

SENATE COMMITTEE ON COMMERCE & LABOR

MINUTES OF MEETING

Tuesday, May 6, 1975

A meeting of the Senate Committee on Commerce and Labor was called to order at 3:55 p.m. on Tuesday, May 6, 1975, in Room #131 of the Legislature Building.

Senator Gene Echols was in the chair.

PRESENT WERE:

Chairman Gene Echols
 Vice Chairman Richard Blakemore
 Senator Warren Monroe
 Senator Margie Foote
 Senator William Raggio
 Senator Gary Sheerin
 Senator Richard Bryan

ALSO PRESENT WERE:

James R. Henderson, Chairman - ESD Advisory Council
 Jack Hyatt, Chief - Benefits, ESD
 Larry McCracken, Director ESD
 Bill Gibbons, Reno Employer
 Roland Oakes, Associated General Contractors
 Jim Hanna
 Robert C. Weems, Member Advisory Council, ESD
 Robert McCoy, Northern Nevada Personnel Ass'n.
 Robert Guinn, NMTA & FADA
 Dale Egbert, Ely-Advisory Council, ESD
 Lou Paley, AFL-CIO
 Assemblyman James Banner
 Ray Trease, Consumer Affairs
 Peter Wooley, Reno
 Herbert Nye, Jr., Southern Nevada
 Bill Legand, Texaco Motor Oil
 George Vargas, Petroleum Companies
 Stan Jones, State Labor Commissioner
 John Span, Southern Nevada Employees Association
 Gene Milligan, State Realtors Association
 E. J. Silva, Department of Motor Vehicles
 David Hoy, Trailer Coach Association
 Ken Neiman, Licensed Real Estate Broker
 and Mobile Home Broker
 Richard Dixon, Dixon Homes
 Henry Viscarette, Laborer
 Mr. Simons, Local 971
 Mel Dale Vini, Local 971
 Lyle Dill, Sparks - Piece Worker
 Delia Barrenco, Carpenter

over

TESTIMONY WAS THEN HEARD ON THE FOLLOWING MEASURES:**AB 473 PROVIDES COMPREHENSIVE CHANGES IN UNEMPLOYMENT COMPENSATION LAW.**

James R. Henderson, Chairman of the Advisory Council of the Employment Security Department testified as to the purpose of the measure and the need for some immediate changes of the trust fund or it would be completely defunct. (See Attachments 1 through 5.)

There had been many meetings between Labor, Management and the Employment Security Department regarding the Employment Security "package" and the Advisory Council and Employment Security were in favor of those specific measures as commented on in Attachment 6.

Mr. Hyatt, Chief of the Benefits Division of the Employment Security Department testified as to specific changes in A.B. 473.

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AB 473 (Continued)

(See attachment 7)

After a lengthy discussion Larry McCracken, Director of the Employment Security Department stated that the problem is the abuse of non-charges not the concept of non-charges. He also stated that there was no place within this law that a claimant can't receive payments unless for gross misconduct.

Bill Gibbons of Reno explained that the Bill was a compromise, but seems to be the only way to solve the problem. It is a good balance. He gave strong support to the Bill.

Roland Oakes of that Associated General Contractors stated that they were in support of AB 473 but suggested an amendment. (See Attachment 4). Also on Page 3, line 46, change to 3.5%. He also stated that the General Contractors would assume their rightful share of the responsibility in building up the fund, but do not want to be raped in the process. He added that they would go along with a 5% increase for the contractor next year.

Robert McCoy of the Northern Nevada Personnel Association stated that they were in favor of the Bill as it now stands.

Robert Guinn of the Nevada Motor Transport Association testified (See Attachment 5) and felt that the legislature should specify that there would be a complete review in 1977 of the measure and how it was working.

Harry Keiser of Las Vegas said that he believed everyone should get unemployment regardless of what they do.

Mr. Egbert, of the Local Machinists Union in Ely and also on the Advisory Council of the ESD stated that we should do everything we can to stabilize the fund with a flexible tax base. If the fund is depleted, then payments would decrease to \$20 a week unemployment.

Lou Paley of the CIO stated that labor did not support this measure. He did feel, however, that those fired for misconduct should not be paid unemployment. He also said that 50% of the employees in the State of Nevada make \$4,200 a year or less. He added that he could go along with the original measure but the added amendments changed the package.

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Senator Echols asked if we did put the Bill back to its original form would Mr. Paley back it? Mr. Paley said that he would want to raise more questions before answering that question.

The meeting was recessed at 6:40 p.m. for dinner, and called back to order at 8:20 p.m. for further testimony.

AB 4

ENLARGES RIGHT OF EMPLOYEES TO BE TREATED BY PHYSICIAN OF CHOICE UNDER NEVADA INDUSTRIAL INSURANCE ACT.

Assemblyman James Banner testified as to the purpose of the measure, stating that it would allow the employee the option of selecting a doctor of his choice from a panel of doctor's on the N.I.C. selected list. He felt that the measure was important as he didn't believe that an employee should be forced to "work for a company doctor."

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AB 156 REQUIRES REFUND OF BUYER'S DEPOSIT IN CERTAIN CASES.

Ray Trease of Consumer Affairs stated that he was in favor of the measure as amended. Senator Bryan asked the meaning of lines 10 through 13 on Page 1. Mr. Trease said that this was addressed specifically to the illegal seller and persons going out of business.

