

CHAPTER.....

AN ACT relating to unemployment compensation; requiring the Administrator of the Employment Security Division of the Department of Employment, Training and Rehabilitation to adopt certain regulations relating to unemployment insurance contributions; revising provisions relating to certain transfers of unemployment experience records; revising provisions relating to the timeliness of a request for review of or an appeal from certain actions of the Division; providing criminal and civil penalties; and providing other matters properly relating thereto.

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

**Section 1.** Chapter 612 of NRS is hereby amended by adding thereto a new section to read as follows:

*1. The Administrator shall adopt regulations establishing procedures to identify:*

*(a) Transactions in which the transfer or acquisition of a business entity is for the sole or primary purpose of obtaining a lower unemployment insurance contribution rate; and*

*(b) Common ownership, management or control between two or more business entities, including, without limitation, through the movement of workforce between such business entities.*

*2. If, for any rate year, the Administrator determines that an employer has, through deliberate ignorance, reckless disregard, intent to evade, fraud, misrepresentation or willful nondisclosure, obtained or attempted to obtain a more favorable rate of contribution, the Administrator shall assign to the employer the maximum contribution rate plus 2 percent for each applicable rate year, the current rate year and the subsequent rate year. In addition to any penalty imposed pursuant to NRS 612.730, the Administrator shall impose on the employer a civil penalty of the greater of:*

*(a) Five thousand dollars; or*

*(b) Ten percent of the total amount of any resulting underreporting of contributions and any other penalties and interest imposed.*

*3. If the Administrator determines that a person or business entity knowingly advised another person or business entity to violate or attempt to violate any provision of this chapter, in addition to any penalty imposed pursuant to NRS 612.730, the Administrator shall impose on such person or business entity a civil penalty of the greater of:*

- (a) *Five thousand dollars; or*
- (b) *Ten percent of the total amount of any resulting underreporting of contributions and any other penalties and interest imposed.*

*4. All money collected pursuant to the provisions of this section must be deposited in the Unemployment Compensation Fund.*

*5. The exemption provided for in paragraph (a) of subsection 4 of NRS 612.606 does not apply to an employer whose assigned contribution rate is 5.4 percent or higher pursuant to the provisions of subsection 2.*

*6. As used in this section:*

(a) *“Business entity” means a partnership, corporation, association, limited liability entity, Indian tribe or any other legal entity.*

(b) *“Knowingly” means having actual knowledge of or acting with deliberate ignorance or reckless disregard of the law.*

**Sec. 2.** NRS 612.245 is hereby amended to read as follows:

612.245 1. The Administrator may, upon his own motion or upon application of an employing unit, and after notice and opportunity for the employing unit to submit facts, make determinations with respect to whether an employing unit constitutes an employer and whether services performed for or in connection with the business of an employing unit constitute employment for that employing unit.

*2. The Administrator may, upon his own motion or upon the application of an employing unit, make a determination that substantially common ownership, management or control exists between any two or more employers.*

3. Appeal from any such determination may be taken in the manner prescribed by this chapter for the appeal of determinations respecting benefits.

~~3-1~~ 4. A determination of the Administrator which has not been appealed, or of the Appeal Tribunal, the Board of Review or the district court on appeal, together with the record, may be introduced in any proceeding involving a claim for benefits, and is conclusive as to the facts and the determination, unless the claimant introduces substantial evidence controverting a material fact so found.

**Sec. 3.** NRS 612.365 is hereby amended to read as follows:

612.365 1. Any person who is overpaid any amount as benefits under this chapter is liable for the amount overpaid unless:

(a) The overpayment was not due to fraud, misrepresentation or willful nondisclosure on the part of the recipient; and

(b) The overpayment was received without fault on the part of the recipient, and its recovery would be against equity and good conscience, as determined by the Administrator.

2. The amount of the overpayment must be assessed to the liable person, and he must be notified of the basis of the assessment. The notice must specify the amount for which the person is liable. In the absence of fraud, misrepresentation or willful nondisclosure, notice of the assessment must be mailed or personally served not later than 1 year after the close of the benefit year in which the overpayment was made.

3. At any time within 5 years after the notice of overpayment, the Administrator may recover the amount of the overpayment by using the same methods of collection provided in NRS 612.625 to 612.645, inclusive, 612.685 and 612.686 for the collection of past due contributions or by deducting the amount of the overpayment from any benefits payable to the liable person under this chapter.

