SENATE BILL NO. 229–SENATOR HORSFORD

MARCH 21, 2005

JOINT SPONSOR: ASSEMBLYMAN ARBERRY JR.

Referred to Committee on Government Affairs

SUMMARY—Creates certain tax incentives for economic development. (BDR 21-910)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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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 economic development; creating tax incentives for expanding or relocating businesses in certain economic development areas; creating tax incentives for businesses who hire certain employees at a certain level of wages; 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 274 of NRS is hereby amended by adding thereto the provisions set forth as sections 2, 3 and 4 of this act.

Sec. 2. ***1. A person who intends to locate a business in this State within:***

(a) A specially benefited zone;

(b) A redevelopment area created pursuant to NRS 279.382 to 279.685, inclusive;

(c) An area eligible for a community development block grant pursuant to 24 C.F.R. Part 570; or

(d) An enterprise community established pursuant to 24 C.F.R. Part 597,

➥ ***may apply to the Commission on Economic Development for a partial abatement of one or more of the taxes imposed pursuant to chapter 361 or 374 of NRS.***

2. The Commission on Economic Development shall approve an application for a partial abatement submitted pursuant to subsection 1 if the Commission makes the following determinations:

(a) The business is consistent with:

(1) The State Plan for Industrial Development and Diversification that is developed by the Commission pursuant to NRS 231.067; and

(2) Any guidelines adopted pursuant to the State Plan.

(b) The applicant has executed an agreement with the Commission which states that the business will, after the date on which a certificate of eligibility for the abatement is issued pursuant to subsection 4:

(1) Commence operation and continue in operation in the specially benefited zone, redevelopment area created pursuant to NRS 279.382 to 279.685, inclusive, area eligible for a community development block grant pursuant to 24 C.F.R. Part 570 or enterprise community established pursuant to 24 C.F.R. Part 597 for a period specified by the Commission, which must be at least 5 years; and

(2) Continue to meet the eligibility requirements set forth in this subsection.

➥ ***The agreement must bind successors in interest of the business for the specified period.***

(c) The business is registered pursuant to the laws of this State or the applicant commits to obtain a valid business license and all other permits required by the county, city or town in which the business will operate.

(d) The applicant invested or commits to invest a minimum of $1,000,000 in capital revenue.

3. If a person submits an application to the Commission on Economic Development pursuant to subsection 1, the Commission shall provide notice to the governing body of the county and the city or town, if any, in which the person intends to locate the business. The notice required pursuant to this subsection must set forth the date, time and location of the hearing at which the Commission will consider the application.

4. If the Commission on Economic Development approves an application for a partial abatement, the Commission shall immediately forward a certificate of eligibility for the abatement to:

(a) The Department of Taxation;

(b) The Nevada Tax Commission; and

(c) If the partial abatement is from the property tax imposed pursuant to chapter 361 of NRS, the county treasurer of the county in which the business will be located.

5. The Commission on Economic Development:

(a) Shall adopt regulations relating to the notice that must be provided pursuant to subsection 3.

(b) May adopt such other regulations as the Commission determines to be necessary or advisable to carry out the provisions of this section.

6. An applicant for an abatement who is aggrieved by a final decision of the Commission on Economic Development may petition for judicial review in the manner provided in chapter 233B of NRS.

Sec. 3. *1. A person who intends to expand a business in this State within:*

(a) A specially benefited zone;

(b) A redevelopment area created pursuant to NRS 279.382 to 279.685, inclusive;

(c) An area eligible for a community development block grant pursuant to 24 C.F.R. Part 570; or

(d) An enterprise community established pursuant to 24 C.F.R. Part 597,

➥ may apply to the Commission on Economic Development for a partial abatement of the taxes imposed on capital equipment and expenses related to construction pursuant to chapter 374 of NRS.

2. The Commission on Economic Development shall approve an application for a partial abatement submitted pursuant to subsection 1 if the Commission makes the following determinations:

(a) The business is consistent with:

(1) The State Plan for Industrial Development and Diversification that is developed by the Commission pursuant to NRS 231.067; and

(2) Any guidelines adopted pursuant to the State Plan.

(b) The applicant has executed an agreement with the Commission which states that the business will, after the date on which a certificate of eligibility for the abatement is issued pursuant to subsection 4:

(1) Continue in operation in the specially benefited zone, redevelopment area created pursuant to NRS 279.382 to 279.685, inclusive, area eligible for a community development block grant pursuant to 24 C.F.R. Part 570 or enterprise community established pursuant to 24 C.F.R. Part 597 for a period specified by the Commission, which must be at least 5 years; and

(2) Continue to meet the eligibility requirements set forth in this subsection.

➥ The agreement must bind successors in interest of the business for the specified period.

(c) The business is registered pursuant to the laws of this State or the applicant commits to obtain a valid business license and all other permits required by the county, city or town in which the business operates.

(d) The applicant invested or commits to invest a minimum of $1,000,000 in capital equipment or facilities.