Mr. Trease also suggested that on Page 2, line 13, the wording should be changed to read: . . . "6. Fair market value shall not exceed the actual cash" or by removing the words, "be construed to "

AB 265 REQUIRES GOOD-FAITH PERFORMANCE OF FRANCHISES BETWEEN SERVICE STATION OPERATORS AND PETROLEUM DISTRIBUTORS AND PROVIDES SANCTIONS FOR ANY BREACH.

Mr. Peter Wooley of Reno testified that this would put the petroleum dealers on a business like basis with their oil companies. It would set forth ground rules which was needed in the industry.

Mr. Herbert Nye, Jr., of Southern Nevada stated that as it is now, their business is completely tied to the whims of the oil companies. They are in complete control of the properties..

Mr. George Vargas testified against the measure saying that everything on the bill is against the companies.

Senator Echols then read a letter from Senator Cannon in favor of the measure.

Senator Raggio felt that the companies should be more dealer oriented and asked Mr. Vargas if he would go along with the measure if they tightened the Bill up. Mr. Vargas felt the whole measure would open up a can of worms.

AB 279 PROVIDES CERTAIN CONTROLS OVER EMPLOYMENT SECURITY FUND AND TRANSFERS REVENUE SOURCE TO UNEMPLOYMENT COMPENSATION FUND.

Larry McCracken testified that the ESD was opposed to this measure. The measure required additional notification before expending money from the Employment Security Fund. As there was no one else present to testify on the measure, the Committee concurred that they should wait until they heard from Earl Oliver for further testimony.

AB 455 REVISES LAW GOVERNING PRIVATE EMPLOYMENT AGENCIES.

over

Stan Jones from the Office of the State Labor Commissioner testified as to the purpose of the measure. He stated it was needed because there were private employment agencies that were committing acts which were damaging to both the industry and to the State as a whole. It provides for additional administrative authority to the Office of State Labor Commissioner and adds substantial definitions where these definitions are lacking. The measure would allow for a 15% increase in the rate for the 1st month, or 40% of the 1st month to be paid to the employment agency.

Mr. John Stan of the Employees Ass'n of Southern Nevada testified further in support of the Bill. He felt that the fee increase will help the agencies to do a better job for both the employee and the employer.

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AB 615 EXEMPTS REAL ESTATE BROKERS AND SALESMEN FROM CERTAIN LICENSURE REQUIREMENTS TO SELL MOBILE HOMES.

Gene Milligan representing the State Realtors Association testified as to the purpose of the measure stating that the measure would tie the laws pertaining to real estate and the Department of Motor Vehicles together regarding the sale of mobile home on real property. This would make it possible for the real estate broker to sell a mobile home along with the real property on which it was placed.

E. J. Silva of the Department of Motor Vehicles stated that his department had no difficulty with the measure.

Mr. Milligan added that the real estate salesman do not want to become mobile home dealers; this measure addressed itself strictly to the mobile home with land transactions.

Mr. David Hoy of the Trailer Coach Association testified against the Bill stating that the mobile home business was a unique business and that they didn't believe that any real estate salesman was qualified to sell mobile homes. He said that there were 15 or 20 licensed real estate salesman whom where also mobile home dealers. The problem was that real estate salesmen didn't know anything about mobile homes and because of this they get into trouble.

Ken Neiman a licensed real estate broker and mobile home dealer stated that he was against the measure as he had found that real estate salesman did not have any knowledge as to the loan setups, the tax structure or the licensing procedures with the Department of Motor Vehicles which affect the mobile home.

Mr. Milligan rebutted by saying that a mobile home dealer does not need any further education, all he needs is a bond and an area in which to show his mobile homes.

Senator Echols then asked for further testimony on AB 473 (See Page 1 through 2).

Mr. Paley testified that there definitely should be an interim study made by the Employment Security Department and then the Legislature should hold public meetings before and during the next Legislative Session.

Henry viscarette, a laborer testified that those in the labor market were really having problems and that if they had to go on unemployment, there is no way they could live on \$20 a week.

Mr. Dale Vini of Local 971 told the Committee about his experiences with unemployment and asked them to please try to do something for the working man.

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Harry Keiser stated again that he was **against the measure** and he would watch how the vote went **as he had helped many** of those on the Committee during the last campaign.

Merle Snyder of the Reno and Las Vegas Musicians Union reiterated what the previous opponents of the Bill had stated.

Senator Raggio stated that he felt we had to adopt something to equalize the burden between the employer and the employee.

Mr. McCracken said that this measure was trying to reach a balance and that it had been proposed after many meetings between labor, management and the Employment Security Department.

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Mr. Knudson of the Northern Nevada Builders Association stated that he would support the 66 2/3 floating base if it is kept at a floating base rate. The problem is the lack of funds and he would not agree to the amendments.

John Pruitt a carpenter opposed the measure but asked that some law be put into effect that would solve the problem so that they wouldn't have to go to \$20 a week.

AB 476 AUTHORIZES EMPLOYMENT SECURITY DEPARTMENT TO PARTICIPATE IN THE COMPREHENSIVE EMPLOYMENT AND TRAINING ACT OF 1973.

Larry McCracken testified as to the purpose of the bill stating that this was enabling legislation to authorize CETA employees. (See Attachment 6).

AB 477 TEMPORARILY RELAXES STANDARDS FOR DETERMINING EXTENDED BENEFITS UNDER UNEMPLOYMENT COMPENSATION L/W.

Larry McCracken testified as to the purpose of the bill and stated that this legislation is recommended by the Federal Government. See attachment 6.

AB 478 EXPEDITES UNEMPLOYMENT COMPENSATION BOARD'S REVIEW PROCEDURE AND INCREASES BOARD MEMBERS' SALARY.