4. The Administrator may waive recovery or adjustment of all or part of the amount of any such overpayment which he finds to be uncollectible or the recovery or adjustment of which he finds to be administratively impracticable.

5. Any person against whom liability is determined under this section may appeal therefrom within ~~10~~ 11 days after the date the notice provided for in this section was mailed to, or served upon, the person. An appeal must be made and conducted in the manner provided in this chapter for the appeals from determinations of benefit status. The ~~10-day~~ 11-day period provided for in this subsection may be extended for good cause shown.

**Sec. 4.** NRS 612.371 is hereby amended to read as follows:

612.371 1. Any person who has been awarded back pay because he was unlawfully discharged is liable for the amount of the benefits paid to him during the period for which the back pay was awarded, without regard to the length of time that has passed since the benefits were paid. The employer's reserve account must be credited, effective as of the date the benefits were paid, with the amount of those benefits. Before an employer pays the employee, he shall ascertain the amount of the benefits received by the person during the period for which back pay was awarded and shall withhold that amount from the payment of back pay. He shall deliver the amount withheld to the Division.

2. The Administrator may recover from the person liable, the amount due within 3 years after the payment of back pay, if the employer does not withhold it, by using the method of collection provided in NRS 612.625 to 612.645, inclusive, or by deducting the amount due from any benefits payable to the person liable for repayment.

3. The Administrator may waive recovery or adjustment of all or part of the amount due which he finds to be uncollectible or the recovery or adjustment of which he finds to be administratively impracticable.

4. Any person who is liable pursuant to this section may appeal the repayment within ~~10~~ 11 days after the award of back pay. The appeal must be made in the manner provided in this chapter for the appeals from determinations of benefit status. The ~~10-day~~ 11-day period provided for in this subsection may be extended by the Administrator for good cause.

**Secs. 5 and 6.** (Deleted by amendment.)

**Sec. 7.** NRS 612.475 is hereby amended to read as follows:

612.475 1. The last employing unit of any unemployed claimant and the next to last employing unit of an unemployed claimant who has not earned remuneration with his last covered employer equal to or exceeding his weekly benefit amount in each of 16 weeks must be notified of any new claim or additional claim filed by the unemployed claimant following his separation.

2. The notice of the filing of a claim must contain the claimant's name and social security number and may contain the reason for separation from the employing unit affected as given by the claimant, the date of separation and such other information as is deemed proper.

3. Upon receipt of a notice of the filing of a claim, the employing unit shall, within ~~10~~ 11 days after the date of the mailing of the notice, submit to the Division any facts which may affect the claimant's rights to benefits.

4. Any employing unit that receives a notice of the filing of a claim may protest payment of benefits to the unemployed claimant if the protest is filed within ~~10~~ 11 days after the notice is filed.

5. Any employing unit which has filed a protest in accordance with the provisions of this section must be notified in writing of the determination arrived at by the Administrator or his Deputy, and the notice must contain a statement setting forth the right of appeal.

6. As used in this section:

(a) "Additional claim" means a claim filed during the benefit year when a break of 1 week or more has occurred in the series of claims with intervening employment.

(b) "New claim" means an application for a determination of eligibility and benefits, benefit amount and duration of benefits which certifies to the beginning date of a first period of unemployment in a benefit year or the continuance of a period of unemployment into a new benefit year.

**Sec. 8.** NRS 612.485 is hereby amended to read as follows:

612.485 1. Any determination or redetermination is final ~~10~~ 11 days after the date of notification or mailing of the notice of

determination or redetermination unless a request for reconsideration or an appeal is filed within the ~~{10-day}~~ 11-day period.

2. Nothing in this section limits or abridges the authority of the Administrator to make a redetermination as provided in NRS 612.480.

3. Any notice of a determination or redetermination must clearly indicate the interested persons' right to appeal.

**Sec. 9.** NRS 612.495 is hereby amended to read as follows:

612.495 1. Any person entitled to a notice of determination or redetermination may file an appeal from the determination with an Appeal Tribunal, and the Administrator shall be a party respondent thereto. The appeal must be filed within ~~{10}~~ 11 days after the date of mailing or personal service of the notice of determination or redetermination. The ~~{10-day}~~ 11-day period may be extended for good cause shown. Any employing unit whose rights may be adversely affected may be permitted by the Appeal Tribunal to intervene as a party respondent to the appeal.

