

ASSEMBLY BILL NO. 484—COMMITTEE ON WAYS AND MEANS

(ON BEHALF OF THE DEPARTMENT OF ADMINISTRATION)

MARCH 28, 2011

Referred to Committee on Ways and Means

SUMMARY—Makes various changes relating to unemployment compensation. (BDR 53-1245)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State: Contains Appropriation included in Executive Budget.

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

AN ACT relating to unemployment compensation; revising provisions relating to extended unemployment compensation; making appropriations to the Interim Finance Committee for allocation to the State Treasurer for interest payments due the Federal Government for the loan that was made available to the State upon depletion of Nevada's Unemployment Compensation Fund; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 An amendment to federal law provides an alternative method for determining
2 eligibility for extended unemployment compensation. To qualify, certain provisions
3 must be included in state law. (Section 502 of Pub. L. No. 111-312) **Sections 1 and**
4 **2** of this bill revise provisions to correspond to the change to the federal law,
5 allowing the Employment Security Division of the Department of Employment,
6 Training and Rehabilitation to provide extended unemployment benefits for a
7 longer period. **Section 6** of this bill provides that the amendatory provisions of
8 **sections 1 and 2** expire upon expiration of the changes to federal law. **Sections 3**
9 **and 4** of this bill make appropriations to the Interim Finance Committee for interest
10 payments due the Federal Government for a loan made available to the State upon
11 depletion of Nevada's Unemployment Compensation Fund. **Section 5** of this bill
12 provides that, if the Federal Government does not require interest payments in the
13 full amount of the appropriations provided in **sections 3 and 4**, the Interim Finance
14 Committee may allocate the money for a different purpose under the requirements
15 for allocation from the Contingency Fund. (NRS 353.268, 353.269)



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THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** NRS 612.377 is hereby amended to read as follows:
2 612.377 As used in NRS 612.377 to 612.3786, inclusive,
3 unless the context clearly requires otherwise:

4 1. “Extended benefit period” means a period which begins with
5 the third week after a week for which there is a Nevada “on”
6 indicator and ends with the third week after the first week for which
7 there is a Nevada “off” indicator or the 13th consecutive week after
8 it began, except that no extended benefit period may begin by
9 reason of a Nevada “on” indicator before the 14th week following
10 the end of a prior extended benefit period which was in effect for
11 Nevada.

12 2. There is a “Nevada ‘on’ indicator” for a week if the
13 Administrator determines, in accordance with the regulations of the
14 Secretary of Labor, that:

15 (a) For the period consisting of that week and the immediately
16 preceding 12 weeks, the rate of insured unemployment in Nevada
17 (not seasonally adjusted) under NRS 612.377 to 612.3786,
18 inclusive:

19 (1) Equaled or exceeded 120 percent of the average of those
20 rates for the corresponding 13-week period ending in each of the
21 preceding 2 calendar years and equaled or exceeded 5 percent; or

22 (2) Equaled or exceeded 6 percent; or

23 (b) For weeks of unemployment beginning on or after
24 February 1, 2009, and ending on or before December 12, 2009, or
25 the week ending ~~3~~ 4 weeks before the last week for which federal
26 sharing is authorized by section 2005(a) of Public Law No. 111-5,
27 whichever is later, the average rate of total seasonally adjusted
28 unemployment in Nevada, as determined by the Secretary of Labor,
29 for the period consisting of the most recent 3 months for which data
30 for all states are published before the close of such week:

31 (1) Equaled or exceeded 6.5 percent; and

32 (2) Equaled or exceeded 110 percent of the average rate for
33 the corresponding 3-month period ending in either of the ~~2~~ 3
34 preceding calendar years.

35 3. There is a “Nevada ‘off’ indicator” for a week if the
36 Administrator determines, in accordance with the regulations of the
37 Secretary of Labor, that for the period consisting of that week and
38 the immediately preceding 12 weeks, the rate of insured
39 unemployment in Nevada (not seasonally adjusted):

40 (a) Was less than 120 percent of the average of those rates for
41 the corresponding 13-week period ending in each of the preceding 2
42 calendar years; or



1 (b) Was less than 5 percent.