Stan Miller testified that the measure would allow:

- a. An appeals tribunal.
- b. A 3 man board to review testimony.

AB 279 PROVIDES CERTAIN CONTROLS OVER EMPLOYMENT SECURITY FUND AND TRANSFERS REVENUE SOURCE TO UNEMPLOYMENT COMPENSATION FUND.

over

It was the Committees concurrence that this measure be held until Earl Oliver could testify.

AB 656 PROVIDES FINANCIAL PROTECTION TO CERTAIN PERSONS INVOLVED IN CONSTRUCTION WORK.

Mr. Lawrence Gabe, a Nevada Contractor testified that this was needed so that Contractors and Sub-contractors would be able to collect monies due them. He stated that the lien laws do not give enough protection.

As there was no further testimony, the meeting was adjourned at 12:35 a.m.

Respectfully submitted:


Molly M. Torvik, Acting Secretary

APPROVED:

Senator Gene Echols, Chairman

TRUST FUND BALANCE

MILLIONS

40

30

20

10

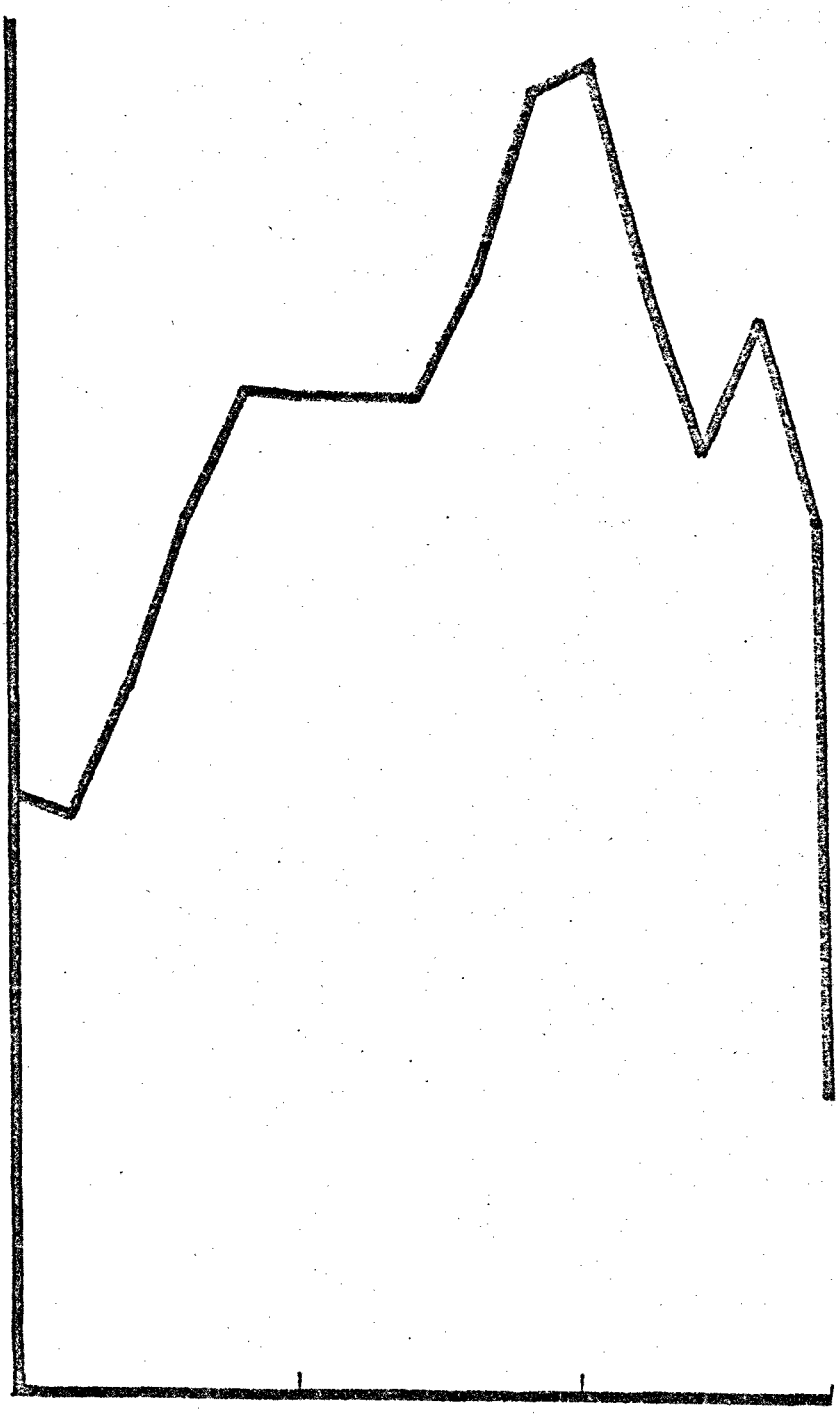
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1960

1965

1970

1975



1974
Employment Security Council
Legislative Proposals

Qualifying Wages - 1½ Times High Quarter Earnings
NRS 612.375 (4)
Page 2 - Line 2

Provides that claimant must earn total wages in his base period equal to 1½ times his high quarter earnings to qualify for benefits.

Disqualification - Voluntary Quits
NRS 612.380
Page 2 - Line 16

1. To provide that disqualification for voluntary quits shall begin with the date a claim is filed.
2. To provide that a claimant who has voluntary quit, and who subsequently became employed, shall be disqualified if he has not earned at least 5 times his weekly benefit amount since the voluntary quit took place.
3. To provide that a claimant who has been disqualified for a voluntary quit shall have his total benefit amount reduced by the number of weeks of disqualification, not to exceed 1/2 his total benefit entitlement.

