

LCB File No. R130-07

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

**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 November 30, 2007, at the Legislative Building, 401 S. Carson Street, Room 2134, Carson City, Nevada. The hearing can also be seen by videoconference at the Grant Sawyer Building, 555 E. Washington Ave, Room 4412E, Las Vegas, Nevada. 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

The regulation is required to establish the schedule of unemployment insurance tax rates for those employers eligible for experience rating for calendar year 2008. The Administrator of the Employment Security Division is required to establish this schedule annually, pursuant to NRS 612.550.

2. How to obtain the revised text of regulation

You may obtain a copy of the proposed regulation as revised or approved by Legislative Counsel by writing 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.

3. Estimated Economic Effect

The balance in the unemployment insurance trust fund on September 30, 2007 is estimated to be \$800.8 million, which is \$254.3 million more than the estimated state solvency requirement of \$546.5 million, as provided in NRS 612.550. It is projected that the proposed tax rate schedule will produce an ending balance of \$865.9 million on September 30, 2008, which will be approximately \$300.2 million more than the projected state solvency requirement of \$565.7 million.

(a) **Effect on business and public**

The average tax rate will decrease from the last three years of 1.38% to 1.33%. Therefore, it poses no adverse economic effect on large or small businesses or the public. The decrease to the average tax rate will still allow the trust fund to grow in conjunction with the potential demand anticipated by new employers and covered workers while providing some needed economic relief to Nevada employers during this slow down of economic growth.

(b) **Immediate and long-term effects**

The average tax rate will become effective January 1, 2008 and remains in effect for the calendar year. It is anticipated that the solvency level will be maintained at an adequate level to meet the financing requirements of the trust fund. There are no known immediate or long-term adverse effects on the general public.

4. **Estimated cost**

There are no additional costs involved in enforcing the proposed regulation, since funds are provided by the U.S. Department of Labor to administer the Unemployment Insurance Program.

5. **Overlap or duplication of regulations**

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

6. **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.

7. **Summary of provisions more stringent than the federal regulations**

Not applicable.

8. **New or increased fee**

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

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 East Third Street, Carson City, Nevada 89713. The Employment Security Division must receive all written submissions on or before November 30, 2007. 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, 100 Stewart Street, Carson City, Nevada, for inspection by members of 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 East 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. This does not apply to a public body subject to the Open Meeting Law.

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 or incorporate therein its reason for overruling the consideration urged against its adoption.

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

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, Northern 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, 480 Campton Street, 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-Pahrump, 2101 East Calvada Blvd., Pahrump, NV 89041
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 89431
Nevada JobConnect-Winnemucca, 475 Haskell St., Suite 1, Winnemucca, NV 89445

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

Authority §§1 and 2, NRS 612.220 and 612.550.

A REGULATION relating to unemployment compensation; prescribing the contribution rate schedule for 2008; and providing other matter properly relating thereto.

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

NAC 612.270 The administrator establishes the following schedule of contribution rates for eligible employers for calendar year ~~2007~~ 2008:

1. Class 1: A rate of 0.25 percent is assigned to each employer whose reserve ratio is ~~7.3~~ 7.2 percent or more;
2. Class 2: A rate of 0.55 percent is assigned to each employer whose reserve ratio is at least ~~5.9~~ 5.8 percent but less than ~~7.3~~ 7.2 percent;
3. Class 3: A rate of 0.85 percent is assigned to each employer whose reserve ratio is at least ~~4.5~~ 4.4 percent but less than ~~5.9~~ 5.8 percent;
4. Class 4: A rate of 1.15 percent is assigned to each employer whose reserve ratio is at least ~~3.1~~ 3.0 percent but less than ~~4.5~~ 4.4 percent;
5. Class 5: A rate of 1.45 percent is assigned to each employer whose reserve ratio is at least ~~1.7~~ 1.6 percent but less than ~~3.1~~ 3.0 percent;
6. Class 6: A rate of 1.75 percent is assigned to each employer whose reserve ratio is at least ~~0.3~~ 0.2 percent but less than ~~1.7~~ 1.6 percent;
7. Class 7: A rate of 2.05 percent is assigned to each employer whose reserve ratio is at least ~~1.1~~ -1.2 percent but less than ~~0.3~~ 0.2 percent;
8. Class 8: A rate of 2.35 percent is assigned to each employer whose reserve ratio is at least ~~2.5~~ -2.6 percent but less than ~~1.1~~ -1.2 percent;
9. Class 9: A rate of 2.65 percent is assigned to each employer whose reserve ratio is at least ~~3.9~~ -4.0 percent but less than ~~2.5~~ -2.6 percent;

10. Class 10: A rate of 2.95 percent is assigned to each employer whose reserve ratio is at least ~~[-5.3]~~ -5.4 percent but less than ~~[-3.9]~~ -4.0 percent;

11. Class 11: A rate of 3.25 percent is assigned to each employer whose reserve ratio is at least ~~[-6.7]~~ -6.8 percent but less than ~~[-5.3]~~ -5.4 percent;

12. Class 12: A rate of 3.55 percent is assigned to each employer whose reserve ratio is at least ~~[-8.1]~~ -8.2 percent but less than ~~[-6.7]~~ -6.8 percent;

13. Class 13: A rate of 3.85 percent is assigned to each employer whose reserve ratio is at least ~~[-9.5]~~ -9.6 percent but less than ~~[-8.1]~~ -8.2 percent;

14. Class 14: A rate of 4.15 percent is assigned to each employer whose reserve ratio is at least ~~[-10.9]~~ -11.0 percent but less than ~~[-9.5]~~ -9.6 percent;

15. Class 15: A rate of 4.45 percent is assigned to each employer whose reserve ratio is at least ~~[-12.3]~~ -12.4 percent but less than ~~[-10.9]~~ -11.0 percent;

16. Class 16: A rate of 4.75 percent is assigned to each employer whose reserve ratio is at least ~~[-13.7]~~ -13.8 percent but less than ~~[-12.3]~~ -12.4 percent;

17. Class 17: A rate of 5.05 percent is assigned to each employer whose reserve ratio is at least ~~[-15.1]~~ -15.2 percent but less than ~~[-13.7]~~ -13.8 percent;

18. Class 18: A rate of 5.4 percent is assigned to each employer whose reserve ratio is less than ~~[-15.1]~~ -15.2 percent.

Sec. 2. This regulation becomes effective upon filing with the Secretary of State or on January 1, 2008, whichever is later.