STATE OF NEVADA

Joe Lombardo Governor



Chris Sewell Director

Kristine Nelson Administrator

Department of Employment, Training and Rehabilitation EMPLOYMENT SECURITY DIVISION 500 E. Third Street Carson City, Nevada 89713-0001

NOTICE OF INTENT TO ACT UPON REGULATIONS

Notice of Hearing to adopt the amended Regulation for the <u>2024</u> Unemployment Insurance (UI) Tax Rate Schedule for Nevada Employers and additional Regulations in NAC 612 and 394

Post Date: 10/26/2023

The purpose of the hearing is for the Employment Security Division of the Department of Employment, Training and Rehabilitation to receive comments from all interested persons and to adopt said regulation regarding the proposed amendment to the Regulation pertaining to Nevada Administrative Code (NAC) 612, pursuant to Nevada Revised Statute NRS 612.550, which will establish the Unemployment Insurance Tax Rate Schedule for Nevada employers for calendar year <u>2024</u>.

Furthermore, this hearing is for the Employment Security Division to receive comments from all interested persons and to adopt the following proposed regulation amendments pertaining to the following Nevada Administrative Codes (NACs): A) amendments/clarifications to NAC 612,120, 612.290, 612.470, and 612.660 to add "electronically transmitted" to the stated regulations; B) review for possible removal of NAC 612.590 through 612.625 related to an unnecessary unemployment compensation bond fund; C) review for possible removal of NAC 612.056 due to conflicts with NRS 612.265; D) review for possible removal of NAC 394.700 through NAC 394.730 related to the Alcoholic Beverage Awareness program; and E) review for possible removal of NAC 394.600 due to a burden on licensed institutions.

This Notice is provided in compliance with NRS 241.020, 233B.061 and 233B.0608.

Name of Organization: Nevada Employment Security Division (ESD)

Date and Time of Meeting: Thursday, November 30th 2023; 1:00 P.M.

Place of Meeting: Live Meeting: URL: https://nvdetr-org.zoom.us/j/87505275618 Telephone: 1 253 205 0468 Webinar/Meeting ID: 875 0527 5618

Live/Broadcast From: ESD SAO Auditorium 500 E. 3rd St Carson City, NV 89713

Note: This meeting will take place via the Zoom Webinar, and virtual public comment will be made available at (253) 205-0468, meeting ID 875 0527 5618. A free copy of all materials will be made available before the meeting at: https://detr.nv.gov/Page/Public_Meetings

AGENDA

- I. Call to order and welcome ESD
- II. Public Comment Chair may limit public comment to 3 minutes per speaker but may not restrict comment based upon viewpoint. No action may be taken upon a matter raised under the public comment period, unless the matter itself has been specifically included on this agenda as an action item. This round of public comment will last no longer than thirty minutes.
- III. Confirmation of Posting ESD
- IV. Review Written Comments ESD
- V. ESD Administrator review of amended regulation to establish the 2024 UI Tax Rate Schedule ESD/DETR
- VI. ESD Administrator review of the following amended regulations ESD/DETR:
 - A. Amendment/Clarification to NAC 612.120, 612.290, 612.470, and 612.660 (Amendment/Clarification): To add electronically transmitted to the stated regulations.
 - B. Removal of NAC 612.590 through 612.625: Proposing consideration of the removal of these 15 regulations related to the relic/unnecessary unemployment compensation bond fund.
 - C. Removal/cleanup of NAC 612.056: Proposing consideration of the removal of this regulation as it is contrary to current statute to-wit: NRS 612.265.
 - D. Removal of NAC 394.700 through NAC 394.730: Proposing consideration of the removal of these six (6) regulations related to the Alcoholic Beverage Awareness Program (NAC 394.700 through NAC 394.730). These regulations are invalid to the authorities provided by law to CPE and are recommended for removal.
 - E. Removal of NAC 394.600: Proposing consideration of the removal of this regulation as it is burdensome to licensed institutions.
- VII. Closing Public Comment Chair may limit public comment to 3 minutes per speaker but may not restrict comment based upon viewpoint. No action may be taken upon a matter raised under the public comment period unless the matter itself has been specifically included on this agenda as an action item. This round of public comment will last no longer than thirty minutes.

VIII. * For possible action: Adjournment

Agenda items may be taken out of order. Two or more agenda items may be combined for consideration. An item may be removed or discussion on an item may be delayed at any time.

A copy of the meeting Notice and Agenda can be requested either in person or by written request to the Department of Employment, Training and Rehabilitation; Employment Security Division, 500 E. Third Street, Carson City, Nevada 89713 or telephone Lindsay Thompson at (775) 684-3967. Copies of pertinent documents will also be made available on the DETR website at: http://detr.nv.gov

NOTE: Written comments must be received by the Employment Security Division on or before <u>November 24, 2023</u> at the following address:

Attn: Lindsay Thompson/ **MASS** Department of Employment, Training and Rehabilitation Employment Security Division 500 E. Third Street, Carson City, **NV** 89713 **NOTE:** Persons with disabilities who require reasonable accommodations or assistance at the meeting should notify the Employment Security Division in writing at 500 E. Third Street, Carson City, Nevada 89713, or call Lindsay Thompson at (775) 684-3967 (*for individuals who are deaf or have hearing disabilities, dial TTY (800) 326-6868 or 711 for Relay* Nevada) within 72 hours of meeting date and time. Supporting materials as provided for in NRS 241.020(5) may be obtained by contacting Lindsay Thompson at the above-noted contact information.

Notice of this meeting was posted at the following locations on or before the 30th day prior to the scheduled meeting date.

