

**PROPOSED REGULATION OF THE
DIRECTOR OF THE OFFICE OF ECONOMIC DEVELOPMENT**

LCB File No. R159-16

(The provisionS of this regulation were removed from R113-16 for separate consideration)

NEVADA ADMINISTRATIVE CODE

CHAPTER 231 - ECONOMIC DEVELOPMENT

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NOTE:

- These draft regulations are for discussion purposes for the public workshop to be held May 12, 2016. For more information visit <http://bit.ly/GOEDregs>
- NAC chapters, subsections and locations are draft and provided only for convenience in providing comments.
- The currently published version of NRS does not yet include updated provisions for the following bills that are referenced throughout this document:
 - [AB 17](#) (78th Session, 2015)
 - [AB 161](#) (78th Session, 2015)
 - [SB 74](#) (78th Session, 2015)
 - [SB 170](#) (78th Session, 2015)
 - [SB 507](#) (78th Session, 2015)
 - [SB 1](#) (29th Special Session, 2015)
 - [AB 1](#) (29th Special Session, 2015)

OFFICE OF ECONOMIC DEVELOPMENT

GENERAL PROVISIONS

NAC 231.001 Definitions. (NRS 231.~~[155]~~053) As used in NAC 231.001 to 231.240, inclusive, unless the context otherwise requires, the words and terms ~~[defined in NAC 231.011, 231.015 and 231.021]~~ have the meanings ascribed to them in those sections.

NAC 231.003 “Client” defined. (NRS 231.~~155~~053) “Client” means an individual, company or representative of a company that the Office is in contact with regarding the potential to create a new business in Nevada, relocate a business to Nevada, or expand its workforce in Nevada.

*NAC 231.004 “Economic development” ~~[means the process of furthering the]~~ defined. (NRS 231.053) “Economic development” refers broadly to business activities and governmental policies that improve the economic well-being of ~~[regional economies in the State]~~ a region of Nevada ~~[through the use, singularly or in combination, of the methods that practitioners of economic development generally accept.]~~ or the State as a whole. These ~~[methods]~~ business activities and governmental policies include, without limitation, job creation, job retention, tax base enhancements, business retention and expansion, technology transfer, the diversification of ~~[the]~~ Nevada’s economy, the development and support of entrepreneurs, the development and support of business leaders, *the development and support of global trade and investment*, and the education and training of the workforce ~~[and the establishment of programs for the development of a community]~~.*

~~[NAC 231.021 “Nonprofit private entity” defined. (NRS 231.155) “Nonprofit private entity” means an entity which:~~

~~1. Has registered with the Office of the Secretary of State as a nonprofit corporation pursuant to chapter 82 of NRS; and~~

~~Is exempt]~~ *NAC 231.007 Process for designation of regional development authorities. (NRS 231.053)*

1. For purposes of NRS 231.057, the Executive Director may issue a request for proposals seeking qualified entities to receive a designation as a regional development authority. Such request for proposals may be issued, or as otherwise determined to be necessary by the Executive Director.

NAC 231.008 Criteria for designation of regional development authorities. (NRS 231.053) For purposes of NRS 231.053 subsection 3, the Executive Director may consider the following criteria for the designation of regional development authorities:

- 1. Overall quality of the proposal submitted by the applicant;*
- 2. Regional economies;*
- 3. Past performance of a regional development authority or authorities in the region;*
- 4. Input from elected officials and public bodies;*
- 5. Input from the general public and businesses;*
- 6. Input from the Board; and*
- 7. Any other criteria determined useful by the Executive Director.*

NAC 231.009 Establishing procedures for engagement with regional development authorities: Interpretation of certain statutory terms. (NRS 231.053) As used in NRS 231.053 subsection 5 and NRS 231.057, “contract” means an agreement that is not subject to the invitation to bid or request for proposals provisions specified in NRS 333.020. For purposes of NRS 231.037, the Board must review each contract, allocation, grant or loan to a regional development authority that exceeds \$100,000 per fiscal year.