Disqualification - Misconduct
NRS 612.385
Page 2 - Line 32

1. To provide that disqualification for misconduct shall begin with the date a claim is filed.
2. To provide that a claimant who has been discharged for misconduct, and who subsequently became employed, shall be disqualified if he has not earned at least 5 times his weekly benefit amount since the time he was discharged for misconduct.
3. To provide that a claimant who has been disqualified for misconduct shall have his total benefit amount reduced by the number of weeks of disqualification, not to exceed one-half his total benefit entitlement.

Increase Maximum Tax Rate
NRS 612.540 and NRS 612.550 (2) and (6)
Page 3 - Line 39
Page 5 - Line 26
Page 6 - Line 37

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To provide that the maximum rate for employers eligible for experience rating be increased to 3% of taxable wages.

Taxable Wage Base - 66-2/3% of Average Wage
NRS 612.545
Page 4 - Line 17

Provides that the taxable wage base be equal to 66-2/3% of the average annual wage as determined on the previous July 1.

Non-Charges - Elimination
NRS 612.550 (4b)
Page 5 - Line 47
Page 3 - Line 20

To eliminate non-charging to employers' accounts of benefits paid to claimants whose separation from that employment was due to a voluntary quit or discharge for misconduct.

Solvency Test Suspended for One Year
Page 6 - Line 38
Solvency Tax - .5%
Page 7 - Line 12
NRS 612.550 (7)

1. To suspend the solvency test so that experience rating will be in effect for the third and fourth quarters of calendar year 1975.
2. To provide for a solvency tax of .5% if the trust fund does not meet the solvency requirement, for calendar years after 12/31/75.

Employer Penalty
New Section - NRS 612
Page 7 - Line 36

Provides penalty for false statements made by employers concerning termination of a claimant's employment.

Gross Misconduct (Revised)
New Section - NRS 612
Page 7 - Line 46

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Provides for cancellation of wage credits from **employer involved** when claimant is discharged for gross misconduct.

Comparison for Western States of Taxable Base, Maximum Rate and Maximum Annual Premium Per Employee Compiled From Employment Security Department Data - 1974

	Base	Maximum Rate	Maximum Annual Premium
	\$	%	\$
Alaska	10,000	5.5	550.00
Arizona	4,200	2.25	94.50
California	4,200	3.7	155.40
Colorado	4,200	?	---
Hawaii	6,800	3.0	204.00
Idaho	4,200	2.9	121.80
Montana	4,200	?	---
New Mexico	4,200	?	---
Oregon	5,000	2.958	147.90
Utah	4,200	2.7	113.40
Washington	6,000	3.0	180.00
Wyoming	4,200	?	---
Nevada	4,200	2.7	113.40
/ Nevada 1975	5,800	3.0	174.00
/ Nevada 1976	6,100	3.5	213.50

/ Based on estimate of 2/3 of annual covered wage + 5% increase for 1976

TAX RATE/TAX BASE COMPARATIVE DATA
FOR NINE WESTERN STATES

<u>State</u>	<u>Min. Rate %</u>	<u>Max. Rate %</u>	<u>Taxable Wage Base</u>
Alaska	.6	5.5	\$10,000
Idaho	.3	5.1	4,200
California	.1	4.1	4,200
Oregon	.8	3.2	5,000
Hawaii	.2	3.0	6,800
Washington	.0	3.0	6,000
Arizona	.5	3.6	4,200
Utah	.7	2.7	4,200
Nevada	.6	3.0	4,200
Nevada - Proposed	.6	3.5	66-2/3% of Average

<u>Max. Cost per Employee</u>	<u>New Employer</u>	<u>Eligible Employer</u>
Now - 4,200 base X 3.0% & 2.7%	\$126.00	\$113.40
Proposed 1975 - 6,000 X 3.0%	180.00	180.00
Possible 1976 - 6,300 X 3.0% & .5%	220.50	220.50

No. of Employers at 9/30/74 -- 14,309
No. of Employers at 9/30/70 -- 11,052

Number Increase -- 3,257
Percentage Increase -- 29.5%

MINIMUM AND MAXIMUM TAX RATES - 1974

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<u>Current Tax Rate</u>			<u>Taxable Wage Above \$4,200</u>				<u>Taxable Wage Above \$4,200</u>	
<u>State</u>	<u>Max.</u>	<u>Min.</u>		<u>State</u>	<u>Max.</u>	<u>Min.</u>		
Alabama	2.7%	0.5%	\$10,000	Missouri	2.5	0.0		
Alaska	3.8	1.3		Montana	2.9	0.5		
Arizona	2.25	0.2		Nebraska	2.7	0.1		
Arkansas	2.9	0.3		Nevada	2.7	2.7		
Calif.	3.7	1.0		New Hamp.	1.925	0.075		
Colorado	0.5	0.0		N. J.	4.1	1.2		
Conn.	5.0	1.4		N. Mex.	3.3	0.3		
Delaware	4.8	1.4		New York	3.9	1.3		
D. C.	2.7	0.1		N. Caro.	2.7	0.2		
Florida	4.5	0.1		N. Dak.	3.9	0.9		
Georgia	2.16	0.08	6,800	Ohio	3.7	0.2		
Hawaii	3.0	1.3		Okla.	2.7	0.4		
Idaho	2.9	1.1		Oregon	2.958	1.224		
Illinois	4.0	0.1		Penna.	4.0	0.9		
Indiana	2.1	0.08		P. R.	2.7	2.7		
Iowa	2.7	0.0		Rhode Is.	3.5	2.2		
Kansas	3.6	0.0		S. Caro.	2.7	0.25		
Kentucky	2.7	0.3		S. Dak.	2.7	0.0		
La.	2.7	1.0		Tenn.	2.7	0.3		
Maine	4.2	1.9		Texas	4.0	0.1		
Maryland	3.6	0.1	Utah	2.7	1.4			
Mass.	4.5	2.3	4,800	Vermont	5.0	1.0		
Michigan	4.6	0.7		Virginia	2.7	0.05		
Minn.	5.0	0.9		Wash.	3.0	3.0		
Miss.	2.7	0.8		West Va.	1.7	0.0		
				Wisc.	3.5	0.0		
				Wyoming	2.92	0.22		
								\$5,000
								\$6,000