2. An appeal shall be deemed to be filed on the date it is delivered to the Division, or, if it is mailed, on the postmarked date appearing on the envelope in which it was mailed, if postage is prepaid and the envelope is properly addressed to the office of the Division that mailed notice of the person's claim for benefits to each employer entitled to notice under NRS 612.475.

3. The ~~{10-day}~~ 11-day period provided for in this section must be computed by excluding the day the determination was mailed or personally served, and including the last day of the ~~{10-day}~~ 11-day period, unless the last day is a Saturday, Sunday or holiday, in which case that day must also be excluded.

4. The Appeal Tribunal may permit the withdrawal of the appeal by the appellant at the appellant's request if there is no coercion or fraud involved in the withdrawal.

**Sec. 10.** NRS 612.510 is hereby amended to read as follows:

612.510 1. After a hearing an Appeal Tribunal shall make its findings promptly and on the basis thereof affirm, modify or reverse the determination. Each party must be promptly furnished a copy of the decision and the supporting findings.

2. The decision is final unless an appeal to the Board of Review or a request for review or appeal to the Board of Review is filed, within ~~{10}~~ 11 days after the decision has been mailed to each party's last known address or otherwise delivered to him. The ~~{10-day}~~ 11-day period may be extended for good cause shown.

3. A request for review or appeal to the Board of Review shall be deemed to be filed on the date it is delivered to the Division, or, if it is mailed, on the postmarked date appearing on the envelope in

which it was mailed, if the postage was prepaid and the envelope was properly addressed to one of the offices of the Division.

4. The time provided for in this section must be computed in the manner provided in NRS 612.495.

**Sec. 11.** NRS 612.515 is hereby amended to read as follows:

612.515 1. An appeal to the Board of Review by any party must be allowed as a matter of right if the Appeal Tribunal's decision reversed or modified the Administrator's determination. In all other cases, further review must be at the discretion of the Board of Review.

2. The Board on its own motion may initiate a review of a decision or determination of an Appeal Tribunal within ~~10~~ 11 days after the date of mailing of the decision.

3. The Board may affirm, modify or reverse the findings or conclusions of the Appeal Tribunal solely on the basis of evidence previously submitted, or upon the basis of such additional evidence as it may direct to be taken.

4. Each party, including the Administrator, must be promptly furnished a copy of the decision and the supporting findings of the Board of Review.

**Sec. 12.** NRS 612.525 is hereby amended to read as follows:

612.525 1. Any decision of the Board of Review in the absence of an appeal therefrom as herein provided becomes final ~~10~~ 11 days after the date of notification or mailing thereof, and judicial review thereof is permitted only after any party claiming to be aggrieved thereby has exhausted his administrative remedies as provided by this chapter.

2. The Administrator shall be deemed to be a party to any judicial action involving any such decision, and may be represented in any such judicial action by:

(a) Any qualified attorney employed by the Administrator and designated by him for that purpose; or

(b) The Attorney General, at the Administrator's request.

3. The Administrator may appeal from any decision of the Board of Review to the courts as may any other party to that decision.

**Sec. 13.** NRS 612.530 is hereby amended to read as follows:

612.530 1. Within ~~10~~ 11 days after the decision of the Board of Review has become final, any party aggrieved thereby or the Administrator may secure judicial review thereof by commencing an action in the district court of the county where the employment which is the basis of the claim was performed for the review of the decision, in which action any other party to the proceedings before the Board of Review must be made a defendant.

2. In such action, a petition which need not be verified, but which must state the grounds upon which a review is sought, must

be served upon the Administrator, unless he is the appellant, or upon such person as he may designate, and such service shall be deemed completed service on all parties, but there must be left with the party so served as many copies of the petition as there are defendants, and the Administrator shall forthwith mail one such copy to each defendant.

3. With his answer or petition, the Administrator shall certify and file with the court originals or true copies of all documents and papers and a transcript of all testimony taken in the matter, together with the Board of Review's findings of fact and decision therein. The Administrator may certify to the court questions of law involved in any decision.

