

ASSEMBLY BILL NO. 482—COMMITTEE ON WAYS AND MEANS

(ON BEHALF OF THE DEPARTMENT OF ADMINISTRATION)

MARCH 25, 2013

Referred to Committee on Ways and Means

SUMMARY—Imposes a temporary assessment on certain employers for interest payments due on advances made by the Federal Government relating to unemployment benefits. (BDR 53-1166)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Yes.

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

AN ACT relating to unemployment compensation; creating the Interest Repayment Fund for the payment of interest accruing and payable on advances received by this State from the Federal Government relating to unemployment benefits; requiring the Administrator of the Employment Security Division of the Department of Employment, Training and Rehabilitation to establish an assessment to be imposed on certain employers; requiring certain employers to pay a proportionate share of such an assessment; requiring any money received from such employers to be deposited into the Fund; providing for the termination of the Fund in certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law authorizes and directs the Administrator of the Employment
2 Security Division of the Department of Employment, Training and Rehabilitation to
3 apply for an advance to the Unemployment Compensation Fund and to accept such
4 an advance in accordance with the conditions specified in Title XII of the Social
5 Security Act, 42 U.S.C. §§ 1321 et seq., as amended. Upon such a request by the
6 Administrator, the Governor is required to make an application for advances to this
7 State. (NRS 612.290)

8 This bill creates the Interest Repayment Fund as a special revenue fund to be
9 used only for the payment of interest accruing and payable on such advances



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received or special revenue bonds issued for the purpose of refinancing such advances. This bill requires the Administrator to establish an assessment, of which certain employers subject to the provisions governing unemployment compensation are required to pay a proportionate share. Any money collected from such an employer must be deposited into the Fund. This bill also provides that if the Administrator determines that the assessment is no longer necessary, the Administrator shall notify all such employers and shall not accept any further payments. Any money remaining in the Interest Repayment Fund must be deposited into the Unemployment Compensation Fund after: (1) the payment of all interest payable on the advances received from the Federal Government and all special revenue bonds issued for the purpose of refinancing such advances; and (2) a determination by the Administrator that no further payments are anticipated.

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. There is hereby created the Interest Repayment Fund as a special revenue fund.

2. The Fund consists of all money received pursuant to this section, and must only be used for the payment of interest accruing and payable on advances received pursuant to NRS 612.290 in accordance with the conditions specified in Title XII of the Social Security Act, 42 U.S.C. §§ 1321 et seq., as amended, or for the payment of special revenue bonds issued for the purpose of refinancing such advances.

3. The Administrator, in consultation with the Employment Security Council in a manner consistent with NRS 612.310, shall establish an assessment that will be calculated by dividing the interest accruing and payable on advances received pursuant to NRS 612.290 by 95 percent of the total taxable wages paid by all employers in this State during the immediately preceding calendar year.

4. Except as otherwise provided in subsection 7, each employer subject to the provisions of this chapter shall pay a proportionate share of the assessment established by the Administrator pursuant to subsection 3. An employer's proportionate share of the assessment will be calculated by multiplying the employer's total taxable wages paid during the immediately preceding calendar year by the amount of the assessment. The Administrator shall notify each employer of his or her proportionate share of the assessment on or before June 30 of each year, and may collect interest on any such amount that remains unpaid on July 31 of each year in accordance with the provisions of NRS 612.620. Any money collected from an



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1 *employer pursuant to this subsection must be deposited into the*
2 *Interest Repayment Fund. The Administrator shall establish*
3 *procedures necessary to collect payments pursuant to this*
4 *subsection.*

5 *5. An employer's proportionate share of the assessment must*
6 *not be charged against the experience rating record of the*
7 *employer.*

8 *6. The provisions of law applicable to the collection of*
9 *unemployment contributions also apply to the collection of*
10 *payments pursuant to this section.*

11 *7. The provisions of this section do not apply to any nonprofit*
12 *organization, political subdivision or Indian tribe which makes*
13 *reimbursements in lieu of contributions pursuant to NRS 612.553.*

14 *8. The provisions of this section are operative only so long as*
15 *the Interest Repayment Fund continues to exist and the*
16 *Administrator continues to accept and deposit payments received*
17 *from employers pursuant to this section into the Interest*
18 *Repayment Fund. If the Administrator determines that the*
19 *assessment is no longer necessary, the Administrator shall notify*
20 *all employers paying a proportionate share of the assessment and*
21 *shall not accept any further payments. If and when the Interest*
22 *Repayment Fund ceases to exist, any money remaining in the*
23 *Interest Repayment Fund, after the payment of all interest*
24 *accruing and payable on advances received pursuant to NRS*
25 *612.290 and all special revenue bonds issued for the purpose of*
26 *refinancing such advances and a determination by the*
27 *Administrator that no further payments are anticipated, must be*
28 *deposited into the Unemployment Compensation Fund.*

29 **Sec. 2.** This act becomes effective upon passage and approval.

