

LCB File No. R103-00

**PROPOSED REGULATION OF THE
EMPLOYMENT SECURITY DIVISION OF THE
DEPARTMENT OF EMPLOYMENT, TRAINING AND
REHABILITATION**

NOTICE OF INTENT

**State of Nevada
Department of Employment, Training and Rehabilitation
Employment Security Division**

**NOTICE OF PUBLIC HEARING
And Intent to Adopt a Regulation
November 21, 2000**

To establish the Unemployment Compensation Tax Rate Schedule for Calendar Year 2001
(LCB File R0103-00)

The Employment Security Division of the Department of Employment, Training and Rehabilitation will hold a public hearing at 1:30 p.m., on Tuesday, November 21, 2000, in the Board Room of the Nevada Department of Education, 700 East Fifth Street, Carson City, Nevada. The purpose of the hearing will be to receive comments from all interested persons regarding the adoption of a regulation which will establish the unemployment compensation tax rate schedule for eligible employers for calendar year 2001. The administrator of the Employment Security Division is required to prescribe the contribution rate schedule, pursuant to NRS 612.550.

The rate schedule being proposed for 2001 will result in an estimated 1.29% average tax rate on taxable wages. This schedule was recommended by the Employment Security Council at

a workshop held on October 16, 2000, as required by NRS 233B.061. There were no comments from the public.

Estimated Economic Effect

Business

(a) The proposed regulation provides for an estimated 1.29% average tax rate on taxable wages for the calendar year 2001, which is the same average rate in effect for calendar year 2000. The effect of the regulation is to ensure continued solvency of the Unemployment Compensation Trust Fund from which unemployment benefits are paid, with no change in the estimated average tax rate. The balance in the fund on September 30, 2000 was \$505.2 million, which was \$159.3 million more than the state solvency test of \$346.8 million, as provided in NRS 612.550. It is projected that the adopted rate schedule will produce an ending balance of \$549.8 million on September 30, 2001, which will be approximately \$175.0 million more than the projected state solvency test of \$374.8 million.

(b) The immediate effect will be to continue the estimated average tax rate paid by businesses at 1.29% of taxable wages. The long-term effect will be to maintain solvency of the Unemployment Compensation Trust Fund to ensure that unemployment benefits will continue to be paid, and that Nevada will not have to borrow federal funds.

Public

(a) There are no adverse or beneficial effects on the public, as the tax rate schedule would have no impact on benefit payments.

(b) There are no immediate effects on the public. The long-term effect is to ensure that Nevada may continue to pay benefits to those individuals who are unemployed through no fault of their own, and to stabilize the economy during periods of economic downturn.

Estimated cost

There are no additional costs involved in enforcing the adopted regulation, since funds are provided by the Department of Labor to administer the Unemployment Compensation Program.

Overlap or duplication

The regulation does not overlap or duplicate any regulations of other state, or local governmental agencies.

Federal regulations

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

Copies of proposed regulation

Copies of the proposed regulation may be inspected and copied during normal working hours at the Department of Employment, Training, and Rehabilitation, Employment Security Division, 500 East Third Street, Carson City, Nevada 89713, or at any location listed at the bottom of this notice. Copies of this notice and the proposed regulation will also be mailed to members of the public upon request, telephone (775) 684-3909.

New or increased fee

The regulation does not establish a new fee or increase an existing fee.

NRS 233B.064, Subsection 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.”

Comments

Persons wishing to comment on the proposed action of the Employment Security Division may appear at the above scheduled public hearing or may address comments, data, views or arguments in written form to the Department of Employment, Training and Rehabilitation, Employment Security Division, 500 East Third Street, Carson City, Nevada 89713. Written submissions must be received on or before November 21, 2000. 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 to immediately act upon any written submissions.

We are pleased to make reasonable accommodations for members of the public who are disabled and wish to attend the hearing. If special arrangements for the hearing are necessary, please notify the Employment Security Division, 500 East Third Street, Carson City, Nevada 89713, or call Joyce Golden at (775) 684-3909 as soon as possible.

This notice is provided in compliance with NRS 241.020 and NRS 233B.0603

This notice has been posted at the following locations:

Nevada State Library, 100 Stewart Street, Carson City, NV
Employment Security Division, State Administrative Office, 500 East Third Street, Carson City, NV
Northern Nevada Adjudication Office, 1370 South Curry Street, Carson City, NV
Unemployment Insurance Contributions, 1320 South Curry Street, Carson City, NV
Reno Industrial Labor Office, 420 Galletti Way, Sparks, NV
Las Vegas Industrial Labor Office, 1001 A Street, Las Vegas, NV
Workforce Development Support Services, 1937 North Carson Street, Room 210, Carson City, NV
Career Enhancement Program (CEP), 1937 North Carson Street, Room 202, Carson City, NV
Southern Regional Administration Office, 1830 E. Sahara, Suite 305, Las Vegas, NV
Southern Nevada Adjudication Office, 1830 E. Sahara, Suite 305, Las Vegas, NV
Las Vegas Field Audit Office, 1830 E. Sahara, Suite 313, Las Vegas, NV
Las Vegas Appeals Office, 1820 E. Sahara, Suite 301, Las Vegas, NV
Nevada's Job Link-Las Vegas, 3405 South Maryland Parkway, Las Vegas, NV