2 4. "Rate of insured unemployment," for purposes of
3 subsections 2 and 3, means the percentage derived by dividing the
4 average weekly number of persons filing claims in this State for the
5 weeks of unemployment for the most recent period of 13
6 consecutive weeks, as determined by the Administrator on the basis
7 of the Administrator's reports to the Secretary of Labor using the
8 average monthly employment covered under this chapter as
9 determined by the Administrator and recorded in the records of the
10 Division for the first four of the most recent six completed calendar
11 quarters ending before the end of the 13-week period.

12 5. "Regular benefits" means benefits payable to a person under
13 this chapter or under any other state law (including benefits payable
14 to federal civilian employees and to ex-servicemen pursuant to 5
15 U.S.C. §§ 8501 et seq.) other than extended benefits.

16 6. "Extended benefits" means benefits (including benefits
17 payable to federal civilian employees and to ex-servicemen pursuant
18 to 5 U.S.C. §§ 8501 et seq.) payable to a person under the
19 provisions of NRS 612.377 to 612.3786, inclusive, for the weeks of
20 unemployment in the person's eligibility period.

21 7. "Additional benefits" means benefits payable to exhaustees
22 by reason of conditions of high unemployment or by reason of other
23 special factors under the provisions of any state law. Any person
24 who is entitled to both additional and extended benefits for the same
25 week must be given the choice of electing which type of benefit to
26 claim regardless of whether his or her rights to additional and
27 extended benefits arise under the law of the same state or different
28 states.

29 8. "Eligibility period" of a person means the period consisting
30 of the weeks in the person's benefit year under this chapter which
31 begin in an extended benefit period and, if that benefit year ends
32 within the extended benefit period, any weeks thereafter which
33 begin in that period.

34 9. "Exhaustee" means a person who, with respect to any week
35 of unemployment in the person's eligibility period:

36 (a) Has received, before that week, all of the regular, seasonal or
37 nonseasonal benefits that were available to him or her under this
38 chapter or any other state law (including augmented weekly benefits
39 for dependents and benefits payable to federal civilian employees
40 and ex-servicemen under 5 U.S.C. §§ 8501 et seq.) in the person's
41 current benefit year which includes that week, except that, for the
42 purposes of this paragraph, a person shall be deemed to have
43 received all of the regular benefits that were available to him or her,
44 although as a result of a pending appeal with respect to wages that
45 were not considered in the original monetary determination in that



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1 benefit year, the person may subsequently be determined to be
2 entitled to added regular benefits; or

3 (b) His or her benefit year having expired before that week, has
4 no, or insufficient, wages on the basis of which the person could
5 establish a new benefit year which would include that week,

6 and has no right to unemployment benefits or allowances, as the
7 case may be, under the Railroad Unemployment Insurance Act, 45
8 U.S.C. §§ 351 et seq., the Trade Expansion Act of 1962, 19 U.S.C.
9 §§ 1801 et seq., the Automotive Products Trade Act of 1965, 19
10 U.S.C. §§ 2001 et seq. and such other federal laws as are specified
11 in regulations issued by the Secretary of Labor, and has not received
12 and is not seeking unemployment benefits under the unemployment
13 compensation law of Canada. If the person is seeking such benefits
14 and the appropriate agency finally determines that the person is not
15 entitled to benefits under that law the person is considered an
16 exhaustee.

17 10. "State law" means the unemployment insurance law of any
18 state, approved by the Secretary of Labor under Section 3304 of the
19 Internal Revenue Code of 1954.

20 **Sec. 2.** NRS 612.378 is hereby amended to read as follows:

21 612.378 1. Except as otherwise provided in subsection 2, the
22 total extended benefit amount payable to any eligible person for the
23 person's applicable benefit year is the lesser of the following
24 amounts:

25 (a) Fifty percent of the basic benefits which were payable to him
26 or her in the benefit year. If the amount computed is not a multiple
27 of \$1, it must be computed to the next lower multiple of \$1.

28 (b) Thirteen times the person's average weekly benefit amount
29 which was payable to him or her under this chapter for a week of
30 total unemployment in the applicable benefit year. If the amount
31 computed is not a multiple of \$1, it must be computed to the next
32 lower multiple of \$1.

