

MEMBERS PRESENT: Chairman Banner  
Vice Chairman Thompson  
Mr. Bennett  
Mrs. Cafferata  
Miss Foley  
Mr. Hickey (late)  
Mr. Jeffrey  
Mr. Rackley  
Mr. Rhoads

MEMBERS ABSENT: None

GUESTS PRESENT: Joe Nusbaum, Nevada Industrial Commission  
Pete Kelley, Nevada Retail Association  
Ed Greer  
Robert Long, Employment Security Department  
Norman Anthonisen, Summa Corporation  
William R. Gibbons, The Gibbons Company, Inc.  
Chuck King, Central Telephone Company  
Jack Kenney, Southern Nevada Homebuilders  
(See attached guest list)

Chairman Banner called the meeting to order at 5:08 p.m. and directed the committee's attention to AB 14.

AB 14: Extends liability of contractor in certain circumstances.

Mr. Jeffrey reviewed the proposed amendment to AB 14 as follows: Section 1, line 5, delete "office work" and insert "compensation of persons employed in his office" which would cover persons who might be taking off plans, dealers, buyers or estimators who would not be doing ordinary office work. On line 9 of the same section insert after the period "The expense of any subcontractor or other contractor acting under the original contractor for compensation of persons employed in his office must be prorated among all contracts on which he was working when the expense was incurred." which would cover the same group of people as above.

Mr. Jeffrey mentioned that Mr. Rackley had suggested an amendment that would further tie down contractors who declare bankruptcy but that the bill drafter had said this was not necessary because this would be taken into consideration when an investigation took place.

Mr. Jeffrey moved AMEND AND DO PASS AB 14, seconded by Mr. Thompson and carried unanimously by the members present with Mr. Hickey absent at the time. (8 - 0)

Mr. Banner then directed attention to AB 32.

AB 32: Makes certain employees of department of motor vehicles eligible for compensation for heart and lung diseases.

Mr. Rhoads moved to INDEFINITELY POSTPONE AB 32, seconded by Mrs. Cafferata.

When Mr. Thompson asked if another bill had been requested to replace AB 32, Mr. Jeffrey answered that an amendment had been considered which would cover all employees but that the bill drafter had suggested that a separate bill be drafted which is in process now. Mr. Jeffrey noted that in testimony the administrative problem that emerged was that some people were covered and some were not even though the scope of work was similar.

Mr. Rhoads, Mrs. Cafferata and Mr. Rackley voted for INDEFINITE POSTPONEMENT OF AB 32 with the remainder of the committee voting no with Mr. Hickey absent at the time. (3 - 5)

Mr. Jeffrey moved DO PASS on AB 32, seconded by Mr. Bennett and carried with Mr. Rackley, Mrs. Cafferata and Mr. Rhoads voting no and Mr. Hickey absent. (5 - 3)

Chairman Banner asked Mr. Jeffrey to speak on both AB 14 and AB 32 on the floor of the Assembly. He then asked the committee to consider AB 115.

AB 115: Authorizes Nevada Industrial Commission to enter certain agreements relating to rehabilitation

Mr. Thompson said that he had met with management of the rehabilitation center in Las Vegas and discovered a problem in the amendment which he would ask Mr. Nusbaum to address. He then read the proposed amendment which is attached to these minutes as EXHIBIT A Pages 1 through 3. He pointed out that the bill drafter had misunderstood and that Section 2 was not correct and asked Mr. Nusbaum to explain.

Mr. Joe Nusbaum, Nevada Industrial Commission, stated that Section 2 was intended to cover self-insured employers and their administrators to allow NIC to use the rehabilitation center for those people but that the bill drafter misunderstood and thought they were buying services. He explained that section 2 needs to be turned around to read that they are providing services to those people who are covered under the state worker's compensation program that are self-insured employers. He added that when the original bill was rewritten the section covering this was deleted.

Mr. Banner directed Mr. Thompson to have the amendment rewritten and Mr. Thompson indicated that he would also have added "effective upon passage and approval."

The next consideration of the committee was AB 165.

AB 165: Provides special premium rates of Industrial Insurance for certain workers.

Mr. Jeffrey indicated that he had met with Mr. Nusbaum and found some problems with this bill especially in the area of corporate officers where determination of the type of work was difficult. He added that there were also problems in the clerical area and asked Mr. Nusbaum to explain.

Mr. Joe Nusbaum, NIC, said that the bill calls for another classification in addition to clerical but that they would rather broaden the present clerical classification to allow occasional exposure to a higher risk. He noted that they did not feel that it was good practice to have legislation that controls the classification system. He explained that different states attempt to have similar classifications to accommodate those corporations operating in more than one state and no other state has a corporate officer classification. He asked the committee not to impose this classification on them.

Mr. Jeffrey reported that at his request Mr. Nusbaum had written a proposed Assembly Concurrent Resolution addressing the classification problems which is attached to these minutes as EXHIBIT B pages 1 and 2. He read the resolves of this resolution which he felt would give the committee the assurance that the problems in the clerical area would be solved.

Mr. Thompson moved for a committee introduction of this resolution, seconded by Mrs. Cafferata and unanimously carried by the members present with Mr. Hickey absent at the time.

Mr. Thompson moved to INDEFINITELY POSTPONE AB 165, seconded by Mr. Jeffrey and carried unanimously by the members present with Mr. Hickey absent. (8 - 0)

Chairman Banner directed the committee's attention to AB 207.

AB 207: Provides exceptions for charging benefits paid as unemployment compensation against employers.

Mr. Rhoads moved DO PASS on AB 207, seconded by Mrs. Cafferata. Mr. Jeffrey said that he had received two memos concerning AB 207 from the Employment Security Department indicating that they had real problems with and were opposed to AB 207. These memos are attached as EXHIBIT C pages 1 and 2 and EXHIBIT D pages 1 - 3. Mr. Jeffrey stated that he would like a response to these memos before voting.

Mr. Pete Kelley, Nevada Retail Association, indicated that AB 207 is a unemployment compensation bill that will grant protest rights to primary base period employers. He pointed out that present law grants protest rights only to the last employer prior to the filing of a claim for benefits and they feel that this is denial of due process. He added that AB 207 does not affect the claimant's rights to benefits but simply affects the charging of those benefits that claimant's collect. He said that equity and good conscience would dictate that the employer should not be charged if former employees voluntarily quit without good cause or were discharged for misconduct in connection with their work.

Mr. Jeffrey said that Mr. Kelley did not really address the problems that were presented in the two memos from the ESD and the committee decided to hold the bill for a response from Mr. Kelley addressing these problems.

The committee moved on to AB 208.

AB 208: Removes denial of unemployment compensation for certain school employees under specified circumstances.

Mr. Thompson moved DO PASS on AB 208, seconded by Mr. Bennett. Mrs. Cafferata commented that there had been some discussion of retroactive benefits being in conflict with federal laws. After discussion and reference to minutes that stated that the committee would take further testimony on this bill, Chairman Banner asked Mr. Greer to speak.

Mr. Ed Greer, Business Manager for the Clark County School District, said that in light of possible severe budget cuts which might require laying off of 400 to 500 people, they would be faced with real problems and recommended on a budget cut where definite action is taken and notice is given to these people they could be released from the retroactive problem. He pointed out that in legislative years they sometimes do not know what they are faced with until August and might be forced at that time to make an in-depth cut.

Mr Rhoads asked Mr. Greer to prepare an amendment that would cover his concerns, and Mr. Greer replied that he would do so immediately.

Mr. Bob Long, Employment Insurance Administrator with the ESD, stated that the problem was that determinations of eligibility are made week to week and as soon as the assurance that these people will not go back to work changes they become eligible and they are paid benefits. He pointed out that the federal law dictates that they not go back and make a second decision with respect to a week where a decision was already made.

When Mrs. Cafferata asked how this would affect the State of Nevada, Mr. Long replied that if the Federal Government was

successful in raising this as a conformity issue, Nevada employers could stand to lose several tens of millions of dollars because all of the taxes that Nevada employers now pay to the state would have to be paid to the Federal Government also.

The committee indicated concern that these problems were not brought to light until the bill was ready for a vote and Mr. Bennett suggested that a second opinion from Mr. Daykin might be in order.

Mr. Thompson withdrew his motion and Mr. Bennett withdrew his second indicating that they did not want this bill to die and wanted this problem addressed.

Chairman Banner asked that the amendment suggested by these gentlemen be presented to the committee by Monday, March 23rd.

Mr. Thompson asked the committee to consider SB 191 and Chairman Banner indicated that this bill must be rereferred to Ways and Means.

SB 191: Removes limit on number of appeals officers.

