



August 22, 2013

Renee Olson  
Administrator  
Employment Security Division  
2800 E. St. Louis Ave.  
Las Vegas, NV 89104

RE: Proposed Regulation LCB File No. R039-13 regarding Unemployment Insurance

Dear Ms. Olson,

I am writing to you on behalf of the Nevada Resort Association (NRA) to comment on the proposed regulation for financing the state's unemployment insurance debt. The NRA represents 70 hotel resorts statewide. As the state's largest industry, gaming companies include seven of the ten largest employers in Nevada. The industry generates approximately 42% of the state's general fund revenue.

We appreciate the state's efforts to secure low interest financing to repay the federal loan balance and consequently lower the federal unemployment tax paid by Nevada employers. We also support your proposal to reflect the employers' previous experience in the tax rates required to retire any bond debt. Most NRA members, however, will experience increased unemployment contributions under the state's plan for financing the repayment and the solvency fund, at least in the first several years of the proposed plan.

While the increased rates for repayment to the federal government may have longer-term benefits, we continue to have concerns regarding the near-term cash flow effects of taxing employers today to create what is essentially an emergency savings account for the state. Higher tax rates for the solvency fund will have a direct impact on the employers' net revenue thus competing with funds that might otherwise be used for capital investment, wages and salaries, and even additional employment.

The NRA is in agreement with the state's plans to move forward with financing the federal debt but we continue to have concerns regarding the policy proposal to replenish the state's unemployment trust fund. The NRA supports a regulation being adopted next week to provide guidance on repaying the federal debt. The current rate appears to be adequate enough to pay benefits and growth in the fund over a reasonable period, therefore the NRA respectfully requests that the regulation not include provisions related to the unemployment trust fund until such time that employers in Nevada can fully

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understand and anticipate rate increase consequences. The NRA would further request that the Governor's Office convene a working group of large and small Nevada employers and industry group leaders to determine the appropriate mechanism, rate structure, and timing related to funding the restoration of the unemployment trust fund.

Thank you in advance for the opportunity to comment on the proposed regulation.



Virginia Valentine, President  
Nevada Resort Association

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CC: Frank Woodbeck