3. If a person submits an application to the Commission on Economic Development pursuant to subsection 1, the Commission shall provide notice to the governing body of the county and the city or town, if any, in which the person intends to expand the business. The notice required pursuant to this subsection must set forth the date, time and location of the hearing at which the Commission will consider the application.

4. If the Commission on Economic Development approves an application for a partial abatement, the Commission shall immediately forward a certificate of eligibility for the abatement to:

(a) The Department of Taxation; and

(b) The Nevada Tax Commission.

5. The Commission on Economic Development:

(a) Shall adopt regulations relating to the notice that must be provided pursuant to subsection 3.

(b) May adopt such other regulations as the Commission determines to be necessary or advisable to carry out the provisions of this section.

6. An applicant for an abatement who is aggrieved by a final decision of the Commission on Economic Development may petition for judicial review in the manner provided in chapter 233B of NRS.

Sec. 4. ***1. A person who owns a business which is located in this State may apply to the Commission on Economic Development for a partial abatement of one or more of the taxes imposed pursuant to chapter 361 or 374 of NRS.***

2. The Commission on Economic Development shall approve the application for a partial abatement submitted pursuant to subsection 1 if the Commission makes the following determinations:

(a) The business is consistent with:

(1) The State Plan for Industrial Development and Diversification that is developed by the Commission pursuant to NRS 231.067; and

(2) Any guidelines adopted pursuant to the State Plan.

(b) The applicant has executed an agreement with the Commission which states that the business will, after the date on which a certificate of eligibility for the abatement is issued pursuant to subsection 4, continue to meet the eligibility requirements set forth in this subsection for a period specified by the Commission, which must be at least 5 years. The agreement must bind successors in interest of the business for the specified period.

(c) The business is registered pursuant to the laws of this State or the applicant commits to obtain a valid business license and all other permits required by the county, city or town in which the business operates.

(d) The business:

(1) Employs one or more dislocated workers who reside in a specially benefited zone, a redevelopment area created pursuant to NRS 279.382 to 279.685, inclusive, an area eligible for a community development block grant pursuant to 24 C.F.R. Part 570 or an enterprise community established pursuant to 24 C.F.R. Part 597; and

(2) Pays such employee or employees a wage of not less than 100 percent of the federally designated level signifying poverty for a family of four persons and provides medical benefits to the employee or employees and his or their dependents.

3. If a person submits an application to the Commission on Economic Development pursuant to subsection 1, the Commission shall provide notice to the governing body of the county and the city or town, if any, in which the business is located. The notice required pursuant to this subsection must set forth the date, time and location of the hearing at which the Commission will consider the application.

4. If the Commission on Economic Development approves an application for a partial abatement, the Commission shall:

(a) Determine the percentage of employees of the business which meet the requirements of paragraph (d) of subsection 2 and grant a partial abatement equal to that percentage; and

(b) Immediately forward a certificate of eligibility for the abatement to:

(1) The Department of Taxation;

(2) The Nevada Tax Commission; and

(3) If the partial abatement is from the property tax imposed pursuant to chapter 361 of NRS, the county treasurer of the county in which the business is located.

5. The Commission on Economic Development:

(a) Shall adopt regulations relating to:

(1) The minimum level of benefits that a business must provide to its employees to qualify for an abatement pursuant to this section; and

(2) The notice that must be provided pursuant to subsection 3.

(b) May adopt such other regulations as the Commission determines to be necessary or advisable to carry out the provisions of this section.

6. An applicant for an abatement who is aggrieved by a final decision of the Commission on Economic Development may petition for judicial review in the manner provided in chapter 233B of NRS.

7. As used in this section, "dislocated worker" means a person who:

(a) Has been terminated, laid off or received notice of termination or layoff from employment;

(b) Is eligible for or receiving or has exhausted his entitlement to unemployment compensation;

(c) Has been dependent on the income of another family member but is no longer supported by that income;

(d) Has been self-employed but is no longer receiving an income from self-employment because of general economic conditions in the community or natural disaster; or

(e) Is currently unemployed and unable to return to a previous industry or occupation.

Sec. 5. NRS 231.0685 is hereby amended to read as follows:

231.0685 The Commission on Economic Development shall, on or before January 15 of each odd-numbered year, prepare and submit to the Director of the Legislative Counsel Bureau for transmission to the Legislature a report concerning the abatements from taxation that the Commission approved pursuant to NRS 360.750 ~~[.]~~ ***or section 2, 3 or 4 of this act.*** The report must set forth, for each abatement from taxation that the Commission approved in the 2-year period immediately preceding the submission of the report:

1. The dollar amount of the abatement;

2. The location of the business for which the abatement was approved;

3. ~~[The]~~ ***If applicable, the*** number of employees that the business for which the abatement was approved employs or will employ;

4. Whether the business for which the abatement was approved is a new business or an existing business; and

5. Any other information that the Commission determines to be useful.

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