

**LCB FILE No. R013-04**

**PROPOSED REGULATION OF THE ADMINISTRATOR OF THE  
DIVISION OF INDUSTRIAL RELATIONS OF THE  
DEPARTMENT OF BUSINESS AND INDUSTRY**

**NOTICE OF WORKSHOP TO CONSIDER REGULATIONS  
AND  
NOTICE OF INTENT TO ACT ON PROPOSED REGULATIONS  
(NOTICE OF PUBLIC HEARING)**

The Division of Industrial Relations, Department of Business and Industry, State of Nevada (Division), will conduct a public workshop followed by a public hearing on proposed regulations concerning 2003 Senate Bill 193 (SB193). SB193 states in part that certain claimants and dependents of claimants who are receiving compensation for a permanent total disability for which a determination was made before January 1, 1996, are entitled to receive a one time compensation payment. At the workshop, SB 193 will be discussed and the disbursement plan will be presented. A public hearing will be held in the afternoon following the public workshop.

The public workshop on proposed regulations will be conducted, via videoconference, at 9:00 a.m., February 18, 2004, and a subsequent public hearing will be held at 1:30 p.m., February 18, 2004 at the following locations:

Sawyer Building  
555 East Washington Avenue  
Room 4412  
Las Vegas, Nevada

Legislative Building  
401 South Carson Street  
Room V2135  
Carson City, Nevada

Pursuant to NRS 233B.0603, the Division is providing the following information pertaining to the public workshop and the proposed regulation.

The need and purpose of the proposed regulation: The Division is conducting the public workshop to address the 2003 legislative changes and a public hearing on a proposed regulation concerning a one time permanent total disability (PTD) payment for claimants or dependents of claimants whose PTD was determined prior to January 1, 1996. The legislative change requires the Division to adopt a regulation to establish a method for equitable distribution to the appropriate claimants or dependents of claimants, and other matters related thereto. The Division may adopt other regulations that are necessary to carry out additional provisions of SB193.

The terms and substance of the proposed regulation: In particular, the Division will adopt a regulation that will provide a payment for claimants with the largest proportional share being paid to the claimants or dependents of claimants that receive the lowest amount of compensation, and other matters related thereto.

The estimated economic effect of the proposed regulations on (a) regulated businesses and (b) the public, including, stated separately, (i) adverse and beneficial effects, and (ii) immediate and long-term effects: The Division believes that the immediate adverse economic effect of the proposed regulations is minimal. There will, however, be a cost charged to each policyholder of the insurance companies that paid into the assessment to cover the amount collected from that insurer. In the long-term, the Division does not anticipate either an adverse or beneficial economic effect. Changes necessary to implement or enforce the proposed regulations will not have any adverse or beneficial economic effect, either immediate or long-term.

The estimated cost to the Division for enforcement of the proposed regulation: The Division estimates that the cost of collection and disbursement is minimal. The legislative changes and the regulation necessary to implement and enforce them do not appear to place a significant economic burden on the Division.

The Division believes that the proposed regulation does not overlap or duplicate any existing regulations. The proposed regulation is not required by federal law; it is, however, more stringent than federal law; there is no equivalent federal law.

The Division invites representatives of regulated businesses and the public to attend the public hearing and/or prepare written and/or oral comments concerning the proposed regulation. Interested persons may submit written comments to Ken Webb, Southern District Manager, Division of Industrial Relations, 1301 North Green Valley Parkway, Suite 200, Henderson, Nevada 89074. If no person who is directly affected by the proposed regulation appears to make oral comments, the Division will proceed immediately to act upon any written submissions.

Persons with disabilities who require special accommodations or assistance at the public hearing are requested to notify Sue Buswell, in writing, at least three (3) working days prior to the hearing, at the Division of Industrial Relations at 1301 North Green Valley Parkway, Suite 200, Henderson, Nevada 89074 or by calling (702) 486-9080.