NAC 231.020 Regional development authorities to submit plans. (NRS 231.053) Regional development authorities must provide plans to the Executive Director pursuant to NRS 231.054, at the request of the Executive Director.

1. Such plans will be proposed by entities responding to the request for proposals identified in NAC 231.007, and must include a strategic plan that identifies:

(a) A vision and goals for regional economic development that are consistent with the State Plan for Economic Development;

(b) Regional strategies and initiatives aimed at achieving the region's and state's vision and goals consistent with the State Plan for Economic Development;

(c) Proposed objective criteria for future evaluation of the regional plan; and

(d) Any other information requested by the Executive Director or deemed necessary by the regional development authority.

2. Any regional development authority plan provided to the Executive Director pursuant to this section may be accepted, modified or denied at the sole discretion of the Executive Director.

3. Regional development authorities must provide updates to the Executive Director as determined by agreement between the Executive Director and the regional development authority. Such report must include:

(a) An evaluation using the objective criteria identified in the strategic plan;

(b) Any proposed changes to the objective criteria for evaluation of the regional plan along with the rationale for the proposed change;

(c) Any updates to the regional development authority strategic plan; and

(d) Any other information requested by the Executive Director or deemed necessary by the regional development authority.

4. Regional development authorities must also provide quarterly updates that:

(a) Must:

(1) Include information on the business recruitment and retention activities of the regional development authority;

(2) Are submitted using a form or other method specified by the Executive Director;

and

(3) Include any other information requested by the Executive Director.

(b) May:

(1) Include information concerning significant progress towards priority initiatives identified in the regional development authority's strategic plan;

(2) Include recommendations for legislative or regulatory changes;

(3) Include recommendations for modification of the State Plan for Economic Development; or

(4) Any other information deemed necessary by the regional development authority.

5. The Office must post on its website any approved regional development authority plan developed pursuant to this section.

NAC 231.023 Office of Economic Development: Confidentiality of records and documents submitted by client. (NRS 231.053) In evaluating the sufficiency of a request for confidentiality submitted by a client pursuant to NRS 231.069, the Executive Director may:

1. Consider requests that a category or categories of information, or specific instances of such information, be deemed confidential including but not limited to:
 - (a) Draft incentive terms and negotiation materials;
 - (b) Intellectual property owned or being developed;
 - (c) Materials limited by the laws of copyright or patent;
 - (d) Financial or pro-forma business plans;
 - (e) The configuration of and unit prices for capital equipment used at the proposed facility;
 - (f) Product development or other related prototypes or other samples related to the manufacturing process;
 - (g) Proprietary software;
 - (h) Maps, plans, photographs, videos, film or recordings related to the proposed facility;
 - (i) Contracts or letters of intent between a client and private third parties;
 - (j) Detailed items of Declaration of Transferable Tax Credit letters and attachments; or
 - (k) Individual salary and other confidential personnel information.
2. Deny such requests, in his or her sole discretion, if the request does not meet the standards of subsection 1 or specific NRS, or if the record or records have been published for public distribution or are otherwise available to the public generally, or in the public domain.

NAC 231.139 Certification of businesses for certain benefits: “Consistent with the State Plan for Economic Development” interpreted. ~~[(NRS 231.139) For the purposes of NRS 231.139],~~ **(NRS 231.053) In addition to specific provisions of NRS,** a business is “consistent with the State Plan for Economic Development” if:

1. The business being considered for the benefits ~~[provided pursuant to NRS 704.223 is the type]~~ **is part of [business]an industry** that is consistent with the ~~[current goals of the Office concerning industrial development and diversification, as evidenced by the Office’s certification of the business]~~ **State Plan for Economic Development;**
2. The average hourly wage paid by the business to its employees in this State ~~[is at least equal to the average statewide industrial hourly wage as established consistent with by the Employment Security Division of the Department of Employment, Training and Rehabilitation on July 1 of each fiscal year]~~ **meets the standards established by NRS 360.750 or adopted Board policy;**
3. The business provides a health insurance plan for all employees consistent with **NRS 360.750 or** adopted Board policy that includes, without limitation, an option for health insurance coverage for dependents of employees;
4. The business is registered pursuant to the laws of this State or the applicant commits to obtain a valid business license and any other permit required by the state, county, city or town in which the business ~~[operates]~~ **does or will operate;**
- ~~5. The business has:~~
 - ~~(a) Obtained a statement from the governing body of the affected county, school district and city, if applicable, that is signed and dated, indicating that the county, school district or city acknowledges the possibility of the business obtaining the benefits provided pursuant to NRS 704.223 if the Office certifies the business; and~~
 - ~~(b) Provided a copy of the statement described in paragraph (a) to the Office;~~