Nevada State Library & Archives, 100 North 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 Employment Security Division, State 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 89703 American Job Center of Nevada, 4001 South Virginia Street, Reno, NV 89502 Nevada Career/Business Hub-Carson City, 1929 North Carson Street, Carson City, NV 89701 Nevada Career/Business Hub-Elko, 172 Sixth Street, Elko, NV 89801 Nevada Career/Business Hub-Ely, 1500 Avenue F, Suite 1, Ely, NV 89301 Nevada Career/Business Hub-Fallon, 121 Industrial Way, Fallon, NV 89406 Nevada Career/Business Hub-Henderson, 4500 E. Sunset Road, Suite 40, Henderson, NV 89014 Nevada Career/Business Hub-Las Vegas, 3405 South Maryland Parkway, Las Vegas, NV 89169 Nevada Career/Business Hub-North Las Vegas, 2827 Las Vegas Boulevard North, Las Vegas, NV 89030 Nevada Career/Business Hub-Sparks, 2281 Pyramid Way, Sparks, NV 89431 Nevada Career/Business Hub-Winnemucca, 475 Haskell St., Suite 1, Winnemucca, NV 89445

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Notice of this meeting was posted on the Internet on the following websites: DETR's Public Notices website at: <u>https://detr.nv.gov/Page/PUBLIC NOTICES</u>, the State of Nevada's Public Notices website at: <u>https://notice.nv.gov/</u>, and the Administrative Regulation Notices website at: <u>http://www.leg.state.nv.us/Apo/Notice/A/</u>.

PROPOSED REGULATION OF THE ADMINISTRATOR OF THE

EMPLOYMENT SECURITY DIVISION OF THE DEPARTMENT

OF EMPLOYMENT, TRAINING AND REHABILITATION

ESD Agency Draft of Proposed Regulation

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 calendar year 2024; and providing other matters properly relating thereto.

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 [2023:] 2024:

1. Class 1: A rate of 0.25 percent is assigned to each employer whose reserve ratio is [16.9] 17.2 percent or more;

2. Class 2: A rate of 0.55 percent is assigned to each employer whose reserve ratio is at least

[15.3] 15.6 percent but less than [16.9] 17.2 percent;

3. Class 3: A rate of 0.85 percent is assigned to each employer whose reserve ratio is at least

[13.7] 14 percent but less than [15.3] 15.6 percent;

4. Class 4: A rate of 1.15 percent is assigned to each employer whose reserve ratio is at least

[12.1] 12.4 percent but less than [13.7] 14 percent;

5. Class 5: A rate of 1.45 percent is assigned to each employer whose reserve ratio is at least

[10.5] 10.8 percent but less than [12.1] 12.4 percent;

6. Class 6: A rate of 1.75 percent is assigned to each employer whose reserve ratio is at least

[8.9] 9.2 percent but less than [10.5] 10.8 percent;

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

least [7.3] 7.6 percent but less than [8.9] 9.2 percent;

8. Class 8: A rate of 2.35 percent is assigned to each employer whose reserve ratio is at least
[5.7] 6 percent but less than [7.3] 7.6 percent;

9. Class 9: A rate of 2.65 percent is assigned to each employer whose reserve ratio is at least

[4.1] 4.4 percent but less than [5.7] 6 percent;

10. Class 10: A rate of 2.95 percent is assigned to each employer whose reserve ratio is at least

[2.5] 2.8 percent but less than [4.1] 4.4 percent;

11. Class 11: A rate of 3.25 percent is assigned to each employer whose reserve ratio is at least

[0.9] 1.2 percent but less than [2.5] 2.8 percent;

12. Class 12: A rate of 3.55 percent is assigned to each employer whose reserve ratio is at least
[-0.7] -0.4 percent but less than [0.9] 1.2 percent;

13. Class 13: A rate of 3.85 percent is assigned to each employer whose reserve ratio is at least

[-2.3] -2 percent but less than [-0.7] -0.4 percent;

14. Class 14: A rate of 4.15 percent is assigned to each employer whose reserve ratio is at least
[-3.9] -3.6 percent but less than [-2.3] -2 percent;

15. Class 15: A rate of 4.45 percent is assigned to each employer whose reserve ratio is at least
 [-5.5] -5.2 percent but less than [-3.9] -3.6 percent;

16. Class 16: A rate of 4.75 percent is assigned to each employer whose reserve ratio is at least
[7.1] -6.8 percent but less than [-5.5] -5.2 percent;

17. Class 17: A rate of 5.05 percent is assigned to each employer whose reserve ratio is at least [-8.7] -8.4 percent but less than [-7.1] -6.8 percent; and

18. Class 18: A rate of 5.4 percent is assigned to each employer whose reserve ratio is less than
[8.7] -8.4 percent.

Sec. 2. This regulation becomes effective on January 1, 2024.

Small Business Impact Statement Department of Employment, Training, and Rehabilitation 2024 Unemployment Insurance Contribution Schedule Pursuant to NRS 233B.0608

1. Description of the manner in which comment was solicited from affected small businesses, a summary of their responses, and an explanation of the manner in which other interested persons may obtain a copy of the summary.

On October 4, 2023, the Employment Security Council held a meeting to review, discuss, and solicit comment on the proposed amendment of a regulation pertaining to Chapter 612 of Nevada Administrative Code. On September 4, 2023, the Division publicly noticed the Employment Security Council Meeting in accordance with Nevada Revised Statute NRS 241.020. In the meeting notice, written comment was requested on or before October 4, 2023. As of October 4, 2023, no written comments were received. On October 4, 2023, the Employment Security Council met to discuss the 2024 Unemployment Insurance Contribution Tax Rate Schedule and no member of the public provided public comment. No other public comment was provided. Minutes from this meeting will be made available on the Division's web page on or before October 6, 2023.

2. Manner and Method of Analysis

This analysis was conducted by the state employee with the most understanding of the subject of unemployment insurance projected benefits and contributions. Analysis of expected benefit costs comes from a model of estimated employment growth and estimated average wage growth on a quarter-by-quarter basis throughout the time period to which the regulation would apply. Data about the number, size, and distribution of employers comes from the records of the Division from the required reports filed by those employers.

3. Estimated Economic Impact

All Nevada employers subject to Unemployment Insurance (UI) contributions and eligible for experience rating will be affected by the proposed regulation, constituting approximately 62,993 employers, or 59.3% of all employers registered with the Employment Security Division. This regulation represents adopting an

average UI contribution rate of 1.65% in 2024, as recommended by the Employment Security Council on October 4, 2023. Pursuant to NRS 612.540, the standard contribution rate in effect in the absence of this regulation is 2.95%.

