limited by the size of the loans, and the size of the grants made under this regulation.

Second, the effect of the money being pulled out of other CEP programs in order to make these loans. To the extent that grants made under this program reduce the funding available to other CEP programs, which have a direct effect on helping individuals within the state find employment, those programs may be able to help fewer jobseekers than they would be otherwise unable to do. However, this depends upon whether the grants made under this program deplete the available CEP resources, or simply draw upon otherwise unspent reserves. The regulation does not force the Administrator to issue grants of a particular size, allowing the Administrator to balance the funding needs of the various CEP programs, so the potential adverse effect on other CEP programs is expected to be negligible.

4. What methods were used by the agency to determine the impact of the proposed regulation on small businesses pursuant to subsection 3 of NRS 233B.0608?

An analysis of the text of the regulation, the source of the funds used for the CEP program, and a summary of other programs funded under CEP as presented at the Employment Security Council meeting on May 27, 2014.

What are the reasons for the conclusions of the agency?

This regulation contains no fees or restrictions on the formation, operation, or expansion of any small businesses, with the possible exception of any small businesses which are nonprofit lenders who may voluntarily partner with DETR to administer the loans described in this regulation. Therefore, DETR believes there is no negative impact to small businesses in Nevada due to this regulation.

5. The estimated cost to the agency for enforcement of the proposed regulation.

Based on the expectation that proposals will be requested for one statewide program, with a total grant award greater than \$100,000, the total expected cost to administer and enforce the regulation is approximately \$6,500 per year. Costs would be higher if more than one grantee were needed to provide services statewide.

6. Overlap or duplication of regulations

The proposed regulation does not overlap or duplicate any regulations of other state or local government agencies.

7. Required pursuant to federal law

The proposed regulation is not required by federal law.

8. More stringent than federal regulations

The proposed regulation is not required pursuant to federal law, nor is there a federal regulation that regulates the same activity.

9. New or increased fee

This regulation does not impose any new fees or change any existing fees.

PUBLIC COMMENT

Persons wishing to comment upon the proposed action of the Department of Employment, Training and Rehabilitation (DETR), Employment Security Division, may appear at the scheduled public hearing or address their comments, data, views or arguments in written form to the Employment Security Division, 500 E. Third Street, Carson City, Nevada 89713 – Attention Joyce Golden. The Employment Security Division must receive all written submissions on or before August 4, 2014. If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the Employment Security Division may proceed immediately to action upon any written submissions.

A copy of this notice and the regulation to be amended will be on file at the Nevada State Library and Archives, 100 N. Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours. Additional copies of the notice and the regulation to be amended will be available at the Department of Employment, Training and Rehabilitation, Employment Security Division, 500 E. Third Street, Carson City, Nevada 89713, and in all counties in which an office of the agency is not maintained, at the main public library, for inspection and copying by members of the public during business hours. This notice and the text of the proposed regulation are also available in the State of Nevada Register of Administrative Regulations, which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653, and on the Internet at <http://www.leg.state.nv.us>. Copies of this notice and the proposed regulation will also be mailed to members of the public upon request. To obtain a copy of the proposed regulation and Determination of Impact to Small Businesses, write to the Department of Employment, Training and Rehabilitation, Employment Security Division, 500 E. Third Street, Carson City, Nevada 89713, or telephone Joyce Golden at (775) 684-3909. Copies of pertinent documents will also be made available on the DETR web site at: <http://nvdetr.org>. A reasonable fee may be charged for copies if it is deemed necessary. This does not apply to a public body subject to the Open Meeting Law.

This proposed regulation has been publicly noticed in accordance with Nevada's open meeting law, public comment has been solicited, and the regulation has been submitted to the Legislative Counsel Bureau for review, as outlined in NRS 233B.064, cited below.

NRS 233B.064 Permanent regulation not to be adopted until text approved or revised by Legislative Counsel; agency's reasons for adoption.

1. An agency shall not adopt, amend or repeal a permanent regulation until it has received from the Legislative Counsel the approved or revised text of the regulation in the form to be adopted. The agency shall immediately notify the Legislative Counsel in writing of the date of adoption of each regulation adopted.

2. Upon adoption of any regulation, the agency, if requested to do so by an interested person, either before adoption or within 30 days thereafter, will issue a concise statement of the principal reasons for and against its adoption, and incorporate therein its reason for overruling the consideration urged against its adoption.

Note: Persons with disabilities who require reasonable accommodations or assistance at the meeting should notify the Employment Security Division in writing at 500 East Third Street, Carson City, Nevada 89713, or call Joyce Golden at (775) 684-3909 (*for individuals who are deaf or have hearing disabilities, dial TTY (800) 326-6868 or 711 for Relay Nevada*), or send a fax to (775) 684-3910, within 72 hours of meeting date and time. Supporting materials as provided for in NRS 241.020(5) may be obtained by contacting Joyce Golden at the above-noted contact information.

Notice of this meeting was posted at the following locations on or before the *thirtieth* working day prior to the meeting:

Nevada State Library & Archives, 100 North Stewart Street, Carson City, NV 89701
Legislative Building, 401 South Carson Street, Carson City, NV 89701
Grant Sawyer State Building, 555 E. Washington Ave., Las Vegas, NV 89101
Legislative Counsel Bureau Web Site
Department of Employment, Training and Rehabilitation Web Site
All County Libraries in Nevada
Employment Security Division, State Administrative Office, 500 East Third Street, Carson City, NV 89713
Employment Security Division Southern Administrative Office, 2800 E. St. Louis Ave, Las Vegas, NV 89104
Unemployment Insurance Contributions, 1320 South Curry Street, Carson City, NV 89710
Reno Field Audit Office, 1325 Corporate Blvd, Suite B, Reno, NV 89502
Las Vegas Field Audit Office, 2800 E. St. Louis Ave, Las Vegas, NV 89104
Reno Appeals Office, 1325 Corporate Blvd, Suite C, Reno, NV 89502
Las Vegas Appeals Office, 2800 E. St. Louis Ave, Las Vegas, NV 89104
Reno Casual Labor Office, 420 Galletti Way, Sparks, NV 89431
Las Vegas Casual Labor Office, 1001 North A Street, Las Vegas, NV 89106
Nevada JobConnect-Carson City, 1929 North Carson Street, Carson City, NV 89701
Nevada JobConnect-Elko, 172 Sixth Street, Elko, NV 89801
Nevada JobConnect-Ely, 1500 Avenue F, Suite 1, Ely, NV 89301
Nevada JobConnect-Fallon, 121 Industrial Way, Fallon, NV 89406
Nevada JobConnect-Henderson, 119 Water Street, Henderson, NV 89015
Nevada JobConnect-Las Vegas, 3405 South Maryland Parkway, Las Vegas, NV 89169
Nevada JobConnect-North Las Vegas, 2827 Las Vegas Boulevard North, Las Vegas, NV 89030
Nevada JobConnect-Reno Town Mall, 4001 South Virginia Street, Suite H-1, Reno, NV 89502
Nevada JobConnect-Sparks, 1675 E. Prater Way, Suite 103 Sparks, NV 89434
Nevada JobConnect-Winnemucca, 475 Haskell St., Suite 1, Winnemucca, NV 89445

Notice of this meeting was posted on the Internet on the following site:
http://nvdetr.org/public_notices.htm and the State of Nevada's Public Notice website at:
<https://notice.nv.gov/>.