TABLE 200.--SUMMARY OF EXPERIENCE-RATING PROVISIONS, 51 STATES ^{1/}

State	Type of experience rating				Tax-able wage base above \$4,200 (6 ¹ States)	Wages include remuneration over \$4,200 if subject to FUTA (38 States)	Voluntary contributions permitted (25 States)
	Reserve ratio (32 States)	Benefit ratio (10 States)	Benefit wage ratio (5 States)	Payroll declines (4 States)			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Ala.	.....	.....	X	.....	.....	X	.....
Alaska	.....	.....	.....	Quarterly	\$10,000	X	.....
Ariz.	X	.....	.....	.....	.....	X	X
Ark.	X	.....	.....	.....	.....	X	X ^{2/}
Calif.	X	.....	.....	.....	.....	.....	.....
Colo.	X	.....	.....	.....	.....	X	X
Conn.	.....	X ^{5/}	.....	.....	.....	.....	.....
Del.	.....	.....	X	.....	.....	.....	.....
D.C.	X	.....	.....	.....	.....	X	X
Fla.	.....	X	.....	.....	.....	X	.....
Ga.	X	.....	.....	.....	.....	X ^{4/}	.....
Hawaii	X	.....	.....	.....	7,300 ^{3/}	X	.....
Idaho	X	.....	.....	.....	.....	X	.....
Ill.	.....	.....	X	.....	.....	X ^{4/}	.....
Ind.	X	.....	.....	.....	.....	X	X
Iowa	X	.....	.....	.....	.....	X	X
Kans.	X	.....	.....	.....	.....	X	X ^{2/}
Ky.	X	.....	.....	.....	.....	X	X
La.	X	.....	.....	.....	.....	X	X ^{2/}
Maine	X	.....	.....	.....	.....	X	X
Md.	.....	X	.....	.....	.....	X	.....
Mass.	X	.....	.....	.....	.....	.....	.....
Mich.	X	.....	.....	.....	.....	.....	.....
Minn.	.....	X	.....	.....	\$4,800	X	X ^{2/}
Miss.	.....	X	.....	.....	.....	X	.....
Mo.	X	.....	.....	.....	.....	X	X
Mont.	.....	.....	.....	Annual ^{6/}	.....	.....	X ^{2/}
Nebr.	X	.....	.....	.....	.....	X	X
Nev.	X	.....	.....	.....	.....	X	.....
N.H.	X	.....	.....	.....	.....	X	.....
N.J.	X	\$4,800 ^{3/}	X
N.Mex.	X	X
N.Y.	X	X ^{4/}	X
N.C.	X	X ^{2/}
N.Dak.	X	(³)	X	X
Ohio	X	X

(Table continued on next page)

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TABLE 200.--SUMMARY OF EXPERIENCE-RATING PROVISIONS, 51 STATES^{1/} (CONTINUED)

State	Type of experience rating				Tax-able wage base above \$4,200 (6 ^{1/} States)	Wages include remuneration over \$4,200 if subject to FUTA (38 States)	Voluntary contributions permitted (25 States)
	Reserve ratio (32 States)	Benefit ratio (10 States)	Benefit wage ratio (5 States)	Payroll declines (4 States)			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Okla.	.....	.....	X	.....	.....	X	.....
Oreg.	.....	X ^{6/}	.....	.....	\$5,000	.....	.....
Pa.	.....	X ^{6/}	.....	.....	.....	X ^{4/}	X
R.I.	X	.....	.....	.....	.....	X	.....
S.C.	X	.....	.....	.....	.....	X	X
S.Dak.	X	.....	.....	.....	.....	X	X
Tenn.	X	.....	.....	.....	.....	X ^{4/}	.....
Tex.	.....	X	.....	.....	.....	.....	.....
Utah	.....	.....	.....	Annual and quarterly ^{6/}	.....	X	.....
Vt.	.....	X	.....	.....	.....	X	.....
Va.	.....	.....	X	.....	.....	.....	.....
Wash.	.....	.....	.....	Annual ^{6/}	\$6,600 ^{3/}	.....	.....
W.Va.	X	.....	.....	.....	.....	X	X
Wis.	X	.....	.....	.....	.....	X	X
Wyo.	.....	X	.....	.....	.....	X	.....

^{1/} Excludes P.R. which has no experience-rating system and which levies a tax on all wages. See Tables 201 to 206 for more detailed analysis of experience-rating provision.

