

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; providing a temporary tax incentive for locating or expanding businesses that are or will become grocery stores within the Southern Nevada Enterprise Community; 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 historically underutilized business zone, as defined in 15 U.S.C. § 632;

(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



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

3 ↪ *may submit a request to the governing body of the county, city*
4 *or town in which the business would operate for an endorsement*
5 *of an application by the person to the Commission on Economic*
6 *Development for a partial abatement of one or more of the taxes*
7 *imposed pursuant to chapter 361 or 374 of NRS. The governing*
8 *body of the county, city or town shall provide notice of the request*
9 *to the board of trustees of the school district in which the business*
10 *would operate. The notice must set forth the date, time and*
11 *location of the hearing at which the governing body will consider*
12 *whether to endorse the application.*

13 2. *The governing body of a county, city or town shall develop*
14 *procedures for:*

15 (a) *Evaluating whether such an abatement would be beneficial*
16 *for the economic development of the county, city or town.*

17 (b) *Issuing a certificate of endorsement for an application for*
18 *such an abatement that is found to be beneficial for the economic*
19 *development of the county, city or town.*

20 3. *A person whose application has been endorsed by the*
21 *governing body of the county, city or town, as applicable, pursuant*
22 *to this section may submit the application to the Commission on*
23 *Economic Development. The Commission shall approve the*
24 *application if the Commission makes the following*
25 *determinations:*

26 (a) *The business is consistent with:*

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

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

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

35 (1) *Commence operation and continue in operation in the*
36 *historically underutilized business zone, as defined in 15 U.S.C. §*
37 *632, redevelopment area created pursuant to NRS 279.382 to*
38 *279.685, inclusive, area eligible for a community development*
39 *block grant pursuant to 24 C.F.R. Part 570 or enterprise*
40 *community established pursuant to 24 C.F.R. Part 597 for a*
41 *period specified by the Commission, which must be at least 5*
42 *years; and*

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



1 ↪ *The agreement must bind successors in interest of the business*
2 *for the specified period.*

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

7 (d) *The applicant invested or commits to invest a minimum of*
8 *\$500,000 in capital.*

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

13 (a) *The Department of Taxation;*

14 (b) *The Nevada Tax Commission; and*

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

18 5. *The Commission on Economic Development may adopt*
19 *such regulations as the Commission determines to be necessary or*
20 *advisable to carry out the provisions of this section.*

21 6. *An applicant for an abatement who is aggrieved by a final*
22 *decision of the Commission on Economic Development may*
23 *petition for judicial review in the manner provided in chapter*
24 *233B of NRS.*

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

27 (a) *A historically underutilized business zone, as defined in 15*
28 *U.S.C. § 632;*

29 (b) *A redevelopment area created pursuant to NRS 279.382 to*
30 *279.685, inclusive;*

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

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

35 ↪ *may submit a request to the governing body of the county, city*
36 *or town in which the business operates for an endorsement of an*
37 *application by the person to the Commission on Economic*
38 *Development for a partial abatement of the taxes imposed on*
39 *capital equipment pursuant to chapter 374 of NRS. The governing*
40 *body of the county, city or town shall provide notice of the request*
41 *to the board of trustees of the school district in which the business*
42 *operates. The notice must set forth the date, time and location of*
43 *the hearing at which the governing body will consider whether to*
44 *endorse the application.*



2. The governing body of a county, city or town shall develop procedures for:

(a) Evaluating whether such an abatement would be beneficial for the economic development of the county, city or town.

(b) Issuing a certificate of endorsement for an application for such an abatement that is found to be beneficial for the economic development of the county, city or town.

3. A person whose application has been endorsed by the governing body of the county, city or town, as applicable, pursuant to this section may submit the application to the Commission on Economic Development. The Commission shall approve the application 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 historically underutilized business zone, as defined in 15 U.S.C. § 632, 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 \$250,000 in capital equipment.

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.



1 5. *The Commission on Economic Development may adopt*
2 *such regulations as the Commission determines to be necessary or*
3 *advisable to carry out the provisions of this section.*

4 6. *An applicant for an abatement who is aggrieved by a final*
5 *decision of the Commission on Economic Development may*
6 *petition for judicial review in the manner provided in chapter*
7 *233B of NRS.*

8 **Sec. 4.** 1. *A person who owns a business which is located*
9 *within an enterprise community established pursuant to 24 C.F.R.*
10 *Part 597 in this State may submit a request to the governing body*
11 *of the county, city or town in which the business is located for an*
12 *endorsement of an application by the person to the Commission on*
13 *Economic Development for a partial abatement of one or more of*
14 *the taxes imposed pursuant to chapter 361 or 374 of NRS. The*
15 *governing body of the county, city or town shall provide notice of*
16 *the request to the board of trustees of the school district in which*
17 *the business operates. The notice must set forth the date, time and*
18 *location of the hearing at which the governing body will consider*
19 *whether to endorse the application.*

20 2. *The governing body of a county, city or town shall develop*
21 *procedures for:*

22 (a) *Evaluating whether such an abatement would be beneficial*
23 *for the economic development of the county, city or town.*

24 (b) *Issuing a certificate of endorsement for an application for*
25 *such an abatement that is found to be beneficial for the economic*
26 *development of the county, city or town.*

27 3. *A person whose application has been endorsed by the*
28 *governing body of the county, city or town, as applicable, pursuant*
29 *to this section may submit the application to the Commission on*
30 *Economic Development. The Commission shall approve the*
31 *application if the Commission makes the following*
32 *determinations:*