Beneficial Impacts

With the 1.65% average contribution rate, the total costs paid by Nevada employers will 1.70% of wages subject to contributions, instead of 3.00% - the rate in effect in the absence of this regulation, composed of the 2.95% standard rate and the 0.05% CEP assessment.

Under a separate statutory provision in Nevada's unemployment compensation law – NRS 612.350 – the total wages subject to unemployment insurance contributions rose from \$40,100 in 2023 to \$40,600 in 2024. At the standard contribution rate of 2.95%, the maximum cost per employee would be \$1,197.70. Under this regulation, the maximum cost per employee at the average rate of 1.65% will be \$690.20, a per-employee savings of approximately \$507.50.

This regulation will lead to a continued increase in reserves in the UI Trust Fund, which is projected to grow by \$517 million from September 30, 2023, to September 30, 2024, building reserves in the event of an economic downturn.

Adverse Impacts

Under an experience-rated schedule, pursuant to NRS 612.550, instead of each employer paying the standard rate of 2.95%, some employers receive a rate as low as 0.25%, and others receive a rate as high as 5.4%. While the average employer will pay significantly less under this regulation, those employers who receive a rate higher than 2.95% will pay more. Approximately 7.3% of experience-rated employers – 4,601 employers - are scheduled to receive a rate higher than 2.95% based on their experience with benefit charges and historic contributions. In contrast, approximately 91.7% of experience-rated employers will receive a lower rate under this regulation. Fewer than 1% of all experience-rated employers will receive a rate of 2.95% under this regulation and are therefore unaffected.

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Direct Impacts

The direct impact of this regulation on any particular Nevada business depends on that business' prior experience with respect to unemployment. Because the rates that employers pay are fixed in statute, the average rate is adjusted each year in the regulatory process by adapting a range of reserve ratios which will apply to those rates. Each employer's reserve ratio changes each year as well, rising or falling, depending on the net balance of UI contributions and benefit charges from and to that account.

Indirect Impacts

This regulation complies with the federal compliance regulations governing Unemployment Insurance contribution rates. Therefore, employers maintain eligibility for a full 5.4% credit toward their federal unemployment insurance taxes. In addition, the additional solvency in the UI system will help to pay for unemployment benefits in the future. On average, evidence suggests that for each dollar in UI benefits, \$2 or more in economic activity results. In addition, employers' benefit as funds are returned to the economy through UI benefit payments, helping to mitigate the drop in consumption that takes place in a recession. Finally, the UI system helps to maintain the attachment of workers to the local workforce and facilitate a faster return to work, both through job search and training services and through mandatory work search requirements.

4. Consideration of Impact on Small Businesses

By using an experience-rated structure, employers' tax rates depend primarily on their own experience with unemployment, without regard for employer size or industry type. The distribution of small employers through the UI contribution schedule closely mirrors that of the state as a whole. For all new employers – those who have less than 3 full years of experience in the Nevada UI system – the contribution rate remains fixed by statute at 2.95% and is unaffected by this regulation. In addition, federal laws only allow the State to assign rates below the standard rate in a state based on their experience with respect to unemployment, so no preferential rates may be assigned to small businesses.

5. Estimated Cost of Enforcement

This regulation will be enforced as a regular part of ongoing UI operations and does not represent any additional burden on staff time, as the regulation is used to modify contribution rates each year. Funding for the administration of the UI program is provided to the Department by the US Department of Labor.

6. Anticipated Revenue Increase and Use

This regulation reduces the average UI contribution rate to 1.65%. By law, money collected from state unemployment insurance contributions can only be used to pay unemployment insurance benefits, so these funds will remain deposited in the Nevada Unemployment Insurance Trust Fund.

7. Duplication or More Stringent Standards than Federal, State, or Local Governments

This regulation is only an annual modification to the unemployment insurance contribution schedule. Therefore, this regulation does not duplicate or provide a more stringent standard than any other regulation of federal, state, or local governments.

8. The Reason for the Conclusions of the Agency Regarding the Impact of the Regulation on Small Businesses

Because the distribution of small business employers closely matches the overall distribution of all employers in the state and because US unemployment insurance law does not allow states to assign rates below the standard rate except on the basis of an employer's prior experience with respect to unemployment; the agency believes that there is no disparate impact to small businesses due to this regulation.

Certification of Concerted Effort to Determine Impact on Small Business and Accuracy of Statement

I certify that to the best of my knowledge or belief, a concerted effort was made by the Department of Employment, Training, and Rehabilitation to determine the impact of this regulation on small business, and that the information contained in this statement has been prepared properly and is accurate.

DocuSigned by: kristine k. Mlson

Kristine Nelson, Administrator Employment Security Division

ADMINISTRATOR OF THE EMPLOYMENT

SECURITY DIVISION OF THE DEPARTMENT

OF EMPLOYMENT, TRAINING AND

REHABILITATION

ESD Agency Draft of Proposed Regulation

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

AUTHORITY: §§ 1 and 2, NRS 612.220, NRS 612.253

NAC 612.120 Employing units: Notification of claims, determinations and rulings; reports of relevant facts; protest of payment of benefits; relief from charging of benefits. (NRS 612.220, 612.475, 612.551)

1. The last or next to last employing unit that receives a notice of the first claim filed by a claimant following separation from employment must, within 11 days after the date of the notice, submit to the Division all relevant facts that affect the claimant's rights to benefits, including all relevant facts which disclose that the claimant separated from employment voluntarily and without good cause, or was discharged for misconduct in connection with his or her employment.

2. The last or next to last employing unit may protest the payment of benefits if the protest is filed within 11 days after the date of the notice of filing the claim. If the employing unit has filed a report of all relevant facts in a timely manner that might adversely affect the claimant's rights to benefits, the report is considered as a protest to the payment of benefits.