4. In any judicial proceedings under this section, the finding of the Board of Review as to the facts, if supported by evidence and in the absence of fraud, is conclusive, and the jurisdiction of the court is confined to questions of law.

5. Such actions, and the questions so certified, must be heard in a summary manner and must be given precedence over all other civil cases except cases arising under chapters 616A to 616D, inclusive, or chapter 617 of NRS.

6. An appeal may be taken from the decision of the district court to the Supreme Court of Nevada in the same manner, but not inconsistent with the provisions of this chapter, as is provided in civil cases.

7. It is not necessary, in any judicial proceeding under this section, to enter exceptions to the rulings of the Board of Review, and no bond may be required for entering the appeal.

8. Upon the final determination of the judicial proceeding, the Board of Review shall enter an order in accordance with the determination.

9. A petition for judicial review does not act as a supersedeas or stay unless the Board of Review so orders.

**Sec. 14.** NRS 612.545 is hereby amended to read as follows:

612.545 1. For the purposes of NRS 612.535, 612.540 and 612.606, wages do not include that part of the wages paid for employment to a person by an employer during any calendar year which exceeds  $66 \frac{2}{3}$  percent of the average annual wage, rounded to the nearest hundred dollars, for the preceding calendar year unless that part of the wages is subject to a tax under a federal law imposing a tax against which credit may be taken for contributions paid under this chapter. The average annual wage for employers who do not elect reimbursement in lieu of contributions must be computed as follows: On or before July 1, the total wages reported for the preceding calendar year by those employers who are subject to the provisions of this chapter must be divided by the average of

the 12 mid-month totals of all workers in employment for employers as reported in that year.

2. For the purpose of this section:

(a) Any employer who acquired *a part of or* the entire ~~for a distinct and severable portion of the~~ organization, trade or business or substantially all of the assets of an employer must be treated as a single unit with its predecessor for the calendar year in which the acquisition occurs.

(b) The wages paid by an employer to an employee performing services for him in another state upon which contributions are required to be paid by that employer under the unemployment compensation law of that state, must be included as part of the wages used to calculate the contributions in subsection 1.

**Sec. 15.** NRS 612.550 is hereby amended to read as follows:

612.550 1. As used in this section:

(a) "Average actual duration" means the number of weeks obtained by dividing the number of weeks of benefits paid for weeks of total unemployment in a consecutive 12-month period by the number of first payments made in the same 12-month period.

(b) "Average annual payroll" for each calendar year means the annual average of total wages paid by an employer subject to contributions for the 3 consecutive calendar years immediately preceding the computation date. The average annual payroll for employers first qualifying as eligible employers must be computed on the total amount of wages paid, subject to contributions, for not less than 10 consecutive quarters and not more than 12 consecutive quarters ending on December 31, immediately preceding the computation date.

(c) "Beneficiary" means a person who has received a first payment.

(d) "Computation date" for each calendar year means June 30 of the preceding calendar year.

(e) "Covered worker" means a person who has worked in employment subject to this chapter.

(f) "First payment" means the first weekly unemployment insurance benefit paid to a person in his benefit year.

(g) "Reserve balance" means the excess, if any, of total contributions paid by each employer over total benefit charges to his experience rating record.

(h) "Reserve ratio" means the percentage ratio that the reserve balance bears to the average annual payroll.

(i) "Total contributions paid" means the total amount of contributions, due on wages paid on or before the computation date, paid by an employer not later than the last day of the second month immediately following the computation date.



(j) "Unemployment risk ratio" means the ratio obtained by dividing the number of first payments issued in any consecutive 12-month period by the average monthly number of covered workers in employment as shown on the records of the Division for the same 12-month period.

2. The Administrator shall, as of the computation date for each calendar year, classify employers in accordance with their actual payrolls, contributions and benefit experience, and shall determine for each employer the rate of contribution which applies to him for each calendar year in order to reflect his experience and classification. The contribution rate of an employer may not be reduced below 2.95 percent, unless there have been 12 consecutive calendar quarters immediately preceding the computation date throughout which he has been subject to this chapter and his account as an employer could have been charged with benefit payments, except that an employer who has not been subject to the law for a sufficient period to meet this requirement may qualify for a rate less than 2.95 percent if his account has been chargeable throughout a lesser period not less than the 10-consecutive-calendar-quarter period ending on the computation date.