Mr. Thompson moved DO PASS on SB 191 with rereferral to Ways and Means, seconded by Mr. Jeffrey and carried unanimously by the members present with Mr. Hickey absent at the time of the vote.

AB 262: Authorizes labor commissioner to approve and regulate programs of training for veterans in actual employment.

Mr. Jeffrey reported that it had been suggested that this bill be amended by inserting "veterans on-job training" between "approve" and "programs" on line 3 and between "only" and "occupations" on line 6.

Mr. Jeffrey moved AMEND AND DO PASS on AB 262, seconded by Mrs. Cafferata and carried unanimously by the members present with Mr. Hickey absent at the time. Chairman Banner asked Mr. Thompson to get this amendment printed.

AB 294: Authorizes employment security department to expend certain federal money to improve property in City of Reno for use of department.

Mr. Thompson moved DO PASS on AB 294, seconded by Mrs. Cafferata and carried unanimously by the members present with Mr. Hickey absent at the time.

AB 229: Limits eligibility of guards at school crossings for unemployment compensation.

Mr. Jeffrey moved to INDEFINITELY POSTPONE AB 229, seconded by Mr. Thompson. The motion carried with five members voting for indefinite postponement and with Mrs. Cafferata, Mr. Rhoads and Mr. Rackley not voting and with Mr. Hickey absent at the time.

After a five minute recess Chairman Banner called the meeting back to order at 6:12 p.m. with all members present.

Mr. Banner informed the committee that he had a request from the Labor Commission to introduce a bill pertaining to the minimum wage. Mr. Jeffrey moved for a committee introduction of BDR 53-772<sup>\*</sup>, seconded by Mr. Rhoads and unanimously carried by the committee.

Chairman Banner turned the meeting over to Vice Chairman Thompson who directed the committee's attention to AB 292.

AB 292: Amends provisions relating to waiting periods, interest and classes of premiums for unemployment compensation.

Mr. Norman Anthonisen, Summa Corporation, stated that they had submitted an amendment to Chairman Banner which would delete Section 3 which pertains to non-charging of benefits and Section 7 which pertains to a one-week waiting period. He indicated that these items were covered in other bills. He said that this bill basically does three things: 1) pays interest to an employer who has a positive reserve balance in his employment security account, 2) charges interest to employers who have a negative balance in their employment security reserve account, and 3) establishes three new classes as far as the payments that employers make, two higher and one lower than at present. He explained that the Employment Security Department must have enough money on hand to pay unemployment compensation claims for the worst twelve month period over the last ten years which must be upgraded to include the present number of employees in the work force and to include present wages. He noted that in order to be solvent this fund must be at the level of \$128 million and for the first time in seven years this fund is solvent with \$135 million as of last November; if this fund is not solvent, all employers must pay a penalty of one-half a percent which is added to their tax bill. He indicated that the amount that each individual has in his reserve account determines the percentage of two-thirds of the average wage in the state which must be paid to the Employment Security Department. He noted that employers who have a negative balance are presently paying at the highest rate of 3% but they are recommending that this maximum rate be increased to 3.2% and 3.6%. Mr. Anthonisen continued by saying that out of the 52 jurisdictions in the United States only nine states have a maximum rate under 3.5%, 39 have a maximum of 4% or more and 14 have a maximum of 6% or higher.

Mr. Anthonisen said that one of the problems is that employers that have negative balances have no incentive to control their unemployment costs, and they feel that increasing the maximum rate could correct this problem. He also recommended that these employers pay interest on the money that they are in fact borrowing from the fund; this interest would be credited to their reserve balance. He further recommended that employers with a positive balance be allowed to collect interest on

the amount of money in their fund; this interest would be credited to their account also.

When Mr. Jeffrey asked if the interest earned by the fund lowered the premium rate for all employers, Mr. Anthonisen said that it was his opinion that the bulk of the interest money paid for unemployment claims of employers with negative balances. Mr. Jeffrey commented that he thought this was sort of an insurance pool and charging interest might drive some smaller employers out of business. Mr. Anthonisen said that he felt there should be some method of bringing these negative accounts into balance.

Mr. Robert Long, Unemployment Administrator for the ESD, handed out a memorandum from Larry McCracken, Executive Director of the ESD, which is attached to these minutes as EXHIBIT E pages 1 and 2. Mr. Long read two of the four changes listed in this memorandum omitting two changes that pertained to Section 3 and Section 7 which have been deleted.

When Mr. Thompson questioned the lack of a fiscal note on this bill, Mr. Jeffrey noted that the cost related to federal funds and employer dollars rather than state funds. Mr. Long commented that he estimated the cost to be between \$60,000 and \$70,000 for three new positions and about \$100,000 for two years of computer programming time.

Mr. Long pointed out that increasing the taxes on the employers with the worst experiences would compute to be about equal to the interest charges that would be made to them under the first part of the bill.

Mr. William Gibbons of the Gibbons Company agreed with the statements by Mr. Anthonisen and Mr. Long and said that the paying of interest to employers with positive accounts is being done in several other states at the present time. He handed out a copy of information which was submitted to the advisory council on November 21, 1980 which is attached to these minutes as EXHIBIT F pages 1 through 3. He called attention to the list of advantages and to the list of state tax rates pointing out that AB 292 was merely an attempt to bring Nevada in line with other states. He added that they would thoroughly endorse the proposal as stated in AB 292.

Mr. Chuck King, representing the Central Telephone Company, stated that they support AB 292.

Mr. Jack Kenney, representing the Southern Nevada Homebuilders, stated that they also support AB 292.

When Mr. Hickey questioned why the western states were not generally as high as the eastern states, Mr. Gibbons responded that this was probably due to the fact that the west is less industrialized and more conservative, but he pointed out that

in reading the table all figures for each state must be considered in order to get the full picture.

Since there was no further business, Mr. Thompson adjourned the meeting at 6:45 p.m.

Respectfully submitted,

*Patricia Hatch*

Patricia Hatch  
Secretary



61st NEVADA LEGISLATURE  
ASSEMBLY COMMITTEE ON LABOR  
LEGISLATION ACTION

DATE March 17, 1981

SUBJECT AB 32: Makes certain employees of department of motor vehicles eligible for compensation for heart and lung diseases.

MOTION: DO PASS  
 Do Pass   X   Amend        Indefinitely Postpone        Reconsider         
 Moved By: Mr. Jeffrey Seconded By: Mr. Bennett

AMENDMENT:  
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 Moved By: \_\_\_\_\_ Seconded By: \_\_\_\_\_

AMENDMENT:  
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 Moved By: \_\_\_\_\_ Seconded By: \_\_\_\_\_

	<u>MOTION</u>		<u>AMEND</u>		<u>AMEND</u>	
	<u>Yes</u>	<u>No</u>	<u>Yes</u>	<u>No</u>	<u>Yes</u>	<u>No</u>
NOTE: FOLEY	<u>  X  </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
RHOADS	<u>      </u>	<u>  X  </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
HICKEY	<u>absent</u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
THOMPSON	<u>  X  </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
BANNER	<u>  X  </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
BENNETT	<u>  X  </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
JEFFREY	<u>  X  </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
CAFFERATA	<u>      </u>	<u>  X  </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
RACKLEY	<u>      </u>	<u>  X  </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
TALLY:	<u>  5  </u>	<u>  3  </u>				

ORIGINAL MOTION: Passed   XX   Defeated        Withdrawn         
 AMENDED & PASSED        AMENDED & DEFEATED         
 AMENDED & PASSED        AMENDED & DEFEATED

61st NEVADA LEGISLATURE  
ASSEMBLY COMMITTEE ON LABOR  
LEGISLATION ACTION

DATE March 17, 1981

SUBJECT AB 14: Extends liability of contractor in certain circumstances.