- ~~6.]5.~~ If the business is applying for an abatement pursuant to paragraph (a) of subsection 1 of NRS 701A.210, the business agrees to provide the Office, at its request, with proof that the business is in compliance with the provisions of that paragraph; and
- ~~7.]6.~~ The business has executed an agreement with the Office that grants the Office the right to review any document which the Executive Director determines is necessary to verify the eligibility of the business for the benefits provided pursuant to NRS 704.223.

~~GRANTS TO ASSIST PROJECTS OF ECONOMIC DIVERSIFICATION IN CERTAIN COUNTIES~~

~~NAC 231.100 Definitions. (NRS 231.065) As used in NAC 231.100 to 231.135, inclusive, unless the context otherwise requires, the words and terms defined in NAC 231.105 and 231.110 have the meanings ascribed to them in those sections.~~
(Added to NAC by Comm'n on Econ. Development by R047-06, eff. 6-28-2006)

~~NAC 231.105 "County with an economy subject to dramatic fluctuations because of a dependence on mining" defined. (NRS 231.065) "County with an economy subject to dramatic fluctuations because of a dependence on mining" means a county where data from the last decennial census or special census conducted by the Bureau of the Census of the United States Department of Commerce indicate that the mining industry is one of the top two employers in the county.~~
(Added to NAC by Comm'n on Econ. Development by R047-06, eff. 6-28-2006)

~~NAC 231.110 "Project of economic diversification" defined. (NRS 231.065) "Project of economic diversification" includes, without limitation, any project that analyzes industrial property, conducts feasibility studies, constructs industrial park infrastructure or purchases publicly owned industrial property.~~
(Added to NAC by Comm'n on Econ. Development by R047-06, eff. 6-28-2006)

~~NAC 231.115 Applications for grant. (NRS 231.065)~~

~~1. To receive a grant to assist a project of economic diversification in a county with an economy subject to dramatic fluctuations because of a dependence on mining, an entity must:~~

~~(a) Be a political subdivision of the State or a local or regional organization for economic development; and~~

~~Submit an application to the Office on a form prescribed by] *NAC 231.140 Grant Distribution: Agreements with Office.*(NRS 231.053, NRS 231.0695; NRS 231.147; NRS 231.1577; NRS 231.1954; AB 17; AB 161; SB 74; SB 170; SB 507; AB 1; SB 1)~~

~~{(b)} If the Executive Director:~~

~~[2. If an applicant is a nonprofit private entity, the applicant must include with the application:~~

~~(a) The most recent audit of the books and records of the applicant; and~~

~~(b) A letter from the board of county commissioners of the county in which the project is located. This letter must state that:]~~

- ~~[The board of county commissioners] approves *an application for a grant, allocation or loan, the recipient*[Office approves an application for a grant to assist a project of economic diversification in a county with an economy subject to dramatic fluctuations~~

~~because of a dependence on mining, the entity receiving the grant~~ must enter into an agreement with the Office. ~~The~~ *Such* agreement must ~~specify~~ *include but is not limited to:*

- (a) The amount of the grant;
- (b) The proper use of the money obtained from the grant;
- (c) The date on which the ~~Office~~ *Executive Director* approved the grant;
- (d) The ~~specific~~ *objective* benchmarks of performance by which the ~~Office~~ *Executive Director* and the recipient of the grant will measure ~~the~~ progress ~~of the project~~ *and completion*;
- (e) A requirement that the recipient of the grant report to the Office ~~on a quarterly basis~~ *periodically*, and that ~~the~~ *such* report include a statement of:

~~(1) The specific benchmarks of performance mentioned in paragraph (d);~~

~~(2)~~ *(1)* The progress that the recipient of the grant has made toward the completion of the ~~specific~~ benchmarks of performance ~~;~~ *mentioned in paragraph (d);*

~~(3)~~ The expected dates by which the recipient of the grant will complete the ~~specific~~ benchmarks of performance; ~~and~~

~~(4)~~ *(2)* ~~The amount of money the recipient expects to draw from the grant and the dates on which the recipient of the grant expects to draw money from the grant;~~

(3) Any other information deemed necessary by the Executive Director.

- (f) The right of the ~~Office~~ *Executive Director*, or ~~its~~ *his or her* designee to review any document which the ~~Office or its designee~~ *Executive Director* determines is necessary for the appropriate fiscal oversight of the project; and

- (g) The date on ~~or the circumstances under~~ which the grant will end~~;~~ *and*

~~2. The Executive Director and the Office of the Attorney General shall review the form of the agreement entered into by the Office and the recipient of the grant pursuant to subsection 1. No agreement will take effect unless the Executive Director and the Office of the Attorney General approve the form of the agreement.~~

~~(Added to NAC by Comm'n on Econ. Development by R047-06, eff. 6-28-2006)~~

(h) Any additional terms, requirements or information deemed necessary by the Executive Director.

NAC 231.~~130~~ *141* Disbursement of money from grant. (NRS 231.~~065~~ *053*)

1. The ~~Executive Director~~ Executive Director may not disburse any ~~money from the~~ grant *funds* until:

- (a) The recipient of the grant and ~~a representative of~~ the ~~Office have signed~~ *Executive Director sign* the agreement required by NAC 231.~~125~~ *115*; ~~and~~

- (b) The ~~Executive Director has received a request to draw money from the grant from the~~ recipient of the grant~~;~~ *submits a draw request to the Executive Director; and*

(c) The Executive Director or his or her designee approves the request.

2. The recipient of the grant must make a request to draw money from the grant on a form prescribed by the ~~Executive Director. The~~ Executive Director. *Such* request must include:

- (a) A statement of the amount of ~~money~~ *funds* the recipient ~~wants~~ *is requesting* to draw from the grant;

- (b) A statement of the dates on which the recipient of the grant ~~[wants]~~*is requesting* to draw ~~[money]~~*funds* from the grant;
- (c) A statement ~~[of]~~*identifying* the ~~[amount of money the recipient]~~*progress towards completion* of the grant ~~[wants to draw from the grant on each date that the recipient of the grant wants to draw money from the grant]~~*agreement using benchmarks when possible*; and
- ~~[(d) Evidence of the expenses incurred by the recipient of the grant during the course of the project. This evidence includes, without limitation, copies of contracts, receipts or invoices.]~~

(d) Any other information deemed necessary by the Executive Director.

- 3. The Executive Director ~~[shall]~~*must* review and either approve, *modify* or deny a request to draw money from the grant within ~~[10]~~*15* working days after the date on which the Executive Director receives the request.
- 4. If the Executive Director approves a request to draw money from the grant, the Executive Director ~~[shall]~~*must* cause ~~[a check]~~*payment* to be ~~[issued]~~*made* to the recipient of the grant in the amount requested by the recipient *or in the modified amount approved by the Executive Director.*
- 5. If the Executive Director denies *or modifies* a request to draw money from the grant, the Executive Director ~~[shall]~~*must* provide the recipient who made the request with a written statement:
 - (a) Stating the reason for the denial *or modification* of the request; and
 - (b) Describing any actions the recipient must take to receive *full* approval of the request from the Executive Director.