A copy of the proposed regulation is available at the Division's web page ([www.dirweb.state.nv.us](http://www.dirweb.state.nv.us)), the Division's offices (400 West King, Suite 210, Carson City, Nevada; 1301 North Green Valley Parkway, Suite 200, Henderson, Nevada; 4600 Kietzke Lane, Suite F-153, Reno, Nevada; 350 W. Silver Street, Suite 230, Elko, Nevada; 610 Melarkey, Winnemucca, Nevada; and State House Complex, 1100 Erie Main, Suite #3, Tonopah, Nevada) and at the main branch of the public library of each county.

Notice required by NRS 233B.064: Upon adoption of any regulation, the agency (the Division), if requested to do so by an interested person, either before adoption or thirty 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 has been posted at the Division's offices, the main branch of the public library in each county, the Grant Sawyer Building, 555 East Washington Avenue, Las Vegas, Nevada and the Nevada State Library and Archives, 100 Stewart Street, Carson City, Nevada.

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January 15, 2002

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

AUTHORITY: Senate Bill 193 § 3

**Section 1.** Chapter 616C of the NAC is hereby amended by adding thereto the provisions set forth as section 2, of this regulation.

**Sec. 2.** *For purposes of carrying out the provisions of Senate Bill 193, section 3, subsection 4, the Administrator will use the following method for the equitable distribution of money collected from the assessment on insurers:*

*1. Each claimant or dependent who was receiving on the effective date of Senate Bill 193 compensation pursuant to chapters 616A to 617, inclusive, of NRS for a permanent total disability for which a final determination of permanent total disability was made before January 1, 1996, is entitled to receive an amount that represents of an equal share of \$200,000. The amount due each claimant or dependent is calculated by dividing \$200,000 by the number of claimants or dependents who are entitled to a payment pursuant to this subsection.*

*2. In addition to the amount specified in subsection 1, a claimant or dependent entitled to receive a payment pursuant to subsection 1, is also entitled to receive an equal share of \$100,000 if the claimant or dependent was receiving, as of the effective date of Senate Bill 193, \$1,000 to \$1,500 per month in compensation for permanent total disability. The amount due*

*each claimant or dependent is calculated by dividing \$100,000 by the number of claimants or dependents who are entitled to a payment pursuant to this subsection.*

*3. In addition to the amount specified in subsection 1, a claimant or dependent entitled to receive a payment pursuant to subsection 1, is also entitled to receive an equal share of \$200,000 if the claimant or dependent was receiving, as of the effective date of Senate Bill 193, less than \$1,000 per month in compensation for permanent total disability. The amount due each claimant or dependent is calculated by dividing \$200,000 by the number of claimants or dependents who are entitled to a payment pursuant to this subsection.*

*4. The Administrator will make the payments provided in this section to each claimant or dependent entitled to a payment not later than July 1, 2004. Any payment received by a claimant or dependent pursuant to this section is in addition to any compensation to which the claimant or dependent is otherwise entitled by law.*

## **SMALL BUSINESS IMPACT STATEMENT**

This statement was prepared to comply with NRS 233B.0608 and 233B.0609. This statement addresses the fiscal impact of the proposed regulation concerning SB193 and the distribution of a one time permanent total disability payment for claimants or dependents of claimants for which a determination was made before January 1, 1996, stemming from legislative changes made during the 2003 session, and related matters.

In order to determine whether these regulatory matters are likely to have an impact on small businesses, the Division considered the purpose and scope of the proposed and potential regulation in conjunction with existing regulations. Based on this review, the Division determined that the proposed regulation is not likely to have an adverse affect on small businesses.

Senate Bill 193 requires the Division of Industrial Relations to adopt a regulation that establishes a method of equitable distribution of money collected from insurers, association of self insured employers and self-insured employers. The Division does not anticipate that adopting a regulation to disburse the one time permanent total disability payment for claimants or dependents of claimants will have any adverse or beneficial economic effect, either immediate or long-term on small businesses.