MOTION: DO PASS  
 Do Pass X Amend \_\_\_\_\_ Indefinitely Postpone \_\_\_\_\_ Reconsiderer \_\_\_\_\_  
 Moved By: Mr. Jeffrey Seconded By: Mr. Thompson

AMENDMENT: \_\_\_\_\_  
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 Moved By: \_\_\_\_\_ Seconded By: \_\_\_\_\_

AMENDMENT: \_\_\_\_\_  
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 Moved By: \_\_\_\_\_ Seconded By: \_\_\_\_\_

	<u>MOTION</u>		<u>AMEND</u>		<u>AMEND</u>	
<u>VOTE:</u>	<u>Yes</u>	<u>No</u>	<u>Yes</u>	<u>No</u>	<u>Yes</u>	<u>No</u>
FOLEY	<u>X</u>	_____	_____	_____	_____	_____
RHOADS	<u>X</u>	_____	_____	_____	_____	_____
HICKEY	<u>absent</u>	_____	_____	_____	_____	_____
THOMPSON	<u>X</u>	_____	_____	_____	_____	_____
BANNER	<u>X</u>	_____	_____	_____	_____	_____
BENNETT	<u>X</u>	_____	_____	_____	_____	_____
JEFFREY	<u>X</u>	_____	_____	_____	_____	_____
CAFFERATA	<u>X</u>	_____	_____	_____	_____	_____
RACKLEY	<u>X</u>	_____	_____	_____	_____	_____
<u>TALLY:</u>	<u>8</u>	<u>0</u>				

ORIGINAL MOTION: Passed XX Defeated \_\_\_\_\_ Withdrawn \_\_\_\_\_  
 AMENDED & PASSED \_\_\_\_\_ AMENDED & DEFEATED \_\_\_\_\_  
 AMENDED & PASSED \_\_\_\_\_ AMENDED & DEFEATED \_\_\_\_\_

Attached to Minutes March 17, 1981

61st NEVADA LEGISLATURE

ASSEMBLY COMMITTEE ON LABOR

LEGISLATION ACTION

DATE March 17, 1981

SUBJECT AB 32: Makes certain employees of department of motor vehicles eligible for compensation for heart and lung diseases.

MOTION: INDEFINITELY POSTPONE

Do Pass \_\_\_\_\_ Amend \_\_\_\_\_ Indefinitely Postpone X Reconsider \_\_\_\_\_

Moved By: Mr. Rhoads Seconded By: Mrs. Cafferata

AMENDMENT: \_\_\_\_\_

Moved By: \_\_\_\_\_ Seconded By: \_\_\_\_\_

AMENDMENT: \_\_\_\_\_

Moved By: \_\_\_\_\_ Seconded By: \_\_\_\_\_

MOTION

AMEND

AMEND

VOTE:

	<u>Yes</u>	<u>No</u>	<u>Yes</u>	<u>No</u>	<u>Yes</u>	<u>No</u>
FOLEY		X				
RHOADS	X					
HICKEY	absent					
THOMPSON		X				
BANNER		X				
BENNETT		X				
JEFFREY		X				
CAFFERATA	X					
RACKLEY	X					

TALLY: 3 5

ORIGINAL MOTION: Passed \_\_\_\_\_ Defeated XX Withdrawn \_\_\_\_\_

AMENDED & PASSED \_\_\_\_\_ AMENDED & DEFEATED \_\_\_\_\_

AMENDED & PASSED \_\_\_\_\_ AMENDED & DEFEATED \_\_\_\_\_

Attached to Minutes March 17, 1981

61st NEVADA LEGISLATURE  
ASSEMBLY COMMITTEE ON LABOR  
LEGISLATION ACTION

DATE March 17, 1981

SUBJECT AB 165: Provides special premium rates of Industrial insurance for certain workers.

MOTION: INDEFINITELY POSTPONE

Do Pass \_\_\_\_\_ Amend \_\_\_\_\_ Indefinitely Postpone X Reconsider \_\_\_\_\_

Moved By: Mr. Thompson Seconded By: Mr. Jeffrey

AMENDMENT:

\_\_\_\_\_

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\_\_\_\_\_

Moved By: \_\_\_\_\_ Seconded By: \_\_\_\_\_

AMENDMENT:

\_\_\_\_\_

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Moved By: \_\_\_\_\_ Seconded By: \_\_\_\_\_

	<u>MOTION</u>		<u>AMEND</u>		<u>AMEND</u>	
	<u>Yes</u>	<u>No</u>	<u>Yes</u>	<u>No</u>	<u>Yes</u>	<u>No</u>
NOTE: FOLEY	<u>X</u>	_____	_____	_____	_____	_____
RHOADS	<u>X</u>	_____	_____	_____	_____	_____
HICKEY	<u>absent</u>	_____	_____	_____	_____	_____
THOMPSON	<u>X</u>	_____	_____	_____	_____	_____
BANNER	<u>X</u>	_____	_____	_____	_____	_____
BENNETT	<u>X</u>	_____	_____	_____	_____	_____
JEFFREY	<u>X</u>	_____	_____	_____	_____	_____
CAFFERATA	<u>X</u>	_____	_____	_____	_____	_____
RACKLEY	<u>X</u>	_____	_____	_____	_____	_____
TALLY:	8	0				

ORIGINAL MOTION: Passed \_\_\_\_\_ Defeated \_\_\_\_\_ Withdrawn \_\_\_\_\_

AMENDED & PASSED \_\_\_\_\_ AMENDED & DEFEATED \_\_\_\_\_

AMENDED & PASSED \_\_\_\_\_ AMENDED & DEFEATED \_\_\_\_\_

Attached to Minutes \_\_\_\_\_

61st NEVADA LEGISLATURE

ASSEMBLY COMMITTEE ON LABOR

LEGISLATION ACTION

DATE March 17, 1981

SUBJECT SB 191: Removes limit on number of appeals officers.

MOTION: DO PASS with rereferral to Ways and Means

Do Pass X Amend \_\_\_\_\_ Indefinitely Postpone \_\_\_\_\_ Reconsider \_\_\_\_\_

Moved By: Mr. Thompson Seconded By: Mr. Jeffrey

AMENDMENT: \_\_\_\_\_

Moved By: \_\_\_\_\_ Seconded By: \_\_\_\_\_

AMENDMENT: \_\_\_\_\_

Moved By: \_\_\_\_\_ Seconded By: \_\_\_\_\_

MOTION

AMEND

AMEND

NOTE:

	<u>Yes</u>	<u>No</u>	<u>Yes</u>	<u>No</u>	<u>Yes</u>	<u>No</u>
FOLEY	<u>X</u>	_____	_____	_____	_____	_____
RHOADS	<u>X</u>	_____	_____	_____	_____	_____
HICKEY	<u>absent</u>	_____	_____	_____	_____	_____
THOMPSON	<u>X</u>	_____	_____	_____	_____	_____
BANNER	<u>X</u>	_____	_____	_____	_____	_____
BENNETT	<u>X</u>	_____	_____	_____	_____	_____
JEFFREY	<u>X</u>	_____	_____	_____	_____	_____
CAFFERATA	<u>X</u>	_____	_____	_____	_____	_____
RACKLEY	<u>X</u>	_____	_____	_____	_____	_____

TALLY:                    8                    0

ORIGINAL MOTION:    Passed \_\_\_\_\_    Defeated \_\_\_\_\_    Withdrawn \_\_\_\_\_

AMENDED & PASSED \_\_\_\_\_    AMENDED & DEFEATED \_\_\_\_\_

AMENDED & PASSED \_\_\_\_\_    AMENDED & DEFEATED \_\_\_\_\_

Attached to Minutes March 17, 1981

61st NEVADA LEGISLATURE  
ASSEMBLY COMMITTEE ON LABOR  
LEGISLATION ACTION

DATE March 17, 1981

SUBJECT AB 262: Authorizes labor commissioner to approve and regulate programs of training for veterans in actual employment.

MOTION: AMEND AND DO PASS  
 Do Pass X Amend X Indefinitely Postpone \_\_\_\_\_ Reconsider \_\_\_\_\_

Moved By: Mr. Jeffrey Seconded By: Mrs. Cafferata

AMENDMENT: Insert "veterans on-job training" between "approve" and "programs" on line 3 and between "only" and "occupations" on line 6.

Moved By: \_\_\_\_\_ Seconded By: \_\_\_\_\_

AMENDMENT: \_\_\_\_\_

Moved By: \_\_\_\_\_ Seconded By: \_\_\_\_\_

	<u>MOTION</u>		<u>AMEND</u>		<u>AMEND</u>	
	<u>Yes</u>	<u>No</u>	<u>Yes</u>	<u>No</u>	<u>Yes</u>	<u>No</u>
FOLEY	<u>X</u>	_____	_____	_____	_____	_____
RHOADS	<u>X</u>	_____	_____	_____	_____	_____
HICKEY	<u>absent</u>	_____	_____	_____	_____	_____
THOMPSON	<u>X</u>	_____	_____	_____	_____	_____
BANNER	<u>X</u>	_____	_____	_____	_____	_____
BENNETT	<u>X</u>	_____	_____	_____	_____	_____
JEFFREY	<u>X</u>	_____	_____	_____	_____	_____
CAFFERATA	<u>X</u>	_____	_____	_____	_____	_____
RACKLEY	<u>X</u>	_____	_____	_____	_____	_____

TALLY: 8 0

ORIGINAL MOTION: Passed XX Defeated \_\_\_\_\_ Withdrawn \_\_\_\_\_  
 AMENDED & PASSED \_\_\_\_\_ AMENDED & DEFEATED \_\_\_\_\_  
 AMENDED & PASSED \_\_\_\_\_ AMENDED & DEFEATED \_\_\_\_\_

Attached to Minutes March 17, 1981

61st NEVADA LEGISLATURE

ASSEMBLY COMMITTEE ON LABOR

LEGISLATION ACTION

DATE March 17, 1981

SUBJECT AB 294: Authorizes employment security department to expend certain federal money to improve property in City of Reno for use of department.