3. The last or next to last employing unit that has filed a response in a timely manner will be notified in writing of the determination as to the claimant's rights to benefits. If the last or next to last employing unit has contributed 75 percent of the claimant's base period earnings and has submitted all relevant facts in a timely manner indicating that the claimant quit voluntarily without good cause, or was discharged for misconduct in connection with his or her employment, the employer will be notified in writing of the Division's ruling as to the cause of termination of the claimant's employment and whether the experience rating record of the employer is chargeable with benefits paid the claimant.

4. The last or next to last employing unit is entitled to relief from the charging of benefits to its experience rating record if the claimant is found to have quit employment with the employing unit solely to accept other employment. 5. Any employing unit that paid wages to the claimant in the base period of the claim will be notified of the first claim filed which results in a determination that the claimant is an insured worker. The base period employer so notified must, within 11 days, submit all relevant facts disclosing whether the claimant was discharged for a crime committed in connection with his or her employment. The Division will issue a decision setting forth whether the wages will be denied in the determination of the payment of benefits.

6. Any notice of determination or ruling will contain a statement setting forth the right of appeal.

7. The notice of first claim filed which is mailed *or electronically transmitted* to the last or next to last employing unit must be addressed to:

(a) The employing unit's place of business where the claimant was most recently employed;

(b) The business office of the employing unit where the records of the claimant's employment are maintained; or

(c) The business office of an authorized agent of the employing unit if the employing unit has filed with the Administrator an approved authorization designating the agent to represent the employing unit.

8. Any notice properly addressed to the last known address of the employing unit or its authorized agent constitutes proper notification to the employing unit of the first claim filed.

9. The notice of first claim filed which is mailed *or electronically transmitted* to a base period employer who is not the last or next to last employer of the claimant must be addressed to:

(a) The employing unit's place of business where the claimant was most recently employed;

(b) The business office of the employing unit where the records of the claimant's employment are maintained;

(c) The address or addresses as requested by the employer and agreed to by the Administrator; or

(d) The business office of an authorized agent of the employing unit if the employing unit has filed with the Administrator an approved authorization designating the agent to represent the employing unit.

 \rightarrow Any notice properly addressed to the last known address of the employer or his or her authorized agent constitutes proper notice to the base period employer.

10. As used in this section, "all relevant facts" includes, without limitation, dates of employment, type of work performed, specific reason given for separation from employment, the final incident to cause the separation from employment and prior disciplinary warnings of a similar nature given, if any.

[Employm't Security Dep't, No. 45 §§ I & II, eff. 12-16-70] — (NAC A 6-3-85; A by Employm't Security Div., 7-5-94; R199-05 & R201-05, 2-23-2006)

NAC 612.290 Transfers of experience record: Effects of and restriction on completion; protest and appeal of determination of Division. (NRS 612.220, 612.250, 612.550, 612.732)

1. When a total transfer of an experience record has been completed:

(a) Payrolls, contributions paid and benefit charges must be transferred to and be a part of the experience record of the successor. Benefits paid, based on the payrolls of the predecessor, must then be charged to the experience record of the successor. If a claimant for unemployment benefits has been paid wages for the base period by the predecessor employer, the wages shall be deemed to have been paid by the successor employer.

(b) The predecessor, as a transferring employer, may not retain the rate previously determined for him or her but will be classed as a new employer with respect to any employment after the date of the completed transfer.

2. The contribution rate for a successor who qualifies for the transfer of an experience record for the period

beginning with the date of the transfer and ending with the next effective date of contribution rates is:

(a) The contribution rate applicable to the transferring employer with respect to the period immediately preceding the date of the transfer if:

(1) The acquiring employer was not, before the transfer, a subject employer; and

(2) Only one transferring employer, or only transferring employers having identical rates, are involved;

(b) A new rate, computed on the experience of the transferring employer or, in the case of a partial transfer, the experience attributable to the part of the business transferred, combined with the experience of the acquiring employer as of the regular computation date for the rate period in which the transfer occurs; or

(c) The rate of contribution for a newly subject employer. A computation for a contribution rate must be made in all transfers involving a severable and distinct portion of an organization, trade or business.

3. No transfer of an experience record and rate will be completed if the Administrator determines that an acquisition or change of all or part of a business organization was effected solely or primarily to obtain a more favorable contribution rate. In determining whether an acquisition was primarily for the purpose of obtaining a lower rate of contributions, the Administrator will use objective factors which may include, without limitation:

(a) The cost of acquiring the business;

(b) Whether the acquiring person continued the business enterprise of the acquired business;

(c) How long the business enterprise was continued; and

(d) Whether a substantial number of new employees were hired for performance of duties unrelated to the business activity conducted before the acquisition.

4. A protest to the determination of the Division with respect to transfers must be filed not later than 15 days after the date the notice of the determination is mailed *or electronically transmitted*. An appeal may be filed within 11 days after the date a determination, based on the protest, is mailed *or electronically transmitted* by the Division.

NAC 612.470 Effective period; notices and reports. (NRS 612.220, 612.295, 612.750)

1. An election approved under NAC 612.440 to 612.470, inclusive, becomes effective at the beginning of the calendar quarter in which the election was submitted, unless the election as approved specifies the beginning of a different calendar quarter.

2. If the electing unit requests an earlier effective date than the beginning of the calendar quarter in which the election is submitted, the earlier date may be approved solely as to those interested jurisdictions in which the employer had no liability to pay contributions for the earlier period in question.

3. If the agency of the elected jurisdiction finds that the nature of the services customarily performed by the person for the electing unit have changed so that they are no longer customarily performed in more than one participating

jurisdiction, the election may be terminated. This termination is effective as of the close of the calendar quarter in which notice of the finding is mailed *or electronically transmitted* to all parties affected.

4. Except as provided in subsection 3, each election approved remains in effect through the close of the calendar year in which it is submitted and thereafter until the close of the calendar quarter in which the electing unit gives written notice of its termination to all affected agencies.

5. If an election ceases to apply to any person under subsection 3 or 4, the electing unit shall notify the person affected accordingly.

6. The electing unit shall promptly notify each person affected by its approved election and furnish the elected agency a copy of the notice.