^{2/} Voluntary contributions limited to amount of benefits charged during 12 months preceding last computation date, Ark. and La.; ER receives credit for 80% of any voluntary contributions made to fund, N.C.; reduction in rate because of voluntary contributions limited to one rate group, Kans.; voluntary contributions allowed only if benefit charges exceeded contributions in last 3 yrs., Mont.; surcharge added equal to 25% of benefits canceled by voluntary contributions unless voluntary payment is made to overcome charges incurred as result of unemployment of 75% or more of ER's workers caused by damages from fire, flood, or other acts of God, Minn.; limited to yrs. in which rate schedule higher than basic schedule is in effect, La.

^{3/} Taxable wage base computed annually at 90% of State's average annual wage for 1-yr. period ending June 30, Hawaii; computed at 70% of state annual wage (limit \$100 over preceding yr.) when fund is less than 1-1/2 x highest amount of benefits paid in any yr.; otherwise, wage base is same as that specified in FUTA, N.Dak.; increases by \$600 when fund balance is less than 4.5% of total payrolls, not to exceed 75% of average annual wage for second preceding CY, Wash. Effective Jan. 1, 1976, wage base computed annually at 28 x the statewide aww, N.J.

^{4/} Wages include all kinds of remuneration subject to FUTA.

^{5/} Compensable separations formula until benefit yrs. starting on or after Jan. 5, 1975, (Sec. 220.04).

^{6/} Formula includes duration of liability, Mont. and Utah; ratio of benefits to contributions, Mont., reserve ratio, Pa., and benefit ratio, Wash.

TAXATION

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TABLE 201.--COMPUTATION DATE, EFFECTIVE DATE, PERIOD OF TIME TO QUALIFY FOR EXPERIENCE RATING, AND REDUCED RATES FOR NEW EMPLOYERS

State (1)	Computation date (2)	Effective date for new rates (3)	Period of time needed to qualify for experience rating		Reduced rate for new employers ^{2/} (6)
			At least 3 years (4)	Less than 3 years ^{1/} (5)	
Ala.	Oct. 1	April 1	.....	1 year	1.5%
Alaska	June 30	Jan. 1	.....	1 year ^{1/}	1.0% ^{3/}
Ariz.	July 1	Jan. 1	.....	1 year	.....
Ark.	June 30	Jan. 1	.....	1 year	.....
Calif.	June 30	Jan. 1	.....	12 months	.....
Colo.	July 1	Jan. 1	.....	12 months	1.0%
Conn.	June 30	Jan. 1	.....	1 year ^{1/}	(3)
Del.	Oct. 1	Jan. 1	4 years	.....	.....
D.C.	June 30	Jan. 1	X	.....	(3)
Fla.	Dec. 31	Jan. 1	X	.....	1.0%
Ga.	June 30	Jan. 1	.....	1 year	.....
Hawaii	Dec. 31	Jan. 1	.....	1 year	.....
Idaho	June 30	Jan. 1	.....	1 year	.....
Ill.	June 30	Jan. 1	.....	3 years ^{1/}	.....
Ind.	June 30	Jan. 1	.....	36 months ^{1/}	.....
Iowa	Oct. 1	Jan. 1	.....	2 years	1.5%
Kans.	June 30	Jan. 1	.....	2 years	1.0% ^{3/}
Ky.	Sept. 30	Jan. 1	X	.....	.....
La.	June 30	Jan. 1	X	.....	.....
Maine	Dec. 31	July 1	.....	2 years	2.0%
Md.	March 31	July 1	.....	1 year	(3)
Mass.	Sept. 30	Jan. 1	.....	1 year	2.0%
Mich.	June 30	Jan. 1	X	.....	.....
Minn.	June 30	Jan. 1	.....	1 year	(3)
Miss.	June 30	Jan. 1	.....	1 year	1.0% ^{4/}
Mo.	June 30	Jan. 1	.....	1 year	1.0% ^{4/}
Mont.	June 30	Jan. 1	X	.....	.....
Nebr.	Dec. 31	Jan. 1	.....	1 year ^{1/}	.....
Nev.	June 30	Jan. 1	.....	2 1/2 years	.....
N.H.	Jan. 1	July 1	.....	1 year	.....
N.J.	Dec. 31	July 1	X	.....	.....
N.Mex.	June 30	Jan. 1	X	.....	.....
N.Y.	Dec. 31	Jan. 1	.....	1 year	(3)
N.C.	Aug. 1	Jan. 1	.....	1 year	.....
N.Dak.	Dec. 31	Jan. 1	.....	1 year	.....
Ohio	July 1	Jan. 1	.....	1 year	.....
Okla.	Dec. 31	Jan. 1	.....	1 year	.....
Oreg.	June 30	Jan. 1	.....	1 year	.....
Pa.	June 30	Jan. 1	.....	18 months ^{1/}	2.0% ^{3/}
R.I.	Sept. 30	Jan. 1	.....	1 year	(3)
S.C.	July 1 ^{5/}	Jan. 1 ^{5/}	.....	2 years ^{1/}	.....
S.Dak.	Dec. 31	Jan. 1	.....	2 years	.....

(Table continued on next page)

TABLE 201.--COMPUTATION DATE, EFFECTIVE DATE, PERIOD OF TIME TO QUALIFY FOR EXPERIENCE RATING, AND REDUCED RATES FOR NEW EMPLOYERS (CONTINUED)

State	Computation date	Effective date for new rates	Period of time needed to qualify for experience rating		Reduced rate for new employers ^{2/}
			At least 3 years	Less than 3 years ^{1/}	
(1)	(2)	(3)	(4)	(5)	(6)
Tenn.	Dec. 31	July 1	X	.....	.....
Tex.	Oct. 15 ^{5/}	Jan. 15 ^{5/}	.....	1 year	1.0%
Utah	Jan. 1	Jan. 1	X	.....	.....
Vt.	Dec. 31	July 1	.....	1 year	(3)
Va.	June 30	Jan. 1	.....	1 year	1.0%
Wash.	July 1	Jan. 1	.....	2 years ^{1/}	.....
W.Va.	June 30	Jan. 1	X	.....	1.5%
Wis.	June 30	Jan. 1	.....	18 months	.....
Wyo.	June 30	Jan. 1	X	.....	.....