MOTION: DO PASS

Do Pass X Amend \_\_\_\_\_ Indefinitely Postpone \_\_\_\_\_ Reconsider \_\_\_\_\_

Moved By: Mr. Thompson Seconded By: Mrs. Cafferata

AMENDMENT:

Moved By: \_\_\_\_\_ Seconded By: \_\_\_\_\_

AMENDMENT:

Moved By: \_\_\_\_\_ Seconded By: \_\_\_\_\_

MOTION

AMEND

AMEND

NOTE:

	<u>Yes</u>	<u>No</u>	<u>Yes</u>	<u>No</u>	<u>Yes</u>	<u>No</u>
FOLEY	<u>X</u>	_____	_____	_____	_____	_____
RHOADS	<u>X</u>	_____	_____	_____	_____	_____
HICKEY	<u>absent</u>	_____	_____	_____	_____	_____
THOMPSON	<u>X</u>	_____	_____	_____	_____	_____
BANNER	<u>X</u>	_____	_____	_____	_____	_____
BENNETT	<u>X</u>	_____	_____	_____	_____	_____
JEFFREY	<u>X</u>	_____	_____	_____	_____	_____
CAFFERATA	<u>X</u>	_____	_____	_____	_____	_____
RACKLEY	<u>X</u>	_____	_____	_____	_____	_____

TALLY: 8 0

ORIGINAL MOTION: Passed XX Defeated \_\_\_\_\_ Withdrawn \_\_\_\_\_

AMENDED & PASSED \_\_\_\_\_ AMENDED & DEFEATED \_\_\_\_\_

AMENDED & PASSED \_\_\_\_\_ AMENDED & DEFEATED \_\_\_\_\_

Attached to Minutes March 17, 1981

61st NEVADA LEGISLATURE

ASSEMBLY COMMITTEE ON LABOR

LEGISLATION ACTION

DATE March 17, 1981

SUBJECT AB 229: Limits eligibility of guards at school crossings  
for unemployment compensation.

MOTION: INDEFINITELY POSTPONE

Do Pass \_\_\_\_\_ Amend \_\_\_\_\_ Indefinitely Postpone X Reconsider \_\_\_\_\_

Moved By: Mr. Jeffrey Seconded By: Mr. Thompson

AMENDMENT:

Moved By: \_\_\_\_\_ Seconded By: \_\_\_\_\_

AMENDMENT:

Moved By: \_\_\_\_\_ Seconded By: \_\_\_\_\_

MOTION

AMEND

AMEND

VOTE:

	<u>Yes</u>	<u>No</u>	<u>Yes</u>	<u>No</u>	<u>Yes</u>	<u>No</u>
FOLEY	<u>X</u>	_____	_____	_____	_____	_____
RHOADS	<u>not voting</u>	_____	_____	_____	_____	_____
HICKEY	<u>absent</u>	_____	_____	_____	_____	_____
THOMPSON	<u>X</u>	_____	_____	_____	_____	_____
BANNER	<u>X</u>	_____	_____	_____	_____	_____
BENNETT	<u>X</u>	_____	_____	_____	_____	_____
JEFFREY	<u>X</u>	_____	_____	_____	_____	_____
CAFFERATA	<u>not voting</u>	_____	_____	_____	_____	_____
RACKLEY	<u>not voting</u>	_____	_____	_____	_____	_____

TALLY: 5 0

ORIGINAL MOTION: Passed XX Defeated \_\_\_\_\_ Withdrawn \_\_\_\_\_

AMENDED & PASSED \_\_\_\_\_ AMENDED & DEFEATED \_\_\_\_\_

AMENDED & PASSED \_\_\_\_\_ AMENDED & DEFEATED \_\_\_\_\_

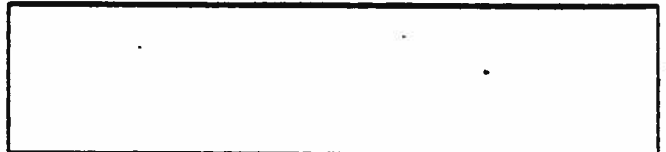
Attached to Minutes March 17, 1981



1981 REGULAR SESSION (61st)

ASSEMBLY ACTION	SENATE ACTION	Assembly	AMENDMENT BLANK
Adopted <input type="checkbox"/>	Adopted <input type="checkbox"/>	AMENDMENTS to <u>Assembly</u>	
Lost <input type="checkbox"/>	Lost <input type="checkbox"/>	<del>Senate</del>	
Date: <input type="checkbox"/>	Date: <input type="checkbox"/>	Bill No. <u>115</u>	Resolution No. _____
Initial: <input type="checkbox"/>	Initial: <input type="checkbox"/>	BDR <u>53-845</u>	
Concurred in <input type="checkbox"/>	Concurred in <input type="checkbox"/>	Proposed by <u>Committee on Labor and</u>	
Not concurred in <input type="checkbox"/>	Not concurred in <input type="checkbox"/>	<u>Management</u>	
Date: <input type="checkbox"/>	Date: <input type="checkbox"/>		
Initial: <input type="checkbox"/>	Initial: <input type="checkbox"/>		

Amendment N<sup>o</sup> 212



Amend section 1, page 1, by deleting lines 1 through 8 and inserting:

"Section 1. NRS 616.223 is hereby amended to read as follows:

616.223 1. [Subject to the provisions of this section, the commission shall each year enter into a cooperative agreement with the rehabilitation division of the department of human resources, and may annually enter into agreements with other agencies to benefit disabled employees entitled to compensation and benefits pursuant to the provisions of this chapter by best using the resources of each agency to provide rehabilitation services and to enable those employees and other disabled persons to enter or return to gainful employment.

2. Among other things the cooperative agreements must provide:

(a) That each agency will establish procedures which require that agency to provide any services offered by it for disabled persons, at any of its facilities, at the request of the other agency, if:

(1) The services are in the best interests of the disabled persons; and

(2) The agency to which the person is referred is providing full service to the disabled persons for whom it is responsible and has space and facilities left over to provide the services to the person referred.

To: E & E  
 LCB File ✓  
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 Bill

Drafted by DGS:smc Date 3-10-81

(b) That each agency will provide services to persons referred at rates which are reasonable in relation to the cost of the services.

(c) Standards and procedures for referrals.

(d) Reporting procedures which require that the agency providing services at the request of another agency make reports of the progress of the disabled person to the referring agency at least monthly.

3. The commission, and the rehabilitation division of the department of human resources through the director of that department, shall report annually to the governor. The report must contain information on the effectiveness of services furnished under the agreement. The governor may require that any succeeding annual agreement be modified to provide more effective services to disabled employees.] The commission and the rehabilitation division of the department of human resources shall annually enter into an agreement which provides for procedures, services, rates, standards for referrals and requirements for reports to ensure cooperation in the providing of services by each agency to persons served by the other when those services are available.

2. The commission may enter into agreements with other public agencies and private entities to obtain assistance from those agencies and entities to disabled employees in returning to gainful employment.

3. The commission may enter into agreements with health and care facilities to provide services for rehabilitation to patients of the health and care facilities in facilities operated by the commission.

4. The commission may admit to any of its facilities any person who is suffering from an injury caused by trauma and who has been referred by a physician for the purpose of receiving services for rehabilitation.

5. In providing services under an agreement entered into pursuant to this section, the commission must give priority to employees

Amendment No. 212 to Assembly Bill No. 115 (BDR 53-845) Page 3

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who have suffered industrial injuries or occupational diseases. In accepting other injured persons for the purpose of providing services for rehabilitation, the commission may restrict admissions to those persons who are suffering from injuries similar to industrial injuries.

6. Charges for patients who are not claimants of benefits for industrial injuries or occupational diseases must be the same as the charges made for claimants, except that the commission may add a reasonable charge for administration of each case."

Amend the title of the bill on the second line by deleting:

"publicly owned".