~~[(Added to NAC by Comm'n on Econ. Development by R047-06, eff. 6-28-2006)]~~

~~[NAC 231.135 — Failure to comply with agreement. (NRS 231.065) If the Office finds that the recipient of the grant is not using money from the grant in accordance with the provisions of the agreement set forth in NAC 231.125, the Office will immediately cease providing the recipient with money from the grant and the Office may, in its sole discretion, determine that the agreement is void.~~

~~(Added to NAC by Comm'n on Econ. Development by R047-06, eff. 6-28-2006)]~~

TRANSFERABLE TAX CREDITS TO PROMOTE ECONOMIC DEVELOPMENT (SB 507)

NAC 231.260 “New primary job” defined. (NRS 231.053) for a defined period denotes a primary job created within that period in place for at least 3 consecutive months on the last day of the period, that is in addition to the primary jobs in place on the last day of the prior period.

NAC 231.261 “Primary job” defined. (NRS 231.053) “Primary job” means a permanent position of employment at a company’s Nevada facility, where the employee works an average of at least 30 hours per week, and for which not less than 50% of the facility revenue is derived from exports to locations outside of the state of Nevada.

NAC 231.262 “Transferable Tax Credit” defined. (NRS 231.053) “Transferable Tax Credit” means an intangible property right earned by an entity, upon the completion of

certain conditions, which may be kept as, or transferred to, a holder who is entitled to reduce its tax liability by the stated value of the credit pursuant to the provisions of NRS 231.[SB 507].

NAC 231.263 Office authorized to conduct investigations. (NRS 231.053)

The Office, at the direction of the Executive Director, is hereby authorized to conduct an investigation to confirm that the creation of primary jobs is consistent with the terms of the agreement between the Office and the Transferable Tax Credits recipient.

NAC 231.265 Application for Transferable Tax Credits: Application process. (NRS 231.053)

- 1. An applicant for transferable tax credits must submit an application to the Office on a form prescribed by the Executive Director.*
- 2. Upon receipt of a completed application, the Executive Director must review the application and determine whether the approval of the application would promote the economic development of this State and aid the implementation of the State Plan for Economic Development.*
- 3. If the application is approved by the Executive Director or the Board pursuant to NRS 231.1577, the Executive Director must cause the Office to enter into an agreement with the applicant that meets the requirements of NAC 231.266.*

NAC 231.266 Application for Transferable Tax Credits: Application requirements. (NRS 231.053)

Any applicant for Transferable Tax Credits must submit an application to the Office on a form prescribed by the Executive Director.

1. Such application:

(a) Must include:

- (1) The projected number of new primary jobs, including the applicable average annual wages, and new capital investment in the State.*
- (2) The proposed Transferable Tax Credit grant amount and terms of disbursement;*
- (3) The proposed plans, projects, or programs to which the Transferable Tax Credit grant will apply;*
- (4) A summary of the proposed expansion or relocation plan proposed by the applicant;*
- (5) Relevance of the proposed expansion or relocation plan to the sectors and clusters targeted by the State Plan for Economic Development; and*
- (6) The financial resources of the applicant showing it has wherewithal to successfully implement the proposed project.*

(b) May include:

- (1) Any other information deemed necessary by the Executive Director.*
- (c) May be developed with assistance from the Office; and*
- (d) May be revised upon recommendation of the Executive Director.*

NAC 231.267 Requirements for agreements between Transferable Tax Credits recipient and Office: Requirements for written agreement. (NRS 231.053)

1. The Office must enter into an agreement with the Transferable Tax Credits recipient for approved applications. Such agreement must identify:

- (a) The number of primary jobs;*
 - (b) The average wage levels of the primary jobs;*
 - (c) Confirmation each primary job is eligible for healthcare benefits consistent with Board policy;*
 - (d) The disbursement terms and related primary job growth targets; and*
 - (e) A requirement that the Transferable Tax Credits recipient agree and consent to the public disclosure of:
 - (1) The company legal name for its Nevada operations related to the agreement;*
 - (2) The amount of Transferable Tax Credits requested; and*
 - (3) Agreed-upon performance requirements, including, but not limited to:
 - (I) the number of primary jobs created;*
 - (II) the anticipated wage levels to be paid; and*
 - (III) any other project-specific information deemed necessary by the Executive Director.**
 - (4) Require the Transferable Tax Credits recipient to disclose all details regarding the following items, unless such details are deemed privileged or confidential:
 - (I) proposed expansion or relocation plans for the proposed Nevada facility;*
 - (II) projects and programs for which the Transferable Tax Credits will be used;***
- and*
- (III) any other information relevant to the proposed project for which Transferable Tax Credits will be used as determined by the Executive Director.*
- (f) Any additional contractual terms the Executive Director deems appropriate.*