3. Any employer who qualifies under *paragraph (b) of subsection 9* and receives the experience record of a predecessor employer must be assigned the contribution rate of his predecessor.

4. Benefits paid to a person up to and including the computation date must be charged against the records, for experience rating, of his base-period employers in the same percentage relationship that wages reported by individual employers represent to total wages reported by all base period employers, except that:

(a) If one of the base period employers has paid 75 percent or more of the wages paid to the person during his base period, and except as otherwise provided in NRS 612.551, the benefits, less a proportion equal to the proportion of wages paid during the base period by employers who make reimbursement in lieu of contributions, must be charged to the records for experience rating of that employer. The proportion of benefits paid which is equal to the part of the wages of the claimant for the base period paid by an employer who makes reimbursement must be charged to the record of that employer.

(b) No benefits paid to a multistate claimant based upon entitlement to benefits in more than one state may be charged to the experience rating record of any employer when no benefits would have been payable except pursuant to NRS 612.295.

(c) Except for employers who have been given the right to make reimbursement in lieu of contributions, extended benefits paid to a

person must not be charged against the accounts of his base-period employers.

5. The Administrator shall, as of the computation date for each calendar year, compute the reserve ratio for each eligible employer and shall classify those employers on the basis of their individual reserve ratios. The contribution rate assigned to each eligible employer for the calendar year must be determined by the range within which his reserve ratio falls. The Administrator shall, by regulation, prescribe the contribution rate schedule to apply for each calendar year by designating the ranges of reserve ratios to which must be assigned the various contribution rates provided in subsection 6. The lowest contribution rate must be assigned to the designated range of highest reserve ratios and each succeeding higher contribution rate must be assigned to each succeeding designated range of lower reserve ratios, except that, within the limits possible, the differences between reserve ratio ranges must be uniform.

6. Each employer eligible for a contribution rate based upon experience and classified in accordance with this section must be assigned a contribution rate by the Administrator for each calendar year according to the following classes:

Class 1 .....	0.25 percent
Class 2 .....	0.55 percent
Class 3 .....	0.85 percent
Class 4 .....	1.15 percent
Class 5 .....	1.45 percent
Class 6 .....	1.75 percent
Class 7 .....	2.05 percent
Class 8 .....	2.35 percent
Class 9 .....	2.65 percent
Class 10 .....	2.95 percent
Class 11 .....	3.25 percent
Class 12 .....	3.55 percent
Class 13 .....	3.85 percent
Class 14 .....	4.15 percent
Class 15 .....	4.45 percent
Class 16 .....	4.75 percent
Class 17 .....	5.05 percent
Class 18 .....	5.40 percent

7. On September 30 of each year, the Administrator shall determine:

(a) The highest of the unemployment risk ratios experienced in the 109 consecutive 12-month periods in the 10 years ending on March 31;

(b) The potential annual number of beneficiaries found by multiplying the highest unemployment risk ratio by the average monthly number of covered workers in employment as shown on the records of the Division for the 12 months ending on March 31;

(c) The potential annual number of weeks of benefits payable found by multiplying the potential number of beneficiaries by the highest average actual duration experienced in the 109 consecutive 12-month periods in the 10 years ending on September 30; and

(d) The potential maximum annual benefits payable found by multiplying the potential annual number of weeks of benefits payable by the average payment made to beneficiaries for weeks of total unemployment in the 12 months ending on September 30.

8. The Administrator shall issue an individual statement, itemizing benefits charged during the 12-month period ending on the computation date, total benefit charges, total contributions paid, reserve balance and the rate of contributions to apply for that calendar year, for each employer whose account is in active status on the records of the Division on January 1 of each year and whose account is chargeable with benefit payments on the computation date of that year.