ASSEMBLY CONCURRENT RESOLUTION

WHEREAS, the Nevada Industrial Commission administers a risk classification system for the purpose of Nevada workers' compensation program; and

WHEREAS, the classification system is based on the basic principle followed in workers' compensation nationwide of industry classifications; and

WHEREAS, the classification system does provide for an exception for clerical employees regardless of the industry in which the employee works; and

WHEREAS, the clerical classification is narrowly defined to exclude those who are exposed to any industry risk; and

WHEREAS, this definition is a hardship on the small employer who must occasionally use clerical employees in ways that expose the employees to limited additional risk; now, therefore, be it

Resolved by the Assembly of the State of Nevada, the Senate concurring, that the Nevada Industrial Commission investigate means of altering the risk classification system for clerical employees who must occasionally be exposed to limited additional risks so that such employees are not assigned to the industry classification; and be it further

Resolved, that the Nevada Industrial Commission report the results of its investigation and actions to resolve this problem to the Legislative Commission.

## EMPLOYMENT SECURITY DEPARTMENT

TO Assemblyman James J. Banner, Chairman and  
Members, Committee on Labor and Management DATE March 3, 1981

FROM Larry McCracken, Executive Director SUBJECT AB 207

When a person files a claim for unemployment insurance benefits in Nevada under current law, the weekly and total amount they may be entitled to is generally determined by the wages they earned during what is called their "base period." The base period is defined as the first four of the last five calendar quarters completed as of the date a new claim is filed. For example, the base period for a person filing a new claim today would be the 12 months ending September 30, 1980. Since benefits are attributable to base period employment, it seems logical to charge them to the accounts of base period employers. This is done in exact proportion to the amount of base period earnings paid by each base period employer. This issue of "charging" benefits is important because, generally speaking, the more benefits charged to an employer's account, the higher unemployment tax rate he must pay. There can be no question, then, that it is advantageous for employers to avoid to the maximum extent possible the charging of unemployment benefits to their account.

In spite of this, most employers supported a major change regarding the charging of benefits which was included in the package of legislation recommended by the Nevada Employment Security Council and approved by the 1975 Legislature. This apparent contradiction is explained as follows: Prior to 1975, Nevada followed the practice of most states in not charging to employer accounts the benefits paid to workers who voluntarily quit their jobs without good cause or who had been discharged for misconduct. Twenty percent of all benefits paid were thus not charged to any employer's account. The 1975 change provided that workers who quit or were discharged would have the amount of benefits to which they were entitled reduced by up to one-half. However, all benefits paid after this reduction would be charged proportionately to the base period employers. It is estimated that this change reduced the total amount paid by 9% or some \$6 million per year at the current rate of payout. At the same time, it increased employer interest in policing the payment of benefits by assuring that all benefits would be charged.

AB 207 would reinstitute the practice of non-charging so that an estimated 22% of all benefits paid would again be non-charged. Worse still, it would do this in a way that would discourage employer policing of the program because under this bill, unless the last employer was also the largest base period employer, he would have little at stake in determining claimant eligibility. AB 207 would also be administratively costly because it would require the department to make at least two additional determinations. First, which base period employer paid the largest amount of wages to the claimant and, second, was the claimant's separation from that employment the result of a quit or discharge? These determinations, in most cases, would be necessary in addition to the determinations currently made with respect to the last and, in some cases, the next-to-last employer to ascertain whether those separations were for a disqualifying reason.

Any other considerations aside, however, the department believes, based on its experience, that the basic issue to be addressed in considering AB 207 is whether benefits should be paid to claimants and not charged to an employer's account. In considering this question, the same issues which were relevant in our 1975 discussions would seem relevant today. When benefits are paid and not

Assemblyman Banner  
March 3, 1981  
Page Two

charged to an employer's account, they are in effect charged to the account of all employers.

In 1975, the labor and management representatives on the Employment Security Council agreed to a plan that on the one hand would reduce the payout of benefits in the case of quits and discharges by up to 50%. On the other hand, it was agreed that all benefits paid would be charged. This seemed at the time to be a very well conceived and fair arrangement and in the light of our experience since that time, it still does. Another major problem with non-charging benefits is that it is very inequitably distributed among employers by industry. The department presented data to the 1975 Legislature which showed that the percentage of benefits non-charged ranged from .2% of all benefits paid in agricultural services to 65% of all benefits paid by the services industry which includes gaming. Furthermore, nearly half of all covered employment is in the services industry which further compounds this inequity.

Department staff have discussed the arrangement for the non-charging of benefits which is proposed in AB 207 with the Chief of Tax in the two known states which have a similar system, Idaho and Montana. The Tax Chief in Idaho said that they are currently "very concerned" about the amount of benefits that are being non-charged and that they are preparing a formal review of this matter. The Tax Chief in Montana said that they had approximately two years' experience with this system and that he would characterize it as better than what they had only because what they had was terrible. He further stated that he was familiar with Nevada's system and that it was, in his opinion, "the most equitable and by far the best that could be devised." He recommended that for the benefit of claimants, employers and administration alike, we should make every effort to avoid a change.

bam

AB 207

AB 207 is a dual-effect bill. It effects charging of benefits as well as non-charging of benefits.

1. Charging of Benefits - Probably the greatest impact of this bill is its inverse effect on the basic purpose of experience rating. Charging of benefits plays a major role in determining an employer's reserve ratio which is in turn the heart of the experience-rating system. Experience-rating systems were set up nationwide to encourage employers to stabilize employment. They permit employers with good employment experiences to acquire a reduced tax rate. It seems that the most equitable system is the one now in Nevada where each employer is charged his proportionate share. The system recommended would charge only one employer, the employer who paid the most wages. Such a system is inverse to the purpose of experience rating because the employer who has provided the largest portion of employment would receive all of the charges. Employers who employ for short duration and pay low wages would not be charged and they are the ones with the worst employment record. Employers contributing the least to stabilized employment would be receiving the reward.

Ineffectively-charged benefits would be increased which socializes the cost of the program. Benefits are ineffectively charged whenever a charge is made but the responsible employer for some reason does not pick up the cost. Under this bill if the employer paying the most wages were no longer in business he would not be there to pick up the costs even when they are charged. Instead of only his proportionate share being ineffectively charged as under the current system, all benefits would be ineffectively charged.

2. Non-Charging of Benefits - A major concern with non-charging benefits is that it is very inequitably distributed among employers by industry. The attached chart illustrates the prior experience in Nevada when non-charging was in effect. It shows that 7.9% of the employer population was credited with 55% of the non-charges. Assuming this experience holds true, and we see no reason it would not, a considerable advantage would be given to a very small number of employers at the expense of the rest. They would receive the best reserve ratios relative to the other employers and therefore receive the lowest tax rates.

Whenever benefits are non-charged the larger, more sophisticated employers have a distinct advantage over the smaller employers. Large employers have the resources to understand the program and maintain documentation to successfully address the issue of whether or not a charge should be made. In this way large employers have the ability to assume relief of charges where small employers do not. This affects their relative reserve ratios and hence their relative tax rates.

Because there would be no charge when an employee terminates because of voluntarily leaving employment or misconduct it is estimated that 22% of all benefits would be non-charged. As all benefits must be paid whether or not they are charged, this 22% will be socialized and all employers will pay for them.

Administratively this bill would necessitate the establishment of a rulings unit at an estimated cost of \$500,000 per year. The Department has been notified that the Department of Labor would not allocate additional administrative funds for this activity because it is not necessary to the operation of the program. The cost would therefore come out of existing allocations and result in a reduction of services to claimants and employers alike.