7. If a person covered by an election is separated from his or her employment, the electing unit shall again notify the person as to the jurisdiction under whose law his or her services have been covered. If, at the time of termination, the person is not located in the elected jurisdiction, the electing unit shall notify the person as to the procedure for filing claims for interstate benefits.

8. The electing unit shall immediately report to the elected jurisdiction any change which occurs in the conditions of employment pertinent to its election, for example, if a person's services for the employer cease to be customarily performed in more than one participating jurisdiction or if a change in the work assigned to a person requires him or her to perform services in a new participating jurisdiction.

[Employm't Security Dep't, No. 9 § 4, eff. 4-1-45]

NAC 612.660 Petition for modification of assessment: Procedure for hearings. (NRS 612.220, 612.670)

1. An employer who petitions for the modification of an assessment may present any proof, either oral or documentary, which he or she desires if the proof is pertinent to the issues. The Division may offer its notice of levy of assessment which is prima facie proof of the mailing of a notice, the amount of wages paid by the employer, default in payment, the amount of contribution payable and all forfeit and interest which may have accrued for the period covered by the assessment, and may offer any other proof pertinent to the issues.

2. Technical rules of evidence do not apply to any hearing or petition for the modification of an assessment. The Division has the right to cross-examine witnesses called by the petitioner. The petitioner has the right to cross-examine witnesses called by the Division.

3. The Division, at the conclusion of the evidence, may present argument in support of the claim, and the petitioner may thereafter present argument in support of the petition. The Division has the right to argue in rebuttal. No further argument is allowed.

4. The Division will supply, upon application, to any employer requesting a hearing, subpoenas under seal of the Division requiring the attendance of witnesses. Written stipulations as to the facts, signed by the employer or his or her representative and the representative of the Division, may be accepted and considered conclusive as to those facts by the Administrator. Fees and mileage for witnesses must be paid solely at the expense of the party calling the witness. If the employer so requests, the hearing must be reported and the cost of reporting borne by the employer. 5. When a hearing is requested, the matter must be heard and determined at the central office of the Division at Carson City, Nevada, unless, for the convenience of witnesses and others involved, the Administrator directs that the hearing be held at some other place.

6. The Administrator will render a decision in writing within 30 days after the conclusion of a hearing or within 30 days after the submission of the matter to him or her if a hearing is not requested. Notice of the decision and a copy of the decision must be mailed *or electronically transmitted* to the employer at his or her last known address and to the sureties or bondsmen.

7. The amount determined to be due in accordance with the decision is payable to the Division within 20 days after the mailing *or electronic transmission* of the notice of the decision.

ADMINISTRATOR OF THE EMPLOYMENT

SECURITY DIVISION OF THE DEPARTMENT

OF EMPLOYMENT, TRAINING AND

REHABILITATION

ESD Agency Draft of Proposed Regulation

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

AUTHORITY: §§ 1 and 2, NRS 612.220, NRS 612.6102 through NRS 612.6134

NAC 612.590 Definitions. (NRS 612.220, 612.6132) As used in NAC 612.590 to 612.625, inclusive, unless the context otherwise requires, the words and terms defined in NAC 612.593 to 612.605, inclusive, have the meanings ascribed to them in those sections.

(Added to NAC by Employm't Security Div. by R039-13, eff. 10-4-2013)-

NAC 612.593 "Baseline bond interest and expenses contribution rate" defined. (NRS 612.220, 612.6132) "Baseline bond interest and expenses contribution rate" means the rate established pursuant to NAC 612.615. (Added to NAC by Employm't Security Div. by R039 13, eff. 10 4 2013)

NAC 612.595 "Baseline bond principal contribution rate" defined. (NRS 612.220, 612.6132) "Baseline bond principal contribution rate" means the rate established pursuant to NAC 612.613. (Added to NAC by Employm't Security Div. by R039 13, eff. 10 4 2013)

NAC 612.597 "Interest coverage ratio" defined. (NRS 612.220, 612.6132) "Interest coverage ratio" means the rate of excess collection of money specified by the State in the trust indenture or other instrument or agreement in connection with the bonds to provide for the security of the payment of the bond interest and other bond obligations other than the bond principal secured by the principal coverage ratio. (Added to NAC by Employm't Security Div. by R039-13, eff. 10-4-2013)-

NAC 612.600 "Principal coverage ratio" defined. (NRS 612.220, 612.6132) "Principal coverage ratio" means the rate of excess collection of money specified by the State in the trust indenture or other instrument or agreement in connection with the bonds to provide for the security of the payment of the bond principal. (Added to NAC by Employm't Security Div. by R039-13, eff. 10-4-2013).

NAC 612.603 "Reserve ratio" defined. (NRS 612.220, 612.6132) "Reserve ratio" has the meaning ascribed to it in NRS 612.550.

(Added to NAC by Employm't Security Div. by R039 13, eff. 10 4 2013)-

NAC 612.605 "Taxable wages" defined. (NRS 612.220, 612.6132) "Taxable wages" means wages as determined pursuant to NRS 612.545 which are paid by employers who are required to pay special bond contributions pursuant to subsection 1 of NRS 612.6132.

(Added to NAC by Employm't Security Div. by R039-13, eff. 10-4-2013)-

NAC 612.607 Issuance of bonds by State Board of Finance: Notice to Administrator by State Treasurer; calculation of rates for special bond contributions. (NRS 612.220, 612.6128, 612.6132)

1. If the State Board of Finance issues bonds pursuant to NRS 612.6122, for each calendar year in which bond obligations and bond administrative expenses will be due, the State Treasurer must, on or before August 1 of the immediately preceding year, or as soon as practicable thereafter, notify the Administrator of the amount of bond-

obligations, the estimated amount of bond administrative expenses and the other amounts described in subsection 2of NRS 612.613 to permit the Administrator to determine the amount of special bond contributions required for the applicable calendar year. If no such bond obligations exist for a calendar year, the Administrator will not impose any special bond contributions.-

2. After receiving the information described in subsection 1, the Administrator will calculate the rates for the special bond contributions pursuant to NAC 612.613 to 612.623, inclusive. The Administrator will complete the

calculations not later than September 15 of the year in which the information is due from the State Treasurer or 45days after receiving the information from the State Treasurer, whichever is later. (Added to NAC by Employm't Security Div. by R039-13, eff. 10-4-2013)

NAC 612.610 Payment of special bond contributions; application of money received. (NRS 612.220, 612.6132) 1. An employer who is required to pay special bond contributions pursuant to subsection 1 of NRS 612.6132 shall pay special bond contributions based upon the rates established pursuant to NAC 612.613 to 612.623, inclusive, and, if applicable, the rate established pursuant to NAC 612.625.

