

SENATE BILL NO. 464—COMMITTEE ON COMMERCE AND LABOR

(ON BEHALF OF EMPLOYMENT SECURITY DIVISION)

MARCH 17, 1999

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions in cases of delinquency in payment of employers' assessments for unemployment compensation. (BDR 53-769)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

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

AN ACT relating to unemployment compensation; revising provisions in cases of delinquency in payment of employers' assessments; and providing other matters properly relating thereto.

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

- 1 **Section 1.** Chapter 612 of NRS is hereby amended by adding thereto
2 the provisions set forth as sections 2 and 3 of this act.
- 3 **Sec. 2. 1.** *If a check is tendered on or before the due date in*
4 *payment of contributions but is afterward dishonored by the financial*
5 *institution on which it is drawn, the check does not constitute timely*
6 *payment unless the administrator determines that dishonor occurred*
7 *because of fault on the part of the financial institution.*
- 8 **2.** *The administrator may charge an additional fee of not more than*
9 *\$25 for handling against a person who presents a check afterward*
10 *dishonored. The fee must be deposited in the unemployment*
11 *compensation administration fund.*
- 12 **Sec. 3. 1.** *If a debtor of an employing unit is notified of a*
13 *delinquency pursuant to NRS 612.685, he shall neither transfer, pay over*
14 *nor make any other disposition of money or property belonging to the*
15 *delinquent employing unit, or any portion thereof, until the administrator*
16 *consents thereto in writing.*

1 2. A person so notified shall, within 10 days after receipt of the
2 notice, advise the administrator of all credits, debts or other personal
3 property of the delinquent employing unit in his possession, under his
4 control or owing by him, as the case may be.

5 3. The administrator may, personally or by registered or certified
6 mail, give the person so notified a demand to transmit. Upon receipt of
7 the demand, that person shall transmit to the division, within the time
8 and in the manner stated in the demand, the lesser of:

9 (a) All the credits, debts or other personal property of the delinquent
10 employing unit in his possession, under his control or owing by him; or

11 (b) The amount specified in the demand.

12 Except as otherwise provided in subsection 4, no further notice is
13 required.

14 4. If the property of the delinquent employing unit consists of a series
15 of payments owed to it, the person who owes or controls the payments
16 shall transmit them to the division until otherwise notified by the
17 administrator. If the debt is not paid within 1 year after the demand to
18 transmit was given, the administrator shall give another demand to the
19 person who owes or controls the payments, instructing him to continue to
20 transmit the payments or informing him that his duty to transmit them
21 has ceased.

22 5. A person notified of a delinquency who makes any transfer or
23 other disposition of property required to be withheld or transmitted to the
24 division is liable for the amount of the delinquency to the extent of the
25 value of the property or the amount of the debt so transferred or paid.

26 6. The division shall determine as promptly as practicable whether
27 sufficient liquid assets have been withheld or transmitted to satisfy its
28 claim. As soon as the division determines that the assets are sufficient, it
29 shall consent in writing to a transfer or other disposition of assets in
30 excess of the amount needed.

31 **Sec. 4.** NRS 612.620 is hereby amended to read as follows:

32 612.620 1. When any contribution as provided in this chapter
33 remains unpaid on the date on which it becomes due , ~~{and payable,}~~ as
34 prescribed by the administrator, it bears interest at the rate of ~~{one-half of}~~
35 1 percent for each month or portion of a month thereafter until such
36 payment, plus accrued interest, is received by the administrator.

37 2. Interest accrued under this section may not be waived under any
38 circumstances.

39 3. Interest collected pursuant to this section must be paid into the
40 employment security fund.

1 **Sec. 5.** NRS 612.685 is hereby amended to read as follows:

2 612.685 1. As used in this section, "person" includes this state, and
3 any county, municipality, district or other political subdivision thereof.

4 2. If any employing unit is delinquent in the payment of any
5 contribution, forfeit or interest provided for in this chapter, the
6 administrator may, not later than 3 years after the payment became
7 delinquent, or within 6 years of the recording of the judgment under NRS
8 612.635, give notice of the ~~[amount of such]~~ delinquency by registered or
9 certified mail to any person having in his possession or under his control
10 any credit or other personal property belonging to such delinquent
11 employing unit, or owing any debt to such employing unit at the time of the
12 receipt of the registered or certified notice. *Notice to a state officer,*
13 *department or agency is effective only if it is given before the claim of the*
14 *delinquent taxpayer is presented to the state controller.*

15 3. ~~[Any person so notified shall neither transfer, pay over, nor make~~
16 ~~any other disposition of such debt, credit or other personal property until~~
17 ~~the administrator consents thereto in writing, or until 30 days have elapsed~~
18 ~~from and after the receipt of the notice.~~

19 ~~—4.— All persons so notified must, within 5 days after receipt of the~~
20 ~~notice, advise the administrator of any and all such credits, debts or other~~
21 ~~personal property in their possession, under their control, or owing by~~
22 ~~them, as the case may be.]~~ *A state officer, department or agency which*
23 *receives such a notice may satisfy any debt owed to it by the delinquent*
24 *employing unit before it honors the administrator's notice.*

25 **Sec. 6.** 1. This section and sections 1, 3 and 5 of this act become
26 effective upon passage and approval.

27 2. Sections 2 and 4 of this act become effective on July 1, 2000.