Community Employment & Training Center (CETC), 902 West Owens Avenue, Las Vegas, NV
Nevada's Job Link-North Las Vegas, 2827 Las Vegas Boulevard North, Las Vegas, NV
Nevada's Job Link-Henderson, 119 Water Street, Henderson, NV
Nevada's Job Link-Old Town Mall, 4001 South Virginia Street, Suite H-1, Reno, NV
Nevada's Job Link-Viewcrest Center, 3697-D Kings Row, Reno, NV
Reno Field Audit Office, 3697-D Kings Row, Reno, NV
Reno Appeals Office, 3697-D Kings Row, Reno, NV
Nevada's Job Link-Elko, 172 Sixth Street, Elko, NV
Elko Field Audit Office, 172 Sixth Street, Elko, NV
Nevada's Job Link-Ely, 480 Campton Street, Ely, NV
Nevada's Job Link-Fallon, 121 Industrial Way, Fallon, NV
Nevada's Job Link-Winnemucca, 475 Haskell St., #1, Winnemucca, NV
Nevada's Job Link-Carson City, 1929 North Carson Street, Carson City, NV
Nevada's Job Link-Sparks, 2010 Oddie Boulevard, Sparks, NV
Legislative Building, 401 South Carson Street, Carson City, NV
Sawyer State Office Building, 555 E. Washington Street, Las Vegas, NV
Legislative Counsel Bureau for inclusion in the register of administrative regulations
All county libraries in Nevada

**NOTICE OF PUBLIC MEETING
and
WORKSHOP
October 16, 2000**

**To Consider Adoption of a Regulation to Establish the Unemployment Tax Rate Schedule
for Calendar Year 2001
(LCB File No. RO013-00)**

The Employment Security Council of the Employment Security Division of the Department of Employment, Training, and Rehabilitation (775) 684-3909, will hold a public meeting and workshop to consider and recommend a proposed regulation to establish the unemployment tax rate schedule for Nevada employers for calendar year 2001. The meeting will be held on Monday October 16, 2000, 9:00 a.m. at the Airport Plaza Hotel, 1981 Terminal Way, Second Floor Banquet Room, Reno, Nevada.

This notice is provided in compliance with NRS 241.020 and NRS 233B.061. A copy of the agenda is attached.

This notice and a copy of the agenda has been posted at the following locations:

Nevada State Library, 100 Stewart Street, Carson City, NV
Employment Security Division, State Administrative Office, 500 East Third Street, Carson City, NV
Northern Nevada Adjudication Office, 1370 South Curry Street, Carson City, NV
Unemployment Insurance Contributions, 1320 South Curry Street, Carson City, NV
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Legislative Counsel Bureau Web Site
All county libraries in Nevada

**STATE OF NEVADA
DEPARTMENT OF EMPLOYMENT, TRAINING & REHABILITATION
EMPLOYMENT SECURITY DIVISION**

MEETING NOTICE AND AGENDA

This meeting of the Employment Security Council is the workshop to solicit public comment on the proposed regulations pursuant to Nevada Revised Statute 233B.061.

Name of Organization: Nevada Employment Security Council
(Nevada Revised Statute 612.305)

Date and Time of Meeting: Monday, October 16, 2000
9:00 a.m.

Place of Meeting: Airport Plaza Hotel
1981 Terminal Way
Second Floor Banquet Room
Reno, Nevada 89502

AGENDA

- I. Call to Order - Paul Havas, Chairman
- *II. Approval of Minutes from October 14, 1999, Employment Security Council Meeting
- III. Introduction of Department of Employment, Training and Rehabilitation and Employment Security Division Staff - Birgit Baker, Administrator
- VI. Message from the Director - Myla C. Florence
- V. Overview of the Workforce Investment Act of 1998 - Staff
- *VI. Workshop to Consider Adoption of Regulation to Establish the Unemployment Tax Rate Schedule for Calendar Year 2001:
 - A. Economic Projections - Bob Murdock
 - B. Review of Unemployment Insurance Trust Fund - Gary Lungstrum
 - C. Tax Schedule Explanation - Jim Shelly
 - D. Public Comments
- *VII. Council Recommendations for Calendar Year 2001 Tax Rates
- VIII. Adjournment

*Denotes items on which the Council may take action.