2. If such an employer pays less than the total amount due pursuant to chapter 612 of NRS and any regulationsadopted pursuant thereto, including, without limitation, NAC 612.590 to 612.625, inclusive, the Administrator will apply the money received from that employer first to any special bond contributions for the bond interest and otherbond obligations as defined in NAC 612.615, then to any special bond contributions for the bond principal, and thento any other amounts owed pursuant to chapter 612 of NRS and any regulations adopted pursuant thereto, asdetermined by the Administrator. As used in this subsection, "total amount due" includes, without limitation, the amount due from the employer for contributions for unemployment compensation, principal payments for special bond contributions.

(Added to NAC by Employm't Security Div. by R039 13, eff. 10 4 2013)

NAC 612.613 Determination of baseline bond principal contribution rate. (NRS 612.220, 612.6132) Todetermine the baseline bond principal contribution rate, the Administrator will:-

1. Multiply the amount of the bond principal that will be due during the 12-month period beginning on May 1 of the immediately succeeding calendar year and ending on April 30 of the following calendar year by the principal coverage ratio:

2. Subtract from the result reached pursuant to subsection 1 the greater of:-

(a) Zero; or

(b) The remainder obtained by subtracting the amount of bond principal that is required to be paid between the dateof calculation and April 30 of the immediately succeeding calendar year from the amount of money available to paythat bond principal, including money then held by the State which is available to pay that bond principal and-

including the Administrator's estimate of contributions available to pay that bond principal which are expected to be received between the date of calculation and April 30 of the immediately succeeding calendar year to the extent such an estimate is permitted to be taken into account by the trust indenture or other instrument or agreement executed by the State in connection with the bonds, but excluding money in the State's account in the Unemployment Trust Fund of the United States Treasury; and

3. Divide the result reached pursuant to subsection 2 by 95 percent of the total estimated taxable wages for the immediately succeeding calendar year.

(Added to NAC by Employm't Security Div. by R039 13, eff. 10 4 2013)-

NAC 612.615 Determination of baseline bond interest and expenses contribution rate. (NRS 612.220, 612.6132)

1. To determine the baseline bond interest and expenses contribution rate, the Administrator will:

(a) Multiply the amount of the bond interest and other bond obligations that will be due during the 12 month periodbeginning on May 1 of the immediately succeeding calendar year and ending on April 30 of the following calendaryear by the interest coverage ratio;

(b) Subtract from the result reached pursuant to paragraph (a) the greater of:-

(1) Zero; or

(2) The remainder obtained by subtracting the amount of bond interest and other bond obligations that are required to be paid between the date of calculation and April 30 of the immediately succeeding calendar year from the-

amount of money then held by the State which is available to pay that bond interest and those other bondobligations; and

(c) Divide the result reached pursuant to paragraph (b) by 95 percent of the total estimated taxable wages for the immediately succeeding calendar year.

2. As used in this section, "bond interest and other bond obligations" means the premium and interest payable on a bond, together with any amount owed under a related credit agreement or under any instrument or agreement in connection with the bonds, and bond administrative expenses. The term does not include the bond principal. (Added to NAC by Employm't Security Div. by R039-13, eff. 10-4-2013)

NAC 612.617 Assignment of employer to one of four tiers. (NRS 612.220, 612.6132)

1. For the purposes of determining the special bond contributions due from each employer who is required to payspecial bond contributions pursuant to subsection 1 of NRS 612.6132, the Administrator will assign each suchemployer to one of four tiers.

2. Tier 1 consists of such employers who do not qualify for a contribution rate based on experience pursuant to NRS-612.550.

3. Tier 2 consists of such employers who:-

(a) Qualify for a contribution rate based on experience pursuant to NRS 612.550; and

(b) Have a reserve ratio of less than zero.

4. Tier 3 consists of such employers who:-

(a) Qualify for a contribution rate based on experience pursuant to NRS 612.550;

(b) Have a reserve ratio of equal to or greater than zero; and

(c) Have a reserve ratio of less than the threshold reserve ratio determined pursuant to subsection 6.

5. Tier 4 consists of such employers who:

(a) Qualify for a contribution rate based on experience pursuant to NRS 612.550;

(b) Have a reserve ratio of equal to or greater than zero; and

(c) Have a reserve ratio of equal to or greater than the threshold reserve ratio determined pursuant to subsection 6.

6. The threshold reserve ratio for Tier 4 is the lowest possible reserve ratio, rounded to the nearest tenth of a percent, which, using the most recent 12 months of data available, results in the qualification for Tier 4 of the employers who pay not more than 10 percent of all taxable wages from employers with a reserve ratio greater than or equal to zero. (Added to NAC by Employm't Security Div. by R039-13, eff. 10-4-2013)

NAC 612.620 Determination of bond principal contribution rate for employers assigned to Tiers 1, 2, 3 and 4. (NRS 612.220, 612.6132)

1. To determine the bond principal contribution rate for employers assigned to Tier 1, the Administrator willmultiply the baseline bond principal contribution rate by a factor of 0.45, then round the result up to the nearest onehundredth of a percent.

2. To determine the bond principal contribution rate for employers assigned to Tier 2, the Administrator willmultiply the baseline bond principal contribution rate by a factor of 1.40, then round the result up to the nearest onehundredth of a percent.

3. To determine the bond principal contribution rate for employers assigned to Tier 4, the Administrator willmultiply the baseline bond principal contribution rate by a factor of 0.25, then round the result up to the nearest onehundredth of a percent.