33 (a) *The business is consistent with:*

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

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

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

42 (1) *Continue in operation in the enterprise community for a*
43 *period specified by the Commission, which must be at least 5*
44 *years; and*



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

3 ↪ *The agreement must bind successors in interest of the business*
4 *for the specified period.*

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

9 (d) *The business:*

10 (1) *Employs one or more dislocated workers who reside in*
11 *the enterprise community; and*

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

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

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

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

23 (1) *The Department of Taxation;*

24 (2) *The Nevada Tax Commission; and*

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

28 5. *The Commission on Economic Development:*

29 (a) *Shall adopt regulations relating to the minimum level of*
30 *benefits that a business must provide to its employees to qualify for*
31 *an abatement pursuant to this section.*

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

35 6. *An applicant for an abatement who is aggrieved by a final*
36 *decision of the Commission on Economic Development may*
37 *petition for judicial review in the manner provided in chapter*
38 *233B of NRS.*

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

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

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



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

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

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

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

9 231.0685 The Commission on Economic Development shall,
10 on or before January 15 of each odd-numbered year, prepare and
11 submit to the Director of the Legislative Counsel Bureau for
12 transmission to the Legislature a report concerning the abatements
13 from taxation that the Commission approved pursuant to NRS
14 360.750 ~~[H]~~ *or section 2, 3 or 4 of this act.* The report must set forth,
15 for each abatement from taxation that the Commission approved in
16 the 2-year period immediately preceding the submission of the
17 report:

18 1. The dollar amount of the abatement;

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

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

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

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

28 **Sec. 6.** 1. A person who intends to locate a grocery store
29 within the Southern Nevada Enterprise Community established
30 pursuant to 24 C.F.R. Part 597 during Fiscal Year 2004-2005 or
31 2005-2006 may submit a request to the governing body of the
32 county, city or town in which the grocery store would operate for
33 endorsement of an application by the person to the Commission on
34 Economic Development for a partial abatement of one or more of
35 the taxes imposed pursuant to chapter 361 or 374 of NRS. The
36 governing body of the county, city or town shall provide notice of
37 the request to the board of trustees of the school district in which the
38 business would operate. The notice must set forth the date, time and
39 location of the hearing at which the governing body will consider
40 whether to endorse the application.

41 2. The governing body of a county, city or town shall develop
42 procedures for:

43 (a) Evaluating whether such an abatement would be beneficial
44 for the economic development of the county, city or town.



(b) Issuing a certificate of endorsement for an application for such an abatement that is found to be beneficial for the economic development of the county, city or town.

3. A person whose application has been endorsed by the governing body of the county, city or town, as applicable, pursuant to this section may submit the application to the Commission. The Commission shall approve the application if the Commission makes the following determinations:

(a) The applicant has executed an agreement with the Commission which states that the grocery store 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 Southern Nevada 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 grocery store for the specified period.

(b) The grocery store 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 grocery store will operate.

(c) The applicant invested or commits to invest a minimum of \$500,000 in capital.

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 grocery store will be located.

5. The Commission on Economic Development may adopt such 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:

(a) "Grocery store" means a business selling at retail groceries, including, without limitation, food for human consumption, articles used in the preparation of food, household supplies, dairy products,



1 meat and produce, and having more than 10,000 square feet of floor
2 space available to the public.

3 (b) "Selling at retail" has the meaning ascribed to it in
4 NRS 372.050.

5 **Sec. 7.** 1. A person who intends to expand a grocery store or
6 expand a business to become a grocery store within the Southern
7 Nevada Enterprise Community established pursuant to 24 C.F.R.
8 Part 597 during Fiscal Year 2004-2005 or 2005-2006 may submit a
9 request to the governing body of the county, city or town in which
10 the business operates for endorsement of an application by the
11 person to the Commission on Economic Development for a partial
12 abatement of the taxes imposed on capital equipment pursuant to
13 chapter 374 of NRS. The governing body of the county, city or town
14 shall provide notice of the request to the board of trustees of the
15 school district in which the business operates. The notice must set
16 forth the date, time and location of the hearing at which the
17 governing body will consider whether to endorse the application.

18 2. The governing body of a county, city or town shall develop
19 procedures for:

20 (a) Evaluating whether such an abatement would be beneficial
21 for the economic development of the county, city or town.

22 (b) Issuing a certificate of endorsement for an application for
23 such an abatement that is found to be beneficial for the economic
24 development of the county, city or town.

25 3. A person whose application has been endorsed by the
26 governing body of the county, city or town, as applicable, pursuant
27 to this section may submit the application to the Commission. The
28 Commission shall approve the application if the Commission makes
29 the following determinations:

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

34 (1) Continue in operation in the Southern Nevada Enterprise
35 Community established pursuant to 24 C.F.R. Part 597 for a period
36 specified by the Commission, which must be at least 5 years; and

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

39 ➤ The agreement must bind successors in interest of the grocery
40 store for the specified period.

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



(c) The applicant invested or commits to invest a minimum of \$250,000 in capital equipment.

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 may adopt such 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:

(a) "Grocery store" means a business selling at retail groceries, including, without limitation, food for human consumption, articles used in the preparation of food, household supplies, dairy products, meat and produce, and having more than 10,000 square feet of floor space available to the public.

(b) "Selling at retail" has the meaning ascribed to it in NRS 372.050.

Sec. 8. During the Fiscal Years 2005-2006 and 2006-2007, the Commission on Economic Development shall, until the Commission has granted \$1,000,000 in partial abatements pursuant to sections 2, 3, 6 and 7 of this act, give priority to and expedite the processing of applications received by the Commission pursuant to section 6 or 7 of this act.