NAC 231.268 Requirements for agreements between Transferable Tax Credits recipient and Office: Default; Opportunity to cure noncompliance; Executive Director or Board authorized to find agreements noncompliant and void. (NRS 231.053)

1. The Transferable Tax Credits recipient may be deemed to have failed to satisfy the terms and conditions thereof, and thereby defaulted on the agreement, upon the occurrence of any of the following circumstances:

- a. The Transferable Tax Credits recipient fails to relocate, initiate construction or open operations in Nevada consistent with the terms of the agreement;*
- b. The Transferable Tax Credits recipient fails to meet the minimum standard for creation of primary jobs consistent with the terms of the agreement;*
- c. The Transferable Tax Credits recipient fails to remain in good legal standing, as determined by the Executive Director or the Board;*
- d. The Transferable Tax Credits recipient applies for or receives additional tax abatements or tax incentives from a Nevada state or local entity without first identifying such tax abatements or tax incentives on the application submitted to the Office pursuant to NAC 231.265, and receiving approval from the Executive Director or Board; or*
- e. The Transferable Tax Credits recipient either admits to or is otherwise found guilty of any crime or wrong-doing or criminal malfeasance as determined by a court of law.*

2. The agreement must specify that:

- a. In the event of noncompliance of the agreement, before the agreement is voided by the Executive Director or the Board pursuant to NAC 231.TBD:*

i. The Executive Director must provide notice of the intention to void the agreement; and

ii. The recipient must be given thirty days to cure the non-compliance;

b. If the business does not cure the non-compliance within the thirty day period, the agreement must become void;

c. After the agreement has become void, interest must accrue as of the date of expiration of the thirty days provided to the recipient to cure; and

d. The recipient acknowledges and consents to the requirements of the agreement, and agrees, acknowledges, and consents to the voiding of the agreement where the recipient fails to conform to the agreement, or any specific provision of NAC or NRS.

3. Nothing in this section prohibits the Executive Director from immediately ceasing to provide Transferable Tax Credits or voiding the agreement if a Transferable Tax Credits recipient is convicted of or admits to committing a crime.

CATALYST ACCOUNT GRANTS OR LOANS (SB 507)

NAC 231.270 “Business” defined. (NRS 231.053) “Business” means any legal entity that proposes or enters into an agreement with a Sponsoring Municipality to receive from the Sponsoring Municipality any Catalyst Account Proceeds.

NAC 231.271 “Catalyst Account Proceeds” defined. (NRS 231.053) “Catalyst Account Proceeds” means any grant or loan from the Catalyst Account made to a Sponsoring Municipality pursuant to NRS 231.1571 or NRS 231.1573.

NAC 231.272 “New primary job” defined. (NRS 231.053) “New primary job” for a defined period denotes a primary job created within that period in place for at least 3 consecutive months on the last day of the period, that is in addition to the primary jobs in place on the last day of the prior period.

NAC 231.273 “Primary job” defined. (NRS 231.053) “Primary job” means a permanent position of employment at a Nevada company facility, where the employee works an average of at least 30 hours per week, and for which not less than 50% of the compensation is obtained by the Nevada company facility from outside the State of Nevada.

NAC 231.274 “Sponsoring Municipality” defined. (NRS 231.053) “Sponsoring Municipality” means the county or incorporated city in Nevada submitting an application for Catalyst Account Proceeds.

NAC 231.275 Sponsoring Municipality authorized to conduct investigations; required to notify Executive Director. (NRS 231.053)

1. The Sponsoring Municipality, at the direction of the Executive Director, is hereby authorized to conduct an investigation to confirm that the creation of new primary jobs reported is consistent with the terms of the agreement between the Sponsoring Municipality and the Office.