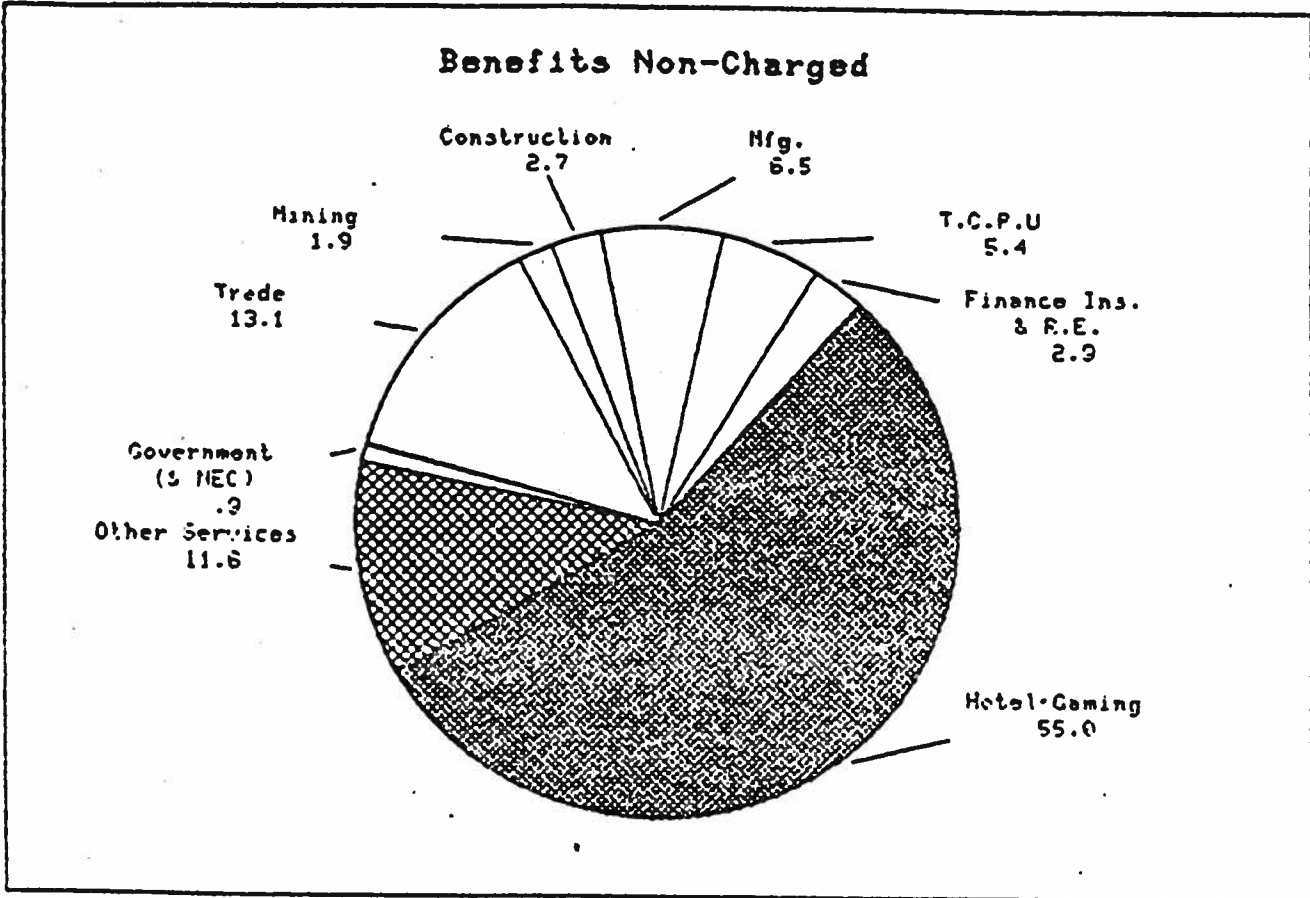


AB 207

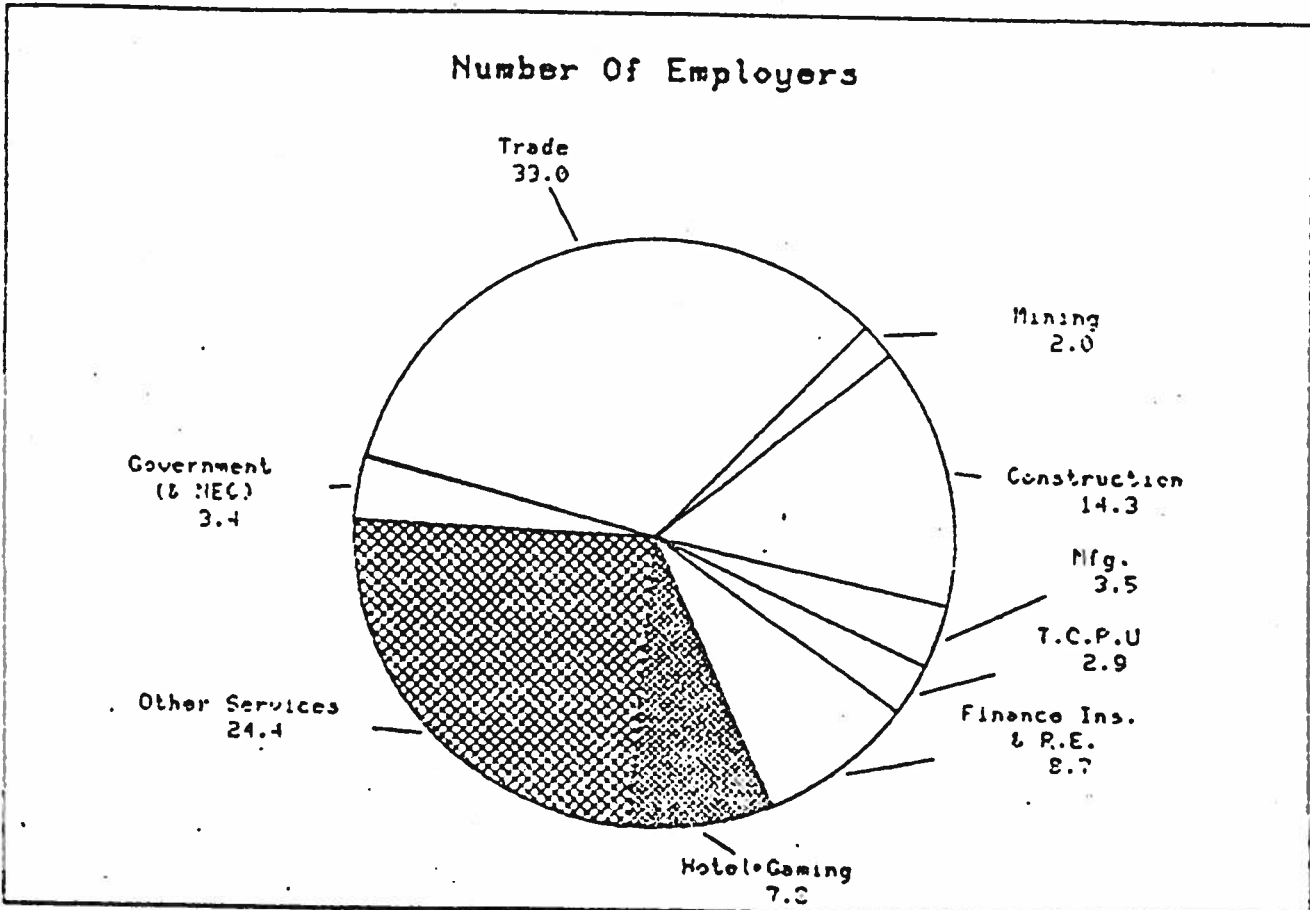
The Nevada Employment Security Department opposes AB 207 for the following reasons:

1. Probably the greatest impact of this bill is its inverse effect on the basic purpose of experience rating. Employers contributing the least to stabilized employment would be receiving the reward.
2. This bill would accelerate ineffectively-charged benefits which further socializes the cost of the program.
3. Non-charging of benefits would be inequitably distributed among employers by industry. The attached chart indicates prior experience in Nevada when non-charging was in effect. It illustrates that 7.3% of the employer population was credited with 55% of the non-charges.
4. Large employers would have a distinct advantage in acquiring non-charges because they have the resources to understand the program and to maintain documentation to successfully address the non-charge issue.
5. It is estimated that 22% of all benefits would be non-charged. The cost of these non-charged benefits would be incurred by all employers in the system.
6. The bill would necessitate the establishment of a rulings unit at an estimated cost of \$500,000. This would result in a reduction of other services as no additional allocation will be made by the Department of Labor.

PREPARED BY: NEVADA EMPLOYMENT SECURITY DEPARTMENT  
MARCH 10, 1981



\* FIGURES SHOWN ARE PERCENTAGES OF TOTAL



## EMPLOYMENT SECURITY DEPARTMENT

Assemblyman James J. Banner, Chairman and  
Members, Committee on Labor and Management

TO \_\_\_\_\_ DATE March 17, 1981

FROM Larry McCracken, Executive Director

SUBJECT AB 292

This Bill proposes four changes to Nevada's Unemployment Compensation Laws, NRS Chapter 612. The first of these changes is found in Section 2 on page 1, lines 3 through 16. This change would essentially require the department to credit interest to employers who had a positive balance in their reserve account. This basically means those employers who have paid more in taxes or contributions than have been paid in benefits to their former employees. On the other hand, this change would also require the department to bill and collect interest payments from those employers who had a negative balance in their reserve account. These are employers who have paid less in taxes or contributions than had been paid in benefits to their former employees.

There are presently about 19,500 employers in Nevada who are subject to the State's Unemployment Compensation Law. Of this number, about 9,550 have positive balances in their reserve accounts; about 1,350 have negative balances in their reserve accounts; and about 8,500 are ineligible for individual rate computations because they have been in business for less than three years. It is not clear what effect AB 292 would have on these new employers who, under current law, must pay a standard rate of contributions of 3 percent.