Note: We are pleased to make reasonable accommodations for members of the public who are disabled and wish to attend the meeting. If special arrangements for the meeting are necessary, please notify the Employment Security Division, in writing, at the Employment Security Division, 500 East Third Street, Carson City, Nevada 89713, or call Joyce Golden, at (775) 684-3909, as soon as possible.

**PROPOSED REGULATION OF THE
EMPLOYMENT SECURITY DIVISION OF THE
DEPARTMENT OF EMPLOYMENT, TRAINING AND
REHABILITATION**

**STATE OF NEVADA
DEPARTMENT OF EMPLOYMENT, TRAINING AND REHABILITATION
Employment Security Division
LCB File No. RO103-00**

NEVADA ADMINISTRATIVE CODE 612.270 (REVISED)

ASSIGNMENT OF UNEMPLOYMENT CONTRIBUTION RATES

Effective January 1, 2001

EXPLANATION - matter in *italics* is new; matter in brackets ~~omitted material~~ is material to be omitted.

AUTHORITY: §§ 1 and 2, NRS 612.220, 612.550

Section 1. NAC 612.270 is hereby amended to read as follows:

612.270

The administrator establishes the following schedule of contribution rates for eligible employers for calendar year ~~2000~~ *2001*:

Class 1: A rate of 0.25 percent is assigned to each employer whose reserve ratio is ~~7.1~~ *7.0* percent or more;

Class 2: A rate of 0.55 percent is assigned to each employer whose reserve ratio is at least ~~5.7~~ *5.6* percent but less than ~~7.1~~ *7.0* percent;

Class 3: A rate of 0.85 percent is assigned to each employer whose reserve ratio is at least ~~4.3~~ *4.2* percent but less than ~~5.7~~ *5.6* percent;

Class 4: A rate of 1.15 percent is assigned to each employer whose reserve ratio is at least ~~2.9~~ *2.8* percent but less than ~~4.3~~ *4.2* percent;

Class 5: A rate of 1.45 percent is assigned to each employer whose reserve ratio is at least ~~1.5~~ *1.4* percent but less than ~~2.9~~ *2.8* percent;

Class 6: A rate of 1.75 percent is assigned to each employer whose reserve ratio is at least ~~0.1~~ *0.0* percent but less than ~~1.5~~ *1.4* percent;

Class 7: A rate of 2.05 percent is assigned to each employer whose reserve ratio is at least

~~[-1.3]~~ -1.4 percent but less than ~~[0.1]~~ 0.0 percent;

Class 8: A rate of 2.35 percent is assigned to each employer whose reserve ratio is at least ~~[-2.7]~~ -2.8 percent but less than ~~[-1.3]~~ -1.4 percent;

Class 9: A rate of 2.65 percent is assigned to each employer whose reserve ratio is at least ~~[-4.1]~~ -4.2 percent but less than ~~[-2.7]~~ -2.8 percent;

Class 10: A rate of 2.95 percent is assigned to each employer whose reserve ratio is at least ~~[-5.5]~~ -5.6 percent but less than ~~[-4.1]~~ -4.2 percent;

Class 11: A rate of 3.25 percent is assigned to each employer whose reserve ratio is at least ~~[-6.9]~~ -7.0 percent but less than ~~[-5.5]~~ -5.6 percent;

Class 12: A rate of 3.55 percent is assigned to each employer whose reserve ratio is at least ~~[-8.3]~~ -8.4 percent but less than ~~[-6.9]~~ -7.0 percent;

Class 13: A rate of 3.85 percent is assigned to each employer whose reserve ratio is at least ~~[-9.7]~~ -9.8 percent but less than ~~[-8.3]~~ -8.4 percent;

Class 14: A rate of 4.15 percent is assigned to each employer whose reserve ratio is at least ~~[-11.1]~~ -11.2 percent but less than ~~[-9.7]~~ -9.8 percent;

Class 15: A rate of 4.45 percent is assigned to each employer whose reserve ratio is at least ~~[-12.5]~~ -12.6 percent but less than ~~[-11.1]~~ -11.2 percent;

Class 16: A rate of 4.75 percent is assigned to each employer whose reserve ratio is at least ~~[-13.9]~~ -14.0 percent but less than ~~[-12.5]~~ -12.6 percent;

Class 17: A rate of 5.05 percent is assigned to each employer whose reserve ratio is at least ~~[-15.3]~~ -15.4 percent but less than ~~[-13.9]~~ -14.0 percent;

Class 18: A rate of 5.4 percent is assigned to each employer whose reserve ratio is less than ~~[-15.3]~~ -15.4 percent.

Sec. 2. This regulation becomes effective on January 1, ~~[2000]~~ 2001.

BIRGIT K. BAKER
ADMINISTRATOR
DEPARTMENT OF EMPLOYMENT,
TRAINING AND REHABILITATION
Employment Security Division