2. If, after an investigation by the Sponsoring Municipality, the Sponsoring Municipality determines that the business has misreported or failed to create the number of new primary jobs in accordance with the terms of the agreement between the Sponsoring Municipality and the Office, the Sponsoring Municipality must immediately notify the Executive Director.

NAC 231.276 Executive Director required to notify Sponsoring Municipality of noncompliance; Executive Director or Board authorized to void agreement. (NRS 231.053)

- 1. If the Executive Director receives information from the Sponsoring Municipality pursuant to NAC 231.275 or has other cause to believe the business has misreported or failed to create the number of new primary jobs, or if the business applies for or receives additional tax abatements or tax incentives from a Nevada state or local entity without first identifying such tax abatements or tax incentives on the application submitted to the Office pursuant to NAC 231.277, and receiving approval from the Executive Director or Board, the Executive Director may immediately cease providing the Sponsoring Municipality with Catalyst Account Proceeds, and the Executive Director may, in his or her sole discretion, determine that the Sponsoring Municipality is not compliant with the terms of the agreement between the Sponsoring Municipality and the Office.*
- 2. If the Executive Director determines that the Sponsoring Municipality is noncompliant, the Executive Director must notify the Sponsoring Municipality in writing, specify the reasons for such noncompliance, and afford the Sponsoring Municipality a period of thirty days to cure the noncompliance.*
- 3. If, after thirty days, the Sponsoring Municipality does not cure the noncompliance, the Executive Director may, in his or her sole discretion, void the agreement.*
- 4. Nothing in this section prohibits the Executive Director from immediately ceasing to provide Catalyst Account Proceeds or voiding the agreement if a business is convicted of or admits to committing a crime.*

NAC 231.277 Application for Catalyst Account Proceeds: Application process. (NRS 231.053)

- 1. A Sponsoring Municipality applying for Catalyst Account Proceeds must submit an application to the Office on a form prescribed by the Executive Director, consistent with the provisions of NAC 231.278.*
- 2. Upon receipt of a completed application, the Executive Director must review the application and determine whether the approval of the application would promote the economic development of this State and aid the implementation of the State Plan for Economic Development.*
- 3. If the application is approved by the Executive Director or the Board pursuant to NRS 231.1573, the Executive Director must cause the Office to enter into an agreement with the Sponsoring Municipality, contingent upon the execution of a binding agreement that meets the requirements of NAC 231.279 between the Sponsoring Municipality and the business.*

NAC 231.278 Application for Catalyst Account Proceeds: Application requirements. (NRS 231.053)

Any Sponsoring Municipality applying for Catalyst Account Proceeds must submit an application to the Office on a form prescribed by the Executive Director.

1. Such application:

(a) Must include:

(1) The projected number of new primary jobs, including the applicable average annual wages, and new capital investment in the State;

(2) The proposed Catalyst Account Proceeds amount and terms of disbursement;

(3) A summary of the business' proposed expansion or relocation;

(4) A statement of the relevance of the proposed expansion or relocation plan to the sectors and clusters targeted by the State Plan for Economic Development;

(5) A statement regarding the financial resources of the business which demonstrates the business has the financial wherewithal to successfully implement the proposed project; and

(6) An estimate of new tax revenue and economic impacts for the proposed project.

(b) May include:

(1) Any other information deemed necessary by the Executive Director.

(c) May be developed with assistance from the Office; and

(d) May be revised by the Sponsoring Municipality upon recommendation of the Executive Director.

NAC 231.279 Requirements for agreements between Sponsoring Municipality and Office: Requirements for separate written agreement between Sponsoring Municipality and business. (NRS 231.053)

In any agreement between the Sponsoring Municipality and the Office to allocate Catalyst Account Proceeds, the Sponsoring Municipality must agree to first enter into a separate written agreement with each business to which the Sponsoring Municipality will provide Catalyst Account Proceeds granted pursuant to the agreement between the Sponsoring Municipality and the Office.