33 2. In weeks beginning in a high unemployment period on or
34 after February 1, 2009, and ending on or before December 12, 2009,
35 or the week ending ~~3~~ 4 weeks before the last week for which
36 federal sharing is authorized by section 2005(a) of Public Law No.
37 111-5, whichever is later, the total extended benefit amount payable
38 to any eligible person for the person's applicable benefit year is the
39 lesser of the following amounts:

40 (a) Eighty percent of the basic benefits which were payable to
41 him or her in the benefit year. If the amount computed is not a
42 multiple of \$1, it must be computed to the next lower multiple of \$1.

43 (b) Twenty times the person's average weekly benefit amount
44 which was payable to him or her under this chapter for a week of
45 total unemployment in the applicable benefit year. If the amount



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1 computed is not a multiple of \$1, it must be computed to the next
2 lower multiple of \$1.

3 3. If the benefit year of any person ends within an extended
4 benefit period, the remaining balance of extended benefits that the
5 person would, but for this subsection, be entitled to receive in that
6 period, with respect to weeks of unemployment beginning after the
7 end of the benefit year, must be reduced by the product of the
8 number of weeks for which the person received any amounts as
9 trade readjustment allowances pursuant to 19 U.S.C. § 2291 within
10 that benefit year, multiplied by the weekly benefit amount of
11 extended benefits, but the balance must not be reduced below zero.

12 4. As used in this section, "high unemployment period" means
13 any period during which the average rate of total seasonally adjusted
14 unemployment in Nevada, as determined by the Secretary of Labor,
15 for the period consisting of the most recent 3 months for which data
16 for all states are published before the close of such week:

17 (a) Equaled or exceeded 8 percent; and

18 (b) Equaled or exceeded 110 percent of the average rate for the
19 corresponding 3-month period ending in either of the ~~2~~ 3
20 preceding calendar years.

21 **Sec. 3.** 1. There is hereby appropriated from the State
22 General Fund to the Interim Finance Committee the sum of
23 \$23,900,000 for allocation to the State Treasurer for interest
24 payments due the Federal Government for the loan that was made
25 available to the State upon depletion of Nevada's Unemployment
26 Compensation Fund.

27 2. Any remaining balance of the appropriation made by
28 subsection 1 must not be committed for expenditure after June 30,
29 2013, by the entity to which the appropriation is made or any
30 entity to which money from the appropriation is granted or
31 otherwise transferred in any manner, and any portion of the
32 appropriated money remaining must not be spent for any purpose
33 after September 20, 2013, by either the entity to which the money
34 was appropriated or the entity to which the money was subsequently
35 granted or transferred, and must be reverted to the State General
36 Fund on or before September 20, 2013.

37 **Sec. 4.** 1. There is hereby appropriated from the State
38 General Fund to the Interim Finance Committee the sum of
39 \$40,100,000 for allocation to the State Treasurer for interest
40 payments due the Federal Government for the loan that was made
41 available to the State upon depletion of Nevada's Unemployment
42 Compensation Fund.

43 2. Any remaining balance of the appropriation made by
44 subsection 1 must not be committed for expenditure after June 30,
45 2013, by the entity to which the appropriation is made or any



1 entity to which money from the appropriation is granted or
2 otherwise transferred in any manner, and any portion of the
3 appropriated money remaining must not be spent for any purpose
4 after September 20, 2013, by either the entity to which the money
5 was appropriated or the entity to which the money was subsequently
6 granted or transferred, and must be reverted to the State General
7 Fund on or before September 20, 2013.

8 **Sec. 5.** The sums appropriated by sections 3 and 4 of this act
9 may be allocated for a purpose other than the purpose described in
10 those sections if the Interim Finance Committee determines that the
11 Federal Government will not require the payment of interest in the
12 amounts appropriated by those sections. Any allocation made
13 pursuant to this section must be recommended by the State Board of
14 Examiners pursuant to NRS 353.268 and approved by the Interim
15 Finance Committee pursuant to NRS 353.269.

16 **Sec. 6.** 1. This section and sections 3 and 5 of this act
17 become effective upon passage and approval.

18 2. Section 4 of this act becomes effective on July 1, 2012.

19 3. Sections 1 and 2 of this act become effective upon passage
20 and approval and expire by limitation on:

21 (a) December 31, 2011; or

22 (b) The earlier of the date of the expiration of section 502 of
23 Public Law No. 111-312 or the date that federal sharing is no longer
24 authorized pursuant to section 2005(a) of Public Law No. 111-5,

25 ↪ whichever is later.

