

LCB File No. R153-05

**PROPOSED REGULATION 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 will hold a public hearing at 10:00 A.M., on Wednesday, November 9, 2005, at:

Live Meeting: Legislative Building
 401 S. Carson Street, Room 2135
 Carson City, NV 89701

Video Conference: Grant Sawyer Building
 555 East Washington Avenue, Room 4412
 Las Vegas, NV 89101

The purpose of the hearing is to receive comments from all interested persons regarding the adoption of a regulation that pertains to Chapter 612.270 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 2006. The Administrator of the Employment Security Division is required to establish this schedule pursuant to NRS 612.550.

2. Substance of the proposed regulation

The tax rate schedule currently in effect for calendar year 2005 provides for an average tax rate of 1.38% of taxable wages. The proposed regulation will continue with the same schedule through calendar year 2006.

3. Estimated economic effect

The balance in the unemployment insurance trust fund on September 30, 2005 is estimated to be \$568.1 million, which is \$121.6 million more than the estimated state solvency requirement of \$446.5 million, as provided in NRS 612.550. It is projected that the proposed tax rate schedule will produce an ending balance of \$655.7 million on September 30, 2006, which will be approximately \$157 million more than the projected state solvency requirement of \$498.7 million.

(A) Effect on business

There are no adverse effects on business, either immediate or long-term, as there will be no rate increase for employers. The long-term beneficial effect will be to increase the solvency level of the unemployment trust fund to \$157 million by September 30, 2006, thereby continuing the counter-cyclical forward financing which allows the fund to build during economic expansion and provide stable taxation during periods of slow or negative economic growth.

The proposed regulation does not provide for an increase to the average taxable rate on taxable wages. Therefore, there should not be a direct or significant economic effect upon small businesses or upon the formation or operation of such businesses.

(B) Effect on the public

There are no immediate adverse or beneficial effects on the public, as the tax rate schedule would have no effect on unemployment benefit payments. The long-term effect is the assurance of continued solvency of the unemployment insurance trust fund and to ensure continued payment of benefits during future economic downturns.

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

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

6. 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 Employment Security Division may appear at the 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 by the Employment Security Division on or before November 9, 2005. 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.

A copy of this notice and the regulation to be adopted will be on file at the State Library, 100 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 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, telephone (775) 684-3909. 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.

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.

This notice of hearing and a copy of the proposed regulation have been posted at the following locations:

Nevada State Library, 100 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 89710
Employment Security Division Southern Administrative Office, 101 Convention Center Dr., Suite 925, Las Vegas, NV 89109
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, 3405 S. Maryland Parkway, Las Vegas, NV 89109
Reno Appeals Office, 1325 Corporate Blvd, Suite C, Reno, NV 89502
Las Vegas Appeals Office, 1820 E Sahara, Suite 301, 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 89109
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 89431
Nevada JobConnect-Winnemucca, 475 Haskell St., Suite 1, Winnemucca, NV 89445

LCB File No. R153-05

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

NEVADA ADMINISTRATIVE CODE 612.270 (REVISED)
ASSIGNMENT OF UNEMPLOYMENT CONTRIBUTION RATES

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

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

The administrator establishes the following schedule of contribution rates for eligible employers for calendar year ~~{2005}~~ 2006:

1. Class 1: A rate of 0.25 percent is assigned to each employer whose reserve ratio is ~~{6.7}~~ 7.1 percent or more;
2. Class 2: A rate of 0.55 percent is assigned to each employer whose reserve ratio is at least ~~{5.3}~~ 5.7 percent but less than ~~{6.7}~~ 7.1 percent;
3. Class 3: A rate of 0.85 percent is assigned to each employer whose reserve ratio is at least ~~{3.9}~~ 4.3 percent but less than ~~{5.3}~~ 5.7 percent;
4. Class 4: A rate of 1.15 percent is assigned to each employer whose reserve ratio is at least ~~{2.5}~~ 2.9 percent but less than ~~{3.9}~~ 4.3 percent;
5. Class 5: A rate of 1.45 percent is assigned to each employer whose reserve ratio is at least ~~{1.1}~~ 1.5 percent but less than ~~{2.5}~~ 2.9 percent;
6. Class 6: A rate of 1.75 percent is assigned to each employer whose reserve ratio is at least ~~{0.3}~~ 0.1 percent but less than ~~{1.1}~~ 1.5 percent;
7. Class 7: A rate of 2.05 percent is assigned to each employer whose reserve ratio is at least ~~{1.7}~~ -1.3 percent but less than ~~{0.3}~~ 0.1 percent;

8. Class 8: A rate of 2.35 percent is assigned to each employer whose reserve ratio is at least ~~3.1~~ -2.7 percent but less than ~~1.7~~ -1.3 percent;
9. Class 9: A rate of 2.65 percent is assigned to each employer whose reserve ratio is at least ~~4.5~~ -4.1 percent but less than ~~3.1~~ -2.7 percent;
10. Class 10: A rate of 2.95 percent is assigned to each employer whose reserve ratio is at least ~~5.9~~ -5.5 percent but less than ~~4.5~~ -4.1 percent;
11. Class 11: A rate of 3.25 percent is assigned to each employer whose reserve ratio is at least ~~7.3~~ -6.9 percent but less than ~~5.9~~ -5.5 percent;
12. Class 12: A rate of 3.55 percent is assigned to each employer whose reserve ratio is at least ~~8.7~~ -8.3 percent but less than ~~7.3~~ -6.9 percent;
13. Class 13: A rate of 3.85 percent is assigned to each employer whose reserve ratio is at least ~~10.1~~ -9.7 percent but less than ~~8.7~~ -8.3 percent;
14. Class 14: A rate of 4.15 percent is assigned to each employer whose reserve ratio is at least ~~11.5~~ -11.1 percent but less than ~~10.1~~ -9.7 percent;
15. Class 15: A rate of 4.45 percent is assigned to each employer whose reserve ratio is at least ~~12.9~~ -12.5 percent but less than ~~11.5~~ -11.1 percent;
16. Class 16: A rate of 4.75 percent is assigned to each employer whose reserve ratio is at least ~~14.3~~ -13.9 percent but less than ~~12.9~~ -12.5 percent;
17. Class 17: A rate of 5.05 percent is assigned to each employer whose reserve ratio is at least ~~15.7~~ -15.3 percent but less than ~~14.3~~ -13.9 percent;
18. Class 18: A rate of 5.4 percent is assigned to each employer whose reserve ratio is less than ~~15.7~~ -15.3 percent.

Sec. 2. This regulation becomes effective on January 1, 2006.