NAC 231.2791 Requirements for agreements between Sponsoring Municipality and Office: Reporting requirements. (NRS 231.053)

1. The agreement between the Sponsoring Municipality and the Office to allocate Catalyst Account Proceeds must require the Sponsoring Municipality to, within sixty days after the close of an award period during which Catalyst Account Proceeds were approved for disbursement and continuing on this basis for the term of the agreement, provide the Executive Director an initial report on the project including, but not limited to:

(a) The number of new primary jobs created as a result of each specific agreement made pursuant to the specific application for which the agreement was entered into and Catalyst Account Proceeds were disbursed;

(b) The average wage levels of the new primary jobs created as a result of each specific grant or loan made pursuant to the specific application for which this Agreement was entered into and Catalyst Account Proceeds were disbursed;

(c) Confirmation that the minimum new primary job and average wage targets agreed to by and between the Sponsoring Municipality and the business were reached in the specified period;

(d) Confirmation that each minimum new primary job is eligible for healthcare benefits consistent with Board policy;

(e) The capital investment made by the business;

(f) The return-on-investment on the Catalyst Account Proceeds provided through the grant or loan expressed through performance measures including, but not limited to:

(1) the number of new primary jobs created,

(2) the wages paid for such new primary jobs, and

(3) the capital investment made.

(g) A statement of the benefit to the public from the distribution of Catalyst Account Proceeds, including documentation that supports the benefit; and

(h) Any additional documentation requested by the Executive Director.

2. Reports made to the Executive Director pursuant to this section may be based, in whole or in part, on information received by the Sponsoring Municipality from the business pursuant to the agreement between the Sponsoring Municipality and the business. The Sponsoring Municipality must inform the Executive Director immediately if the Sponsoring Municipality has or obtains knowledge that such information may be false or misleading in any material respect.

NAC 231.2792 Requirements for agreements between Sponsoring Municipality and Office: Grant disbursements. (NRS 231.053)

1. The agreement between the Sponsoring Municipality and the Office to allocate Catalyst Account Proceeds must:

(a) Specify terms for the overall grant period;

(b) Identify an award disbursement schedule identifying the award period, maximum amount available for disbursement for the award period, and any additional disbursement criteria; and

(c) Specify that Catalyst Account Proceeds must be disbursed based upon actual achievement of award disbursement criteria.

2. The Office must not disburse Catalyst Account Proceeds to the Sponsoring Municipality until such time that the Sponsoring Municipality submits an award period report consistent with NAC 213.2791 and provides:

(a) Confirmation that the business is not in default, breach, or otherwise non-compliant;

(b) Confirmation that the Sponsoring Municipality has no knowledge of then existing facts that would indicate the business is in danger of being unable to satisfy the requirements contained in the agreement between the Sponsoring Municipality and the business;

(c) Confirmation that the Sponsoring Municipality understands and agrees that if an installment of Catalyst Account Proceeds is not made by the Office because of the Sponsoring Municipality's discovery of the business' inability to satisfy the requirements of the agreement, such Catalyst Account Proceeds must revert back to the Catalyst Account, and the Sponsoring Municipality must have no right to proceeds properly withheld by the Office.

NAC 231.2793 Requirements for agreements between Sponsoring Municipality and Office: Opportunity to cure noncompliance. (NRS 231.053)

1. *The agreement must specify that:*
 - a. *In the event an agreement is deemed noncompliant by the Executive Director pursuant to NAC 231.276:*
 - i. *The Sponsoring Municipality must provide notice to the business of the intention to void the agreement; and*
 - ii. *The business must be given thirty days to cure the noncompliance.*
2. *If the business does not cure the non-compliance within the thirty day period, the agreement must become void.*
3. *After the agreement has become void, interest must accrue as of the date of expiration of the thirty days provided to the recipient to cure; and*
4. *That the business acknowledges and consents to the requirements of the agreement, and agrees, acknowledges, and consents to the voiding of the agreement where the business fails to conform to the agreement, and any specific provision of NAC or NRS.*