

**LEGISLATIVE REVIEW OF ADOPTED
PERMANENT REGULATIONS AS REQUIRED BY
NRS 233B.066**

LCB FILE R086-24

The following statement is submitted for adopted amendments to Nevada Administrative code (NAC) Chapter 612.

1. A clear and concise explanation of the need for the adopted regulation.

The proposed amendment to the regulation pertaining to NAC 612, pursuant to Nevada Revised Statute (NRS) 612.220 relating to unemployment compensation; exempting certain employing units from the prohibition against payrolling; and providing other matters properly relating there to.

2. A description of how public comment was solicited, a summary of public response, and an explanation of how other interested persons may obtain a copy of the summary.

On February 9, 2024, the Employment Security Division held meetings to review, discuss, and solicit comments on the amendment of NACs **612.258**. On April 8, 2024, the Division notified the public of the Small Business Workshop. In the meeting notice, written comment was requested on or before April 19, 2024. As of April 24, 2024, no written comments were received. The division then held a Small Business Workshop to solicit further public comment on the proposed amendment of a regulation pertaining to Chapter 612 of Nevada Administrative Code. The Small Business Workshop was noticed on April 8, 2024 and held on April 24, 2024. The Division received no public comment. The Division held a hearing to adopt the regulations on June 13, 2024, noticed on May 10, 2024 and no public comments were received on or before June 10, 2024. As of June 13, 2024 no public comments have been received regarding the Administrator's decision to amend the proposed regulation.

Posting locations:

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
- Public Notices 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
- Constituent Services Office of the Governor
- Employ NV Career Hub, 121 Industrial Way, Fallon, NV 89406
- Employ NV Career Hub, 3405 S. Maryland Parkway., Las Vegas, NV 89169
- Employ NV Career Hub, 2827 Las Vegas Blvd N., North Las Vegas, NV 89030
- Employ NV Career Hub, 4001 South Virginia St. Suite H., Reno, NV 89502

- Employ NV Career Hub, Carson City, 1929 North Carson Street, Carson City, NV 89701
- Employ NV Career Hub, Elko, 172 Sixth Street, Elko, NV 89801
- Nevada EmployNV Hub -Sparks, 2281 Pyramid Way, Sparks, NV 89431
- Nevada EmployNV Hub -Winnemucca, 475 Haskell St., Suite 1, Winnemucca, NV 89445

This regulation provision do not apply to an employing unit that reports the wages of an employee who performs services for another employing unit if the employing unit pays the standard contribution rate or is assigned a contribution rate in classes 10 to 18, inclusive, pursuant to NAC 612.270; and the contribution rate paid by the employing unit reporting the wages of the employee is equal to or greater than the contribution rate paid by the employing unit for whom the employee performs services This regulation amendment provides a positive economic impact for the State and/or public, allowing for a cost saving measure for businesses within those UI tax rates to utilize payrolling companies, saving said businesses resources by allowing their payroll functions to be contracted out to payrolling companies. This amendment will help minimize costs to employers by enabling them to utilize said payrolling services and not requiring them to establish their own human resources unit within the state to perform said payrolling services.

The division posted the regulation drafted by LCB to the DETR website and posted the revised language to the Nevada Legislature website. A copy of the revised regulation was also made available to the public at the Hearing and DETR staff reviewed the changes to the Regulations, providing an explanation of the Regulation.

In compliance with NRS 233B, a Hearing for the adoption of the regulation was held on June 13, 2024, at 1p.m. through Zoom. The purpose of the hearing was to receive comments from all interested persons regarding the adoption of the regulation pertaining to Chapter 612, of the Nevada Administrative Code.

The transcript of the Hearing is not yet available, but will be posted to DETR’s Public Meeting Minutes page within 30 days of the Hearing at the following link; https://detr.nv.gov/Page/Minutes_of_Employment_Security_Division_Employment_Security_Council

The number of persons who:

- Attended at each meeting:**

Small Business Workshop:

April 24, 2024: Carson City: 4

April 24, 2024: Las Vegas: 1

Hearing:

June 13, 2024: Carson City: 3

June 13, 2024: Las Vegas: 1

b. Testified at each meeting:

Small Business Workshop:

April 24, 2024

- No public comment

Hearing:

June 13, 2024

- No public comment

c. Submitted to the agency written comments:

Small Business Workshop: No written comments were received.

Hearing: No written comments were submitted

4. A description of how comments were solicited from affected businesses, a summary of their response, and an explanation how other interested persons may obtain a copy of the summary.

Comments were solicited from affected businesses in the same manner as they were solicited from the public.

5. If, after consideration of public comment, the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.

There were no changes to the proposed regulations as no public comment was received.

6. The estimated economic effect of the adopted regulation on the business which it is to regulate and on the public. These must be stated separately, and each case must include:

a. Both adverse and beneficial effects; and

b. Both immediate and long-term effects.

These regulations impact businesses in a positive economic impact for the State and/or the public, allowing for a cost saving measure for business within those UI tax rates to utilize payrolling companies, thus saving businesses resources by allowing their payroll functions to be contracted out to payrolling companies.

Beneficial Impacts

Possible increase in work search activity on the part of UI claimants, to the potential benefit of employers.

Adverse Impacts

This regulatory amendment does not pose any known adverse economic impact on the State and/or the public.

Direct Impacts

The determination of this Division that this amendment to the regulation will not have any significant direct economic impacts on the State and/or the public; the Division anticipates a direct positive impact for employers of the State and the public through the allowance of payrolling to employing units that are assigned to Class 10 through Class 18 contribution rates as prescribed in NAC 612.270.

Indirect Impacts

The determination of this Division that this amendment to the regulation will not have any significant direct economic impacts on the State and/or the public; the Division anticipates a direct positive impact for employers of the State and the public through the allowance of payrolling to employing units that are assigned to Class 10 through Class 18 contribution rates as prescribed in NAC 612.270.

Immediate Effect: Employing Units: Minimize costs to employers by enabling them to utilize payrolling services and not requiring them to establish their own human resources unit within the state to perform said payrolling services.

Long-Term Effect: Result in a positive economic impact for the State and/or public, allowing for a cost saving measure for businesses within those UI tax rates to utilize payrolling companies, saving said businesses resources by allowing their payroll functions to be contracted out to payrolling companies

7. The estimated cost to the agency for enforcement of the adopted regulation.

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

Anticipated Revenue Increase and Use

The determination of the Division that this regulatory amendment is not anticipated to result in revenue increase nor use.

8. A description of any regulations of other state or government agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.

This regulation is only a modification to certain Unemployment Insurance NAC's. Therefore, this regulation does not duplicate or provide a more stringent standard than any other regulation of federal, state, or local governments.

9. If the regulation includes provisions that are more stringent than a federal regulation which regulates the same activity, a summary of such provisions.

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

10. If the regulation establishes a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.

This Regulation does not impose any new or increased fees on employers; rather providing a positive impact for payrolling.

Kristine Nelson

Kristine Nelson, ESD Administrator

06.14.2023

Date