9. ~~[(The)]~~ *If an employer transfers its trade or business, or a portion thereof, to another employer:*

*(a) And there is substantially common ownership, management or control of the employers, the experience record attributable to the transferred trade or business must be transferred to the employer to whom the trade or business is transferred. The rates of both employers must be recalculated and the recalculated rates become effective on the date of the transfer of the trade or business. If the Administrator determines, following the transfer of the experience record pursuant to this paragraph, that the sole or primary purpose of the transfer of the trade or business was to obtain a reduced liability for contributions, the Administrator shall combine the experience rating records of the employers involved into a single account and assign a single rate to the account.*

*(b) And there is no substantially common ownership, management or control of the employers, the experience record of an employer may be transferred to a successor employer as of the effective date of the change of ownership if:*

~~[(a)]~~ (1) The successor employer acquires the entire or a severable and distinct portion of the business, or substantially all of the assets, of the employer;

~~[(b)]~~ (2) The successor employer notifies the Division of the acquisition in writing within 90 days after the date of the acquisition;

~~[(e)]~~ (3) The employer and successor employer submit a joint application to the Administrator requesting the transfer; and

~~[(d)]~~ (4) The joint application is approved by the Administrator.

→ The joint application must be submitted within 1 year after the date of issuance by the Division of official notice of eligibility to transfer.

*(c) Except as otherwise provided in paragraph (a), a transfer of the experience record must not be completed if the Administrator determines that the acquisition was effected solely or primarily to obtain a more favorable contribution rate.*

10. Whenever an employer has paid no wages in employment for 8 consecutive calendar quarters following the last calendar quarter in which he paid wages for employment, the Administrator shall terminate his experience rating account, and the account must not thereafter be used in any rate computation.

11. The Administrator may adopt reasonable accounting methods to account for those employers which are in a category for providing reimbursement in lieu of contributions.

**Sec. 16.** NRS 612.618 is hereby amended to read as follows:

612.618 1. If a check *or draft* is tendered on or before the due date in payment of contributions but is afterward dishonored by the financial institution on which it is drawn, the check *or draft* does not constitute timely payment unless the Administrator determines that dishonor occurred because of fault on the part of the financial institution.

2. The Administrator shall charge an additional fee in the amount established by the State Controller pursuant to NRS 353C.115 for handling against a person who presents a check *or draft* afterward dishonored. *The fee may be waived only by the Administrator.* The fee must be deposited in the Unemployment Compensation Administration Fund.

**Sec. 17.** NRS 612.686 is hereby amended to read as follows:

612.686 1. If a person is notified of a delinquency pursuant to NRS 612.685, he shall neither transfer, pay over nor make any other disposition of money or property belonging to the delinquent employing unit, or any portion thereof, until the Administrator consents thereto in writing.

2. A person so notified shall, within ~~[(40)]~~ *11* days after receipt of the notice, advise the Administrator of all credits, debts or other personal property of the delinquent employing unit in his possession, under his control or owing by him, as the case may be.

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

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

(b) The amount specified in the demand.

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

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

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

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

**Sec. 18.** NRS 612.730 is hereby amended to read as follows:

612.730 1. Any employing unit or any officer or agent of an employing unit or any other person who makes a false statement or representation knowing it to be false, or who knowingly fails to disclose a material fact, to prevent or reduce the payment of benefits to any ~~[individual]~~ *natural person* entitled thereto, ~~[or to avoid becoming or remaining subject hereto, or to avoid or reduce any contribution or other payment required from an employing unit under this chapter,]~~ or who willfully fails or refuses to make any such contributions or other payment or to furnish any reports required by this chapter, or to produce or permit the inspection or copying of records as required by this chapter, is guilty of a misdemeanor.

2. ~~[Whenever two or more persons shall conspire to accomplish any of the objects provided in this section, every such person is guilty of a gross misdemeanor.]~~ *Any employing unit, or any officer or agent of an employing unit or any other person who knowingly:*

*(a) Attempts to use a plan or scheme to avoid becoming or remaining subject to the provisions of this chapter or to reduce any contribution or other payment required pursuant to the provisions of this chapter; or*

*(b) Advises an employing unit to use a plan or scheme to avoid becoming or remaining subject to the provisions of this chapter or to reduce any contribution or other payment required pursuant to the provisions of this chapter,*

*↪ is guilty of a category C felony and shall be punished as provided in NRS 193.130.*

**Sec. 19.** NRS 612.752 is hereby repealed.

**Sec. 20.** 1. This section and sections 3, 4, 7 to 13, inclusive, 17 and 19 of this act become effective upon passage and approval.

2. Sections 5, 6 and 16 of this act become effective on July 1, 2005.

3. Sections 1, 2, 14, 15 and 18 of this act become effective on January 1, 2006.