4. To determine the bond principal contribution rate for employers assigned to Tier 3, the Administrator will: (a) Determine the fraction of total taxable wages from employers who are not eligible for experience rating by dividing the taxable wages from such employers by the total taxable wages from all employers who are required topay special bond contributions;

(b) Determine the fraction of total taxable wages from employers who are eligible for experience rating and whohave a reserve ratio of less than zero by dividing the taxable wages from such employers by the total taxable wagesfrom all employers who are required to pay special bond contributions;

(c) Determine the fraction of total taxable wages from employers who are eligible for experience rating and whohave a reserve ratio that is equal to or greater than the threshold reserve ratio determined pursuant to subsection 6 of-

NAC 612.617 by dividing the taxable wages from such employers by the total taxable wages from all employers who are required to pay special bond contributions;

(d) Determine the fraction of total taxable wages from employers who are eligible for experience rating, who have a reserve ratio of equal to or greater than zero and who have a reserve ratio that is less than the threshold reserve ratio determined pursuant to subsection 6 of NAC 612.617 by subtracting the fractions calculated pursuant to paragraphs-(a), (b) and (c) from 1;

(e) Multiply the bond principal contribution rate determined pursuant to subsection 1 by the fraction determined pursuant to paragraph (a);

(f) Multiply the bond principal contribution rate determined pursuant to subsection 2 by the fraction determined pursuant to paragraph (b);

(g) Multiply the bond principal contribution rate determined pursuant to subsection 3 by the fraction determined pursuant to paragraph (c);

(h) Subtract the results reached pursuant to paragraphs (e), (f) and (g) from the baseline bond principal contribution rate; and

(i) Divide the result reached pursuant to paragraph (h) by the fraction determined pursuant to paragraph (d), then round up to the next one hundredth of a percent.

(Added to NAC by Employm't Security Div. by R039 13, eff. 10 4 2013)

NAC 612.623 Determination of bond interest and expenses contribution rate for employers assigned to Tiers-1, 2, 3 and 4. (NRS 612.220, 612.6132)

1. To determine the bond interest and expenses contribution rate for employers assigned to Tier 1, the Administratorwill multiply the baseline bond interest and expenses contribution rate by a factor of 0.45, then round the result up to the nearest one hundredth of a percent.

2. To determine the bond interest and expenses contribution rate for employers assigned to Tier 2, the Administratorwill multiply the baseline bond interest and expenses contribution rate by a factor of 1.40, then round the result up to the nearest one hundredth of a percent.

3. To determine the bond interest and expenses contribution rate for employers assigned to Tier 4, the Administratorwill multiply the baseline bond interest and expenses contribution rate by a factor of 0.25, then round the result up to the nearest one hundredth of a percent.

4. To determine the bond interest and expenses contribution rate for employers assigned to Tier 3, the Administratorwill:

(a) Determine the fraction of total taxable wages from employers who are not eligible for experience rating by dividing the taxable wages from such employers by the total taxable wages from all employers who are required to-pay special bond contributions;

(b) Determine the fraction of total taxable wages from employers who are eligible for experience rating and whohave a reserve ratio of less than zero by dividing the taxable wages from such employers by the total taxable wagesfrom all employers who are required to pay special bond contributions;

(c) Determine the fraction of total taxable wages from employers who are eligible for experience rating and whohave a reserve ratio that is equal to or greater than the threshold reserve ratio determined pursuant to subsection 6 of NAC 612.617 by dividing the taxable wages from such employers by the total taxable wages from all employerswho are required to pay special bond contributions;

(d) Determine the fraction of total taxable wages from employers who are eligible for experience rating, who have a reserve ratio of equal to or greater than zero and who have a reserve ratio that is less than the threshold reserve ratio determined pursuant to subsection 6 of NAC 612.617 by subtracting the fractions calculated pursuant to paragraphs (a), (b) and (c) from 1;

(e) Multiply the bond interest and expenses contribution rate determined pursuant to subsection 1 by the fractiondetermined pursuant to paragraph (a);

(f) Multiply the bond interest and expenses contribution rate determined pursuant to subsection 2 by the fractiondetermined pursuant to paragraph (b);

(g) Multiply the bond interest and expenses contribution rate determined pursuant to subsection 3 by the fractiondetermined pursuant to paragraph (c);

(h) Subtract the results reached pursuant to paragraphs (e), (f) and (g) from the baseline bond interest and expensescontribution rate; and-

(i) Divide the result reached pursuant to paragraph (h) by the fraction determined pursuant to paragraph (d), then round up to the next one-hundredth of a percent.

(Added to NAC by Employm't Security Div. by R039 13, eff. 10 4 2013)

NAC 612.625 Assessment and determination by Administrator of supplemental special bond contributions; notice to employers; due date. (NRS 612.220, 612.6132)

1. If the State Board of Finance issues bonds pursuant to NRS 612.6122, at least 75 days before each payment forbond principal or interest is due, the Administrator will make the determination required by subsection 4 of NRS-612.6132 and, if necessary, assess supplemental special bond contributions sufficient to pay all applicable obligations through April 30 of the immediately succeeding calendar year.

2. Employers will not receive experience credit for the supplemental special bond contributions.

3. To determine the supplemental special bond contribution rate, the Administrator will divide the amount needed to meet the obligations described in subsection 1 by 95 percent of the total taxable wages for the most recent 12-months for which data are available.

4. To determine the supplemental special bond contribution charged to each employer who is required to pay special bond contributions pursuant to subsection 1 of NRS 612.6132, the Administrator will multiply the supplemental special bond contribution rate described in subsection 3 by the 12 month total taxable wages for the employer for the most recent 12 months for which data are available.

5. At least 30 days before the Administrator mails a bill to an employer for a supplemental special bond contribution, the Administrator will provide notice to the employer concerning the details of the supplemental special bond contribution.

6. The bill for a supplemental special bond contribution must include, without limitation, the date on which payment is due. The Administrator will provide a due date that is not less than 31 days after the date on which the bill ismailed and not more than 75 days after the date on which the bill is mailed.