^{1/}Period shown is period throughout which ER's account was chargeable or during which payroll declines were measurable. In States noted, requirements for experience rating are stated in the law in terms of subjectivity, Alaska, Conn., Ind., and Wash.; in which contributions are payable, Ill. and Pa.; coverage, S.C.; or, in addition to the specified period of chargeability, contributions payable in the 2 preceding CYs, Nebr.

^{2/}Immediate reduced rate for newly-covered ERs until such time as the ER can qualify for a rate based on experience.

^{3/}Rate for newly-covered ERs is the higher of 1.0% or State's 5-yr. benefit cost ratio, not to exceed 2.7%, Conn., Md., and R.I.; average industry tax rate but not less than 1.0%, Alaska and Kans.; higher of 1.0% or the rate equal to the average rate on taxable wages of all ERs for the preceding CY not to exceed 2.7%, D.C.; higher of 1.0% or State's 3-yr. benefit cost rate, not to exceed 2.7%, Minn.; higher if 1.0% or that percent represented by rate class 11 (1.2% to 2.0%) depending upon rate schedule in effect, Vt.

^{4/}For all newly-covered ERs except those in the construction industry, Miss. and Pa.; only for newly-covered nonprofit ERs making contributions, Mo.

^{5/}For newly-qualified ER, computation date is end of quarter in which ER meets experience requirements and effective date is immediately following quarter, S.C. and Tex.

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Amend AB 473 by deleting lines ~~26~~ through ~~28~~ on page ~~4~~ and inserting in place thereof the following:

(c) Beginning on the first day of the first calendar quarter after December 31, 1974, wages do not include that part of remuneration which, after remuneration equal to \$5,600 has been paid in a calendar year to an individual by an employer with respect to employment during any calendar year, is paid to such individual by such employer during such calendar year unless that part of the remuneration is subject to a tax under a federal law imposing a tax against which credit may be taken for contributions paid under this chapter.

COMPARISON OF TAX RATES AND PREMIUM PER EMPLOYEE IF NO CHANGE MADE AND UNDER PROVISIONS OF A. B. 473

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
MAKING NO CHANGE:											
Present Base	\$ 4200	\$ 4200	\$ 4200	\$ 4200	\$ 4200	\$ 4200	\$ 4200	\$ 4200	\$ 4200	\$ 4200	\$ 4200
Combined State & Fed Tax Rate	3.0%	3.3%	3.6%	3.9%	4.2%	4.5%	4.8%	5.1%	5.4%	5.7%	6.0%
Total Premium	126.00	138.60	151.20	163.80	176.40	189.00	201.60	214.20	226.80	239.40	252.00
Accumulative Total	126.00	264.60	415.80	579.60	756.00	945.00	1146.00	1360.80	1587.60	1827.00	2079.00
UNDER A. B. 473 - MAXIMUM:											
1/ State Base	\$ 5800	\$ 6100	\$ 6400	\$ 6700	\$ 7000	\$ 7400	\$ 7800	\$ 8200	\$ 8600	\$ 9000	\$ 9500
2/ State Tax Rate	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
State Premium	174.00	213.50	224.00	234.00	245.00	259.00	273.00	287.00	301.00	315.00	332.50
Federal Base	4200	4200	4200	4200	4200	4200	4200	4200	4200	4200	4200
Federal Tax Rate	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Federal Premium	12.60	12.60	12.60	12.60	12.60	12.60	12.60	12.60	12.60	12.60	12.60
Total Premium	186.60	226.10	236.60	246.60	257.60	271.60	285.60	299.60	313.60	327.60	345.10
Accumulative Total	186.60	412.70	649.30	895.90	1153.50	1425.10	1710.70	2010.30	2323.90	2651.50	2996.50
UNDER A. B. 473 - MINIMUM:											
1/ State Base	\$ 5800	\$ 6100	\$ 6400	\$ 6700	\$ 7000	\$ 7400	\$ 7800	\$ 8200	\$ 8600	\$ 9000	\$ 9500
State Tax Rate	0.6%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%
State Premium	34.80	67.10	70.40	73.70	77.00	81.40	85.80	90.20	94.60	99.00	104.50
Federal Base	4200	4200	4200	4200	4200	4200	4200	4200	4200	4200	4200
Federal Tax Rate	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Federal Premium	12.60	12.60	12.60	12.60	12.60	12.60	12.60	12.60	12.60	12.60	12.60
Total Premium	47.40	79.70	83.00	86.30	89.60	94.00	98.40	102.80	107.20	111.60	117.10
Accumulative Total	47.40	127.10	210.10	296.40	386.00	480.00	578.40	681.20	788.40	900.00	1017.10

Employer at maximum rate will pay \$917.50 more per employee in ten years under A. B. 473 than if no action taken.
 Employer at minimum rate will pay \$1,061.90 less per employee in ten years under A. B. 473 than if no action taken.

- 1/ Assuming 5% annual wage inflationary increase.
- 2/ Assuming 0.5% surcharge prevails in each year.