Regarding the 1,350 employers with negative reserve balances, the department would be required to bill and collect from them interest payments which would currently amount to nearly \$2 million per year assuming a 10 percent rate. Nor would this proposal seem to offer any particular advantage to employers with positive balances in their reserve accounts. This is so because this change would have no significant effect on benefit payout and thus no effect on the amount of taxes or contributions needed to keep the Trust Fund solvent. Consequently, as interest payments were credited to these positive balance employers, it would be necessary to require them to have higher and higher reserve balances in order to assign them a relatively favorable rate, while, at the same time, providing adequate income to the Fund.

In the end, then, this proposal would seem to make this whole exercise largely futile. It would, however, result in considerable burdens administratively. The department's data processing personnel have estimated that it would take them two years to complete the computer programming necessary for its implementation. Implementation could not be accomplished manually even if current staff were doubled. Furthermore, even when automated, it is estimated that such a system would require at least three additional positions full time for maintaining accounts, quarterly billings, allocating interest credits and enforcing interest collections.

The second change in this Bill is found in Section 3 beginning on page 1, line 17, and continuing through line 2 on page 2. This change appears to constitute a plan to non-charge certain benefits, but it has several flaws. The main problem is that it would apparently require the department to determine the reason for all base period separations. As we have testified on several previous occasions, such a requirement would raise an issue of conformity with federal requirements because it would seriously impede the prompt payment of benefits. The language in Section 3 also seems lacking and imprecise; for example, there is no specific limitation to base period

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James J. Banner  
March 17, 1981  
Page Two

employment in applying this section nor any indication as to the meaning intended by the word "discharged" on line 1, page 2.

The third change in this Bill is found on page 3, lines 1 and 2. This language would appear to require a one to two-week waiting period before a person could be paid benefits. Once again there is a problem with the language in this change. Even if the word "claim" on page 3, line 2, is read to mean "new claim," and this would seem the only reasonable interpretation, there would still be a considerable reduction in payout because claimants could not use a partial week of work to begin a claim series. Twenty-two percent of the first pay orders in calendar year 1980 were for partial weeks of work. This provision would thus reduce payout by approximately \$580,000 in addition to the \$3.5 million in reduced payout represented by a one-week waiting period without excluding partial claims.

The fourth change in this Bill is found on page 5, lines 28 through 39. This change would basically expand the contribution rate classes from nine to twelve by adding two additional classes to the top of the range and one additional class at the bottom. The department believes that this would be very desirable. It would increase the amount of experience rating in the system so that the employers with the best experience would receive a better rate and the employers with the worst experience would receive a less favorable rate. Furthermore, the Employment Security Council, at their last meeting in Las Vegas on January 16 this year, went on record as recommending such a change to the Legislature, although the proposal was received too late to be included in the package of legislative changes formally recommended by the Council.

bam

52 JURISDICTIONS

SUMMARY

Only 9 have a maximum tax rate under 3.5% (only 2 are under 3%). There are 39 that have a maximum rate of 4% or higher (14 are 6% or higher).

Only 6 have a minimum tax rate as high as Nevada's .6%. There are 46 with a minimum rate of .5% or less (11 have zero minimum).

CONCLUSION

To permit more "experience rating" Nevada should have:

1. A higher maximum tax rate and give variable tax rates to negative balance employers.
2. A lower minimum tax rate.

SUGGESTION

Add 3 classes to current rate table in 612.550 6 so it would appear as follows:

Class 1	0.3 percent
Class 2	0.6 percent
Class 3	0.9 percent
Class 4	1.2 percent
Class 5	1.5 percent
Class 6	1.8 percent
Class 7	2.1 percent
Class 8	2.4 percent
Class 9	2.7 percent
Class 10	3.0 percent
Class 11	3.3 percent
Class 12	3.6 percent

with the proviso that classes 11 and 12 will be assigned to negative balance employers.

ADVANTAGES

Allows much more selectivity to the Advisory Council and the Director is setting the rate schedules each year.

Gives both good and poor experience employers the needed financial incentive to:

1. stabilize employment whenever possible
2. cooperate with the Employment Security Department in administering the entire program.

1019 2-25-81

4803

[ 3000 ]  
ALL-STATE TAX RATES

State name (and new employers' rate) <sup>1</sup>	EXPERIENCE RATES				Absolute minimum under law	Em- ployee	Effec- tive date for new rates	Taxable wage limit	Voluntary contri- butions permitted
	Max. for negative balance employer	Max. for positive balance employer	Min. for positive balance employer	Absolute minimum under law					
Ala. (2.7%)	4.0%	4.0%	0.5%	0.5%	0.5%	Jan. 1	\$ 6,000	No	
Alaska	5.1	5.1	1.32	1.0	0.7	Jan. 1	13,300	No	
Ariz. (2.7)	2.9	2.25	0.10	0.1	none	Jan. 1	6,000	Yes	
Ark. (3.0)	4.3	3.0	0.4	0.0	none	Jan. 1	6,000	Yes	
Cal. (3.2)	4.0	3.6	0.7	0.1	1.0	Jan. 1	6,000	No	
Colo. (2.7)	4.5	0.5	0.0	0.0	none	Jan. 1	6,000	Yes	
Conn. (4.2)	6.0	6.0	1.5	0.1	none	Jan. 1	6,000	No	
Del. (4.2)	6.5	6.5	1.6	0.1	none	Jan. 1	6,000	No	
D. C. (4.0)	5.4	5.4	1.0	0.1	none	Jan. 1	6,000	Yes	
Fla. (2.7)	4.5	4.5	0.1	0.1	none	Jan. 1	6,000	No	
Ga. (2.7)	5.71	3.67	0.07	.01	none	Jan. 1	6,000	No	
Hawaii (4.5)	4.5	3.4	0.6	0.0	none	Jan. 1	12,200	No	
Ida. (2.7)	3.8	2.5	0.7	0.2	none	Jan. 1	12,000	No	
Ill. (3.0)	5.3	5.3	0.4	0.1	none	Jan. 1	6,500	No	
Ind. (2.7)	3.3	2.9	0.3	0.02	none	Jan. 1	6,000	Yes	
Iowa (1.8)	6.0	6.0	0.0	0.0	none	Jan. 1	8,000	Yes	
Kan.	3.8	3.8	.05	0.0	none	Jan. 1	6,000	Yes	
Ky. (2.7)	5.1	2.7	0.7	0.1	none	Jan. 1	6,000	Yes	
La. (3.35)	3.35	2.75	0.15	0.1	none	Jan. 1	6,000	Yes	
Me. (3.0)	5.0	4.7	2.4	0.5	none	July 1	6,000	Yes	
Md. (2.5)	6.0	6.0	1.6	0.1	none	July 1	6,000	No	
Mass. (3.0)	6.7	5.4	2.9	0.4	none	Jan. 1	6,000	No	
Mich. (2.7)	9.0	9.0	1.0	0.0	none	Jan. 1	6,000	Yes	
Minn. (1.8)	7.5	7.5	1.0	0.1	none	Jan. 1	8,000	Yes	
Miss. (1.7)	4.0	4.0	1.7	0.1	none	Jan. 1	6,000	No	
Mo.	4.4	2.5	0.0	0.0	none	Jan. 1	6,000	Yes	
Mont. (3.7)	4.4	3.5	1.7	0.2	none	Jan. 1	7,600	No	
Neb. (2.7)	3.7	2.7	0.1	X	none	Jan. 1	6,000	Yes	
Nev. (3.0)	3.0	3.0	0.6	0.6	none	Jan. 1	8,400	No	
N. H. (2.7)	6.5	1.7	.01	.01	none	X	6,000	No	
N. J. (3.4)	6.2	4.1	1.2	0.4	1.00	July 1	7,500	Yes	
N. M. (2.7)	4.2	3.6	0.6	0.1	none	Jan. 1	8,000	Yes	
N. Y. (3.7)	5.2	4.1	1.5	0.3	X	Jan. 1	6,000	Yes	
N. C. (2.7)	5.7	2.7	0.1	0.1	none	Jan. 1	6,000	Yes	
N. D. (4.8)	4.8	4.1	0.3	0.3	none	Jan. 1	7,600	Yes	
Ohio (3.0)	4.8	4.6	1.1	0.0	none	Jan. 1	6,000	Yes	
Okla. (3.1)	3.4	3.4	0.2	0.1	none	Jan. 1	6,000	No	
Ore. (3.3)	3.6	3.6	2.2	1.2	none	Jan. 1	10,000	No	
Pa. (3.5)	6.45	5.75	2.35	0.3	none	Jan. 1	6,300	Yes	
P. R. (2.95)	2.95	2.95	2.95	2.95	0.5	X	" "	No	
R. I. (4.2)	6.0	4.8	2.8	1.0	1 1/2	Jan. 1	7,800	No	
S. C. (2.7)	4.1	2.7	1.3	0.25	none	Jan. 1	6,000	Yes	
S. D. (2.9)	5.7	2.9	0.2	0.0	none	Jan. 1	6,000	Yes	
Tenn. (2.7)	4.0	2.7	0.3	.25	none	July 1	6,000	No	
Tex. (2.7)	4.0	4.0	0.1	0.1	none	Jan. 1	6,000	No	
Utah (2.7)	2.7	2.7	1.1	0.5	none	Jan. 1	11,000	No	
Vt. (3.2)	6.0	6.0	1.7	0.1	none	July 1	6,000	No	
V. I. (3.7)	3.7	3.7	3.7	2.7	none	Jan. 1	6,000	No	
Va. (4.0)	9.0	9.0	0.1	0.65	none	Jan. 1	6,000	No	
Wash. (3.0)	3.0	3.0	3.0	X	none	Jan. 1	10,200	No	
W. Va. (1.5)	3.3	2.7	2.7	0.0	none	Jan. 1	6,000	Yes	
Wis. (3.6)	7.4	4.5	0.0	0.0	none	Jan. 1	6,000	Yes	
Wyo. (3.08)	3.08	3.08	0.38	X	none	Jan. 1	6,000	No	

