

STATE OF NEVADA

Brian Sandoval
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Frank Woodbeck
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Department of Employment, Training and Rehabilitation
EMPLOYMENT SECURITY DIVISION
500 E. Third Street
Carson City, Nevada 89713-0001

NOTICE OF INTENT TO ACT UPON A REGULATION
Notice of Hearing for the Adoption of a Regulation of the
Employment Security Division of the
Department of Employment, Training and Rehabilitation

The Employment Security Division of the Department of Employment, Training and Rehabilitation (DETR) will hold a public hearing at 10:00 a.m., on Tuesday, August 27, 2013 at the Legislative Building, 401 S. Carson Street, Room 3137, Carson City, Nevada 89701. The hearing will also be videoconferenced to the Grant Sawyer Building, 555 E. Washington Ave, Room 4412E, Las Vegas, Nevada 89101.

This meeting will also be broadcast on the Internet at www.leg.state.nv.us

The purpose of the hearing is to receive comments from all interested persons regarding the adoption 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**

The regulation is necessary to establish a dedicated revenue stream to support the potential issuance of bonds pursuant to Senate Bill No. 515, chapter 450, Statutes of Nevada 2013.

2. **How to obtain the revised text of regulation**

A copy of the proposed regulation as revised by Legislative Counsel can be downloaded from the Department of Employment, Training and Rehabilitation's (DETR) website at www.nvdetr.org. A request for a hard copy can be made in writing or in person at DETR's State Administrative Office located at 500 E. Third Street, Carson City, Nevada 89713, or telephone Joyce Golden at (775) 684-3909.

3. **Estimated Economic Effect**

Beginning in 2009, it became necessary for the state to borrow funds from the US Treasury under Title XII of the Social Security Act for the continued payment of regular unemployment benefits. The proposed regulations will create new quarterly assessments, which will serve as dedicated revenue streams to provide the security and means of repayment in the event that the state issues bonds for the purpose of repaying the Title XII loan and/or reestablishing a reserve within the state's unemployment trust fund.

(a) **Effect on businesses**

If bonds are issued to repay the Title XII debt and to reestablish a reserve within the state's unemployment trust fund, it is the intent of the Employment Security Division to lower the average unemployment contribution rate at the same time. By repaying the Title XII loan, the credit Nevada employers receive toward federal unemployment taxes will be fully restored, dropping the federal unemployment tax rate from 1.5% in 2013, 1.8% in 2014, and 2.1% in 2015 to 0.6% for the same period. The net effect of these three factors – the new bond assessments created by this regulation, the lowering of the average regular unemployment contribution rate, and the lowering of the effective federal unemployment tax – will vary from business to business depending on the prior experience of each business with respect to unemployment. The overall effect is expected to reduce the total burden on employers by taking advantage of favorable interest rates, and by providing increased stability and predictability of total costs over the period in which these assessments will be in effect.

(b) **Effect on the public**

The immediate and long-term effect on the public is to restore the financial stability of the state's unemployment trust fund, ensuring the payment of unemployment benefits to workers who are unemployed through no fault of their own. Unemployment benefits enable unemployed persons to purchase necessary goods and services and put those resources back into the local economy. It is estimated that every dollar in UI benefits paid provides over \$2 in value to the local economy.

4. **Methods Used to Determine Impact on a Small Business**

The proposed regulation is designed to be similar to the existing experience rating structure of regular unemployment contributions. Experience rating is designed to ensure that employers are fairly rated based on their unique experience with unemployment, regardless of size or industry type. According to the records of the Division, approximately 43% of all taxable wages in the state are paid by small businesses. A small business workshop is scheduled to be held on July 31, 2013 to solicit public comment.

5. **Estimated cost**

There are no additional costs involved in enforcing the proposed regulation, as existing processes will be used to collect these funds in the same way as existing unemployment contributions, for which funds for administration are provided by the U.S. Department of Labor.

6. **Overlap or duplication of regulations**

The proposed regulation establishes a new, dedicated revenue stream as the security and means of repayment for the potential issuance of bonds. Therefore the regulation does not overlap or duplicate any regulations of other state or local government agencies.

7. **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.

8. **New or increased fee**

This regulation creates new quarterly assessments applied to employers subject to unemployment contributions under NRS 612. In addition, the regulation creates a new assessment which may be collected as needed from employers subject to unemployment contributions under NRS 612 if there are insufficient funds collected during the year for the repayment of bond principal or interest.

Persons wishing to comment on the proposed action of the Department of Employment, Training and Rehabilitation, 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. The Employment Security Division must receive all written submissions on or before August 20, 2013. 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 adopted 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 adopted 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. A reasonable fee may be charged for copies if it is deemed necessary.

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.

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, shall 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.

This notice of hearing has been posted at the following locations:

- 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