COMPARISON OF RATES, BASE, AND PAYMENTS PER EMPLOYEE UNDER EMPLOYMENT SECURITY PRIOR TO LOSING EXPERIENCE RATINGS, AFTER LOSING EXPERIENCE RATINGS, AND UNDER A. B. 473

RANGE OF CONTRIBUTIONS		BASE			PAYMENT PER EMPLOYEE			
1975 and prior	1976	Pre 7/1/75	Last 1/2 1975	1976 ***	With experience ratings	First 1/2 1975	Last 1/2 1975	1976
0.6	1.1	\$4,200	\$5,800	\$6,100	\$25.20	\$113.40	\$63.80	\$67.10
0.9	1.4	\$4,200	\$5,800	\$6,100	\$37.80	\$113.40	\$81.20	\$85.40
1.2	1.7	\$4,200	\$5,800	\$6,100	\$50.40	\$113.40	\$98.60	\$103.70
1.5	1.8	\$4,200	\$5,800	\$6,100	\$63.00	\$113.40	\$104.40	\$109.80
1.8	2.1	\$4,200	\$5,800	\$6,100	\$75.60	\$113.40	\$121.80	\$128.10
2.1	2.4	\$4,200	\$5,800	\$6,100	\$88.20	\$113.40	\$139.20	\$146.40
2.4	2.7	\$4,200	\$5,800	\$6,100	\$100.80	\$113.40	\$156.60	\$164.70
2.7	3.0	\$4,200	\$5,800	\$6,100	\$113.40	\$113.40	\$174.00	\$183.00
-	3.5	-	-	\$6,100	-	\$113.40	\$203.00	\$213.50

* - Estimated 5% increase in covered wages.

Prepared by Robert F. Guinn
July 5, 1975

AMENDMENTS TO NEVADA'S UNEMPLOYMENT COMPENSATION LAW Cont'd)

<u>Bill Number</u>	<u>Summary</u>	<u>Comments</u>
AB 477	Provides 100% federal funding for extended benefits under certain national unemployment rate trigger formula. (Present maximum for federal funds is 50%.)	Employment Security Department supports this bill.
AB 478	Provides for increase in pay for Board of Review members, relaxation of requirements for record retention and limitation of individual's right to appeal to the Board of Review.	
AB 479	Clarifies administration of monies from Federal Unemployment Trust Fund and authorizes expenditures therefrom.	Employment Security Department supports this bill.
AB 493	Deletes existing requirement to reduce maximum weekly benefit to \$20 when trust fund reaches \$8.5 million.	Employment Security Department supports this bill.
AB 537	Requires one week waiting period before unemployed individual may receive benefits.	
AB 549	Redefines suitable work for unemployment compensation purposes.	
AB 555	Requires total offset against unemployment compensation of all payments received under Social Security or any private or public pension plan.	

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AMENDMENTS TO NEVADA'S UNEMPLOYMENT COMPENSATION LAW

MAY 6, 1975

<u>Bill Number</u>	<u>Summary</u>	<u>Comments</u>
AB 279	Requires additional notification before expending money from the Employment Security Fund.	Employment Security Department opposes this bill.
AB 314	Includes cash tips and gratuities in definition of wages for determining unemployment compensation benefits.	
AB 385	Requires all state and local government employees to be covered under the Unemployment Compensation Law.	
AB 473	Reduces benefits for individuals who voluntarily quit jobs without good cause or are discharged for misconduct; provides employer penalty for wilful false statement or wilful failure to report material fact; provides that claimant must earn total wages in the base period (12 months) at least equal to 1½ times the amount earned in any calendar quarter within same period; provides for cancellation of wage credits from employer involved when claimant discharged for gross misconduct; provides for increase in the maximum tax rate for employers from 2.7% to 3.0%; provides for elimination of non-charging to employers' accounts of benefits paid to certain claimants; provides temporary suspension of fund solvency during last half of 1975; provides for a solvency tax of .5% if solvency test failed in future years; provides increase in taxable wage base to 66-2/3% of average annual wage.	Recommended as a comprehensive package to the Executive Director by the Employment Security Council. Employment Security Department strongly supports these proposals as a <u>package of 9 changes to NRS.</u>
AB 475	Changes name of Farm Labor Advisory Council to Rural Manpower Services Advisory Council.	Employment Security Department supports this bill.
AB 476	Allows Employment Security Department to administer the Comprehensive Employment and Training Act (CETA).	Employment Security Department supports this bill.

The changes contained in A.B.473 are as follows:

1. Imposes an additional .5% tax on all employers in any year the state fund does not meet the annual solvency test. Variable rates based upon experience would still be retained. Under present law, all employers go to the maximum rate when this occurs.
2. Provides for employer penalties for willful misrepresentation of a material separation fact.
3. Provides for elimination of wage credits of any worker discharged for gross misconduct. This may result in total disqualification in some cases.
4. Worker disqualification begins from the date a claim is filed. Current disqualification begins with the last day worked. This allows many workers to wait out the first 11 weeks after separation and then file and draw their full load of benefits.
5. When a worker is disqualified the maximum duration of the claim is reduced by the disqualification up to 1/2 of the total eligibility.
6. Taxable wages are re-defined as 66 2/3% of the statewide average salary. For 1975, the taxable wage would become \$5,800 maximum per worker.
7. The standard contribution rate is increased to 3.0% from 2.7%.
8. Eliminates "non-charging" provisions of current law. Any benefits paid will be charged on a pro-rata basis against employers who paid wages upon which a claim is based.
9. Variable tax rates based upon experience beginning July 1, 1975.