(Added to NAC by Employm't Security Div. by R039-13, eff. 10-4-2013)

ADMINISTRATOR OF THE EMPLOYMENT

SECURITY DIVISION OF THE DEPARTMENT

OF EMPLOYMENT, TRAINING AND

REHABILITATION

ESD Agency Draft of Proposed Regulation

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

AUTHORITY: §§ 1 and 2, NRS 612.220, NRS 612.265

NAC 612.056 Release of information; fee. (NRS 612.220, 612.265).
1. The Administrator will provide information pursuant to subsection 3 of NRS 612.265 if:

(a) An appropriate agency submits a request on a form prescribed by the Administrator; and.
(b) The Administrator approves the release of the requested information.
2. The Administrator may charge a reasonable fee to cover any administrative costs incurred in providing information pursuant to subsection 3, 4, 5 or 6 of NRS 612.265. The fee will not exceed the actual cost of providing the information, as determined from the records of the Division.
(Added to NAC by Employm't Security Dep't, eff. 6 3 85; A 12 19 89)

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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, NRS 394.540, NRS 369

ALCOHOLIC BEVERAGE AWARENESS PROGRAMS

NAC 394.700 Definitions. (NRS 394.411) As used in NAC 394.700 to 394.730, inclusive, unless the context otherwise requires, the words and terms defined in NAC 394.705 and 394.710 have the meanings ascribed to them in those sections.

(Added to NAC by Comm'n on Postsecondary Educ. by R134 05, eff. 11 17 2005; A by R042 11, 5 30 2012)

NAC 394.705 "Alcoholic beverage awareness program" defined. (NRS 394.411) "Alcoholic beverage awarenessprogram" has the meaning ascribed to it in NRS 369.610. (Added to NAC by Comm'n on Postsecondary Educ. by R134-05, eff. 11-17-2005)

NAC 394.710 "Certified program" defined. (NRS 394.411) "Certified program" means an alcoholic beverage awareness program that is certified by the Administrator pursuant to NAC 394.715. (Added to NAC by Comm'n on Postsecondary Educ. by R134-05, eff. 11-17-2005)

NAC 394.715 Requirements for certification of program. (NRS 369.625, 394.411)

1. An applicant for certification of an alcoholic beverage awareness program pursuant to NRS 369.625 must submitto the Administrator:

(a) Evidence satisfactory to the Administrator that each instructor for the program is competent and qualified toprovide instruction in the curriculum of the program; and

(b) A complete copy of the curriculum for the program, which must include, without limitation:-

(1) One hour in the clinical effects of alcohol on the human body;

(2) Thirty minutes in the methods of identifying intoxicated persons:

(3) Thirty minutes in the methods of discontinuing the service of alcoholic beverages to persons who are identified as intoxicated:

(4) Thirty minutes in the applicable state and local laws concerning the selling and serving of alcoholic beverages;

(5) Thirty minutes in the methods of preventing and halting fights, acts of affray and other disturbances of the peace; (6) Thirty minutes in the methods of preventing:

(I) The entry of minors into establishments in which minors are prohibited from loitering pursuant to NRS 202.030; (II) The purchase, consumption and possession of alcoholic beverages by minors as prohibited by NRS 202.020, including, without limitation, the recognition of altered or falsified forms of identification; and

(III) The selling and furnishing of alcoholic beverages to minors as prohibited by NRS 202.055; and-

(7) A comprehensive closed book final examination that contains questions on the subject matter identified insubparagraphs (1) to (6), inclusive.

 \rightarrow In addition to the requirements of this paragraph, the curriculum for a program may include any other information pertinent to alcoholic beverage awareness.

2. In addition to the requirements of subsection 1, if an alcoholic beverage awareness program will be offeredthrough distance education, the applicant must submit to the Administrator evidence satisfactory to the Administrator that:

(a) The program complies with NAC 394.521; and

(b) The examination required by subparagraph (7) of paragraph (b) of subsection 1 is proctored by the provider of the program or otherwise proctored by a person or entity approved by the Administrator.

(Added to NAC by Comm'n on Postsecondary Educ. by R134-05, eff. 11-17-2005; A by R042-11, 5-30-2012)

NAC 394.725 Provider of certified program: Prohibition of certain activities. (NRS 369.625, 394.411) A-provider of a certified program shall prohibit:

1. An enrollee in the program from attending if the enrollee is intoxicated; and

2. The consumption of alcoholic beverages on the premises where the program is offered.

(Added to NAC by Comm'n on Postsecondary Educ. by R134-05, eff. 11-17-2005)

NAC 394.730 Alcohol education card: Requirements for and record of issuance; form and contents. (NRS-369.625, 394.411)

1. A provider of a certified program shall issue an alcohol education card to each person who successfully completes the program. Successful completion of the program includes, without limitation, receiving a raw score of 75 percent on the final examination in each subject matter that is identified in subparagraphs (1) to (6), inclusive, of paragraph (b) of subsection 1 of NAC 394.715.

2. Each alcohol education card issued as part of a certified program must:

(a) Be in a format prescribed by the Administrator;

(b) Consist entirely of plastic or a similar material that is difficult to duplicate or alter; and

(c) Include the following information:

(1) The name of the person to whom the card is issued;

(2) The name of the provider of the certified program;

(3) A unique identification number;

(4) The date of issuance; and

(5) The date of expiration.

3. Each provider of a certified program shall maintain a list of persons to whom a card is issued pursuant to this section.

(Added to NAC by Comm'n on Postsecondary Educ. by R134-05, eff. 11-17-2005)

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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, NRS 394.411, 394.421, 394.445

NAC 394.600 Approval of advertisements. (NRS 394.411, 394.421, 394.445) Any advertising through any medium which cannot be changed or deleted within a 7 day period, including, but not limited to, classified telephone directory or national advertising, must be approved by the Administrator before it is printed. The full copy of the advertisement must be submitted in writing or in an electronic or other format approved by the Administrator. [Comm'n on Postsecondary Educ., § 7.130, eff. 2 28 80] (NAC A by R042-11, 5 30-2012)