See next page for footnotes.

Unemployment Insurance Reports

[ 3000 ] All-State

4804

## All-State Tax Rates

1019 2-25-81

\* The rates shown are those payable by non-rated employers—that is, employers without sufficient experience to qualify for experience rating—for the current tax period. Where additional contributions of some kind are payable by non-rated employers, these have been added to the rates shown. *Alaska*: New employers are taxed at rates equal to the average rate for their industry. *Arkansas*: Any employer with negative account balance pays basic rate of 4.0%. *Delaware*: "Solvency assessment" of 1.5% added to 2.7% rate for new employers for 1980. *District of Columbia*: Projected rate for 1981 is 4.0%. *Hawaii*: Note requirement that employers must provide disability benefits for their employees. *Idaho*: For other years, standard rate may be 2.1%, 2.3%, 2.5%, 2.7%, 3.0%, or 3.3%. *Iowa*: For non-qualified employers engaged in construction work, rate ranges from 4.0% to 6.0% depending on schedule in effect for year (6.0% for 1981). *Kansas*: For 1981, new employers pay according to industry, as follows: agriculture, 1.86%; contract construction, 2.61%; manufacturing, 1.91%; all other, 1.77%. *Louisiana*: Includes 0.05% social charge rate for 1981. *Maryland*: Employers transferring operations into Maryland from another state may be able to qualify for an experience rate on the basis of employment experience in the other state. *Massachusetts*: 3.0% rate shown includes 1.0% solvency assessment for 1981. *Michigan*: 2.7% rate applies only during first two years of liability. Different formula for 3rd and 4th years. Special rates also apply to construction employers. Employers transferring operations into Michigan may under certain conditions qualify on the basis of employment experience in another state. *Mississippi*: This rate does not include employers in the contract construction industry who pay at 2.7%. *Missouri*: New employer pays greater of 2.7% or the average industry rate established for his industrial classification division. Nonprofit organizations electing to make contributions pay 1.0% until eligible for a computed rate. Employer may obtain coverage of temporary work of not more than 3 months' duration; if granted, his rate will be 4.0%. *New Hampshire*: New employers who had some payroll for the calendar year preceding the January 31 computation date will be entitled to a rate reduction when one is in effect. *New Jersey*: Note contributions due under the Temporary Disability Benefits Law, which are additional. *New York*: 3.7% shown includes 1.0% subsidiary rate for 1981. *North Carolina*: An employer without sufficient employment experience to qualify for a rate of less than 2.7% can nevertheless pay at a rate of from 2.9% to 3.7% if his account is overdrawn. *North Dakota*: Rate applicable is rate assigned to negative-balance employers for a year. *Oregon*: For other years, new employers may pay 2.7%, 2.8%, 3.0%, 3.1%, 3.2%, 3.4% or 3.5% depending on the schedule in effect. *Pennsylvania*: Certain newly liable construction contractors engaged in public works pay at 6.5% for 1981. *South Dakota*: If fund falls below \$11 million, the rate for new employers could be raised to as much as 6.8%. *Virginia*: 1981 rates include 100% emergency adjustment factor. *Wisconsin*: If a non-rated employer's payroll for a year is \$20,000 or more, and if (a) his account at the end of that calendar year was overdrawn (on a cash basis, benefits paid exceeding contributions), or (b) his account shows a negative percentage on the June 30 following that calendar year, he will be required to pay an additional 1.2% for that

year. *Wyoming*: 3.08% rate shown includes a surtax of .039% for 1981.

\* Rates shown include penalty rates and subsidiary rates, where applicable. Law amendments not yet in effect or provisions affecting maximums and minimums prevented by law from going into effect until some specific future tax period are not included. Reimbursement employers see individual state charts.

\* State law provides for increasing taxable wage base in case of an increase under the federal law to an amount over the state limit.

\* Under the laws of *Wyoming*, presumably there will always be a "state adjustment factor" or "surtax" payable, so that a zero rate can never actually apply. *Nebraska*: Commissioner determines rates for each year. *Washington*: No minimum specified.

\* *New Hampshire*: Rates determined quarterly.

\* Employer may also be liable for contributions of up to 1.1% to disability benefits fund.

\* *Alabama*: An employee rate of 0.5% if fund below "minimum normal amount." When employee tax required, January 1 effective date. (effective for 1981) *California*: Applicable only to disability insurance; 0.6% for 1981. *New Jersey*: 0.5% for disability insurance; 0.5% for unemployment insurance. Employees covered under private disability plan pay 0.5%. Employees of employer using reimbursement financing make no contributions unless employer covered by state disability plan in which case they pay 0.5%.

\* No employer's rate may exceed 2.7% (3.0% for 1981, due to emergency rates) with respect to the first \$40,000 of covered wages paid by him during any calendar quarter.

\* *Puerto Rico* does not have an experience-rating system. Note 0.30% tax on wages up to \$9,000 for disability benefits purposes.

\* *California*: Wage base for disability benefits is \$14,900. *Hawaii*: Variable amount representing 100% of statewide average annual wage. *Puerto Rico*: \$9,000 for disability insurance. *Rhode Island*: \$1,800 for employees' contributions.

\* Contributions are payable under disability benefits law. Employee's rate is 0.5% of wages paid to him, but not more than 3¢ per week.

\* [Reserved.]

\* *Ohio*: Note special payroll tax for the Disabled Workmen's Relief Fund.

\* The employee tax is payable under the Temporary Disability Insurance Act.

\* *California*: Lower of two rate schedules provides rate of zero, but subsidiary rate must be added. *Michigan*: Includes highest possible nonchargeable benefits component of 1.0% for 1981. *Wyoming*: No specific maximum is provided.

\* Employee tax for disability benefits purposes is 0.30% on wages up to \$9,000.

\* *Hawaii*: Employee contributions are payable under disability benefits law.

\* For 1981, 0.5% applies to certain employers whose average base payroll has increased by 25% or more.

\* Total amount of wages paid to an individual by his employer is taxable.

\* [Reserved.]

\* Rates shown are for 1980.

\* 1980 fourth-quarter and 1981 first quarter 0.6% credit reduction available as a means of offsetting the 0.6% 1980 FUTA credit reduction.

\* [Reserved.]

\* Certain delinquent employers pay at their earned rate plus 2.0%.

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ASSEMBLY

AGENDA FOR COMMITTEE ON.....LABOR.....

Date TUESDAY, MARCH 17 Time 5:00 P.M. Room 316.....

Bills or Resolutions  
to be considered

Subject

Counsel  
requested\*

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THIS AGENDA CANCELS AND SUPERSEDES THE PREVIOUS AGENDA FOR THIS DATE

AB-292           Amends provisions relating to waiting periods, interest and classes of premiums for unemployment compensation.

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WORK SESSION ONLY ON THE FOLLOWING BILLS:

AB-14           Extends liability of contractor in certain circumstances.

AB-32           Makes certain employees of department of motor vehicles eligible for compensation for heart and lung disease.

AB-115          Authorizes Nevada Industrial Commission to enter certain agreements relating to rehabilitation.

AB-165          Provides special premium rates of Industrial Insurance for certain workers.

AB-207          Provides exceptions for charging benefits paid as unemployment compensation against employers.

AB-208          Removes denial of unemployment compensation for certain school employees under specified circumstances.