

Amendment No. 515

Senate Amendment to Senate Bill No. 429	(BDR 32-680)
Proposed by: Senate Committee on Revenue and Economic Development	
Amendment Box: Replaces Amendment No. 388.	
Amends: Summary: Yes Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes	

ASSEMBLY ACTION		Initial and Date	SENATE ACTION	Initial and Date	
Adopted <input type="checkbox"/>	Lost <input type="checkbox"/>	_____	Adopted <input type="checkbox"/>	Lost <input type="checkbox"/>	_____
Concurred In <input type="checkbox"/>	Not <input type="checkbox"/>	_____	Concurred In <input type="checkbox"/>	Not <input type="checkbox"/>	_____
Receded <input type="checkbox"/>	Not <input type="checkbox"/>	_____	Receded <input type="checkbox"/>	Not <input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

BJF



Date: 4/22/2023

S.B. No. 429—Revises provisions governing economic development.
(BDR 32-680)



SENATE BILL NO. 429—COMMITTEE ON GOVERNMENT AFFAIRS

MARCH 27, 2023

Referred to Committee on Revenue and
Economic Development

SUMMARY—~~[Revises provisions governing economic development.]~~ Requires certain new or expanding businesses to provide certain family and medical leave to employees in order to qualify for a partial abatement of certain taxes. (BDR 32-680)

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; requiring ~~[a]~~ certain new or expanding ~~[business]~~ businesses to provide certain paid family and medical leave to employees in order to qualify for a partial abatement of certain taxes; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law authorizes a person who intends to locate or expand a business in this State
2 to apply to the Office of Economic Development for a partial abatement of certain taxes. The
3 Office is required to approve an application for such partial abatement if the Office makes
4 certain determinations. (NRS 360.750) **Section 1** of this bill revises the determinations the
5 Office must make to approve an application for such a partial abatement to require that a
6 business provide certain paid family and medical leave to employees of the business. **Section**
7 **1** requires ~~[that]~~ a business ~~[a]~~ that will have at least 50 full-time employees on the payroll
8 of the business by the eighth calendar quarter following the calendar quarter in which
9 the abatement becomes effective to by the earlier of the eighth calendar quarter
10 following the calendar quarter in which the abatement becomes effective or the date on
11 which the business has at least 50 employees on the payroll of the business: (1) have a
12 policy for paid family and medical leave; and (2) agree that all employees who have been
13 employed by the business for at least ~~[90 days]~~ 1 year will be eligible for at least 12 weeks of
14 paid family and medical leave at a rate of at least 55 percent of the regular wage of the
15 employee. Further, the business must agree in writing that the business will not take certain
16 actions in relation to an employee's use of such paid family and medical leave. Section 1 also
17 provides that if a business has a policy for paid family and medical leave for employees
18 on the payroll of the business outside of this State that meets or exceeds the
19 requirements for a policy of paid family and medical leave set forth in section 1 and the
20 business agrees in writing that its employees on the payroll in this State are eligible for
21 paid family and medical leave under the policy, the Office must determine that the
22 business' policy meets the necessary requirements for obtaining the partial abatement.

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

1 **Section 1.** NRS 360.750 is hereby amended to read as follows:

2 360.750 1. A person who intends to locate or expand a business in this State
3 may apply to the Office of Economic Development pursuant to this section for a
4 partial abatement of one or more of the taxes imposed on the:

5 (a) New business pursuant to chapter 361, 363B or 374 of NRS.

6 (b) Expanded business pursuant to chapter 361 or 363B of NRS or a partial
7 abatement of the local sales and use taxes imposed on the expanded business. As
8 used in this paragraph, "local sales and use taxes" means the taxes imposed on the
9 gross receipts of any retailer from the sale of tangible personal property sold at
10 retail, or stored, used or otherwise consumed, in the political subdivision in which
11 the business is to be located or expanded, except the taxes imposed by the Sales and
12 Use Tax Act and the Local School Support Tax Law.

13 2. The Office of Economic Development shall approve an application for a
14 partial abatement pursuant to this section if the Office makes the following
15 determinations:

16 (a) The business offers primary jobs and is consistent with:

17 (1) The State Plan for Economic Development developed by the Executive
18 Director of the Office of Economic Development pursuant to subsection 2 of NRS
19 231.053; and

20 (2) Any guidelines adopted by the Executive Director of the Office to
21 implement the State Plan for Economic Development.

22 (b) Not later than 1 year after the date on which the application was received
23 by the Office, the applicant has executed an agreement with the Office which must:

24 (1) Comply with the requirements of NRS 360.755;

25 (2) State the date on which the abatement becomes effective, as agreed to
26 by the applicant and the Office, which must not be earlier than the date on which
27 the Office received the application and not later than 1 year after the date on which
28 the Office approves the application;

29 (3) State that the business will, after the date on which the abatement
30 becomes effective, continue in operation in this State for a period specified by the
31 Office, which must be at least 5 years, and will continue to meet the eligibility
32 requirements set forth in this subsection;

33 (4) State that the business will offer primary jobs; and

34 (5) Bind the successors in interest of the business for the specified period.

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

38 (d) Except as otherwise provided in subsection ~~4 or 5~~ **5** ~~or 6~~, the average
39 hourly wage that will be paid by the business to its new employees in this State is at
40 least 100 percent of the average statewide hourly wage as established by the
41 Employment Security Division of the Department of Employment, Training and
42 Rehabilitation on July 1 of each fiscal year.

43 (e) The business will, by the eighth calendar quarter following the calendar
44 quarter in which the abatement becomes effective, offer a health insurance plan for
45 all employees that includes an option for health insurance coverage for dependents
46 of the employees, and the health care benefits the business offers to its employees
47 in this State will meet the minimum requirements for health care benefits
48 established by the Office.

1 (f) Except as otherwise provided in this subsection and NRS 361.0687, if the
2 business is a new business in a county whose population is 100,000 or more or a
3 city whose population is 60,000 or more, the business meets at least one of the
4 following requirements:

5 (1) The business will have 50 or more full-time employees on the payroll
6 of the business by the eighth calendar quarter following the calendar quarter in
7 which the abatement becomes effective who will be employed at the location of the
8 business in that county or city until at least the date which is 5 years after the date
9 on which the abatement becomes effective.

10 (2) Establishing the business will require the business to make, not later
11 than the date which is 2 years after the date on which the abatement becomes
12 effective, a capital investment of at least \$1,000,000 in this State in capital assets
13 that will be retained at the location of the business in that county or city until at
14 least the date which is 5 years after the date on which the abatement becomes
15 effective.

16 (g) Except as otherwise provided in NRS 361.0687, if the business is a new
17 business in a county whose population is less than 100,000, in an area of a county
18 whose population is 100,000 or more that is located within the geographic
19 boundaries of an area that is designated as rural by the United States Department of
20 Agriculture and at least 20 miles outside of the geographic boundaries of an area
21 designated as urban by the United States Department of Agriculture, or in a city
22 whose population is less than 60,000, the business meets at least one of the
23 following requirements:

24 (1) The business will have 10 or more full-time employees on the payroll
25 of the business by the eighth calendar quarter following the calendar quarter in
26 which the abatement becomes effective who will be employed at the location of the
27 business in that county or city until at least the date which is 5 years after the date
28 on which the abatement becomes effective.

29 (2) Establishing the business will require the business to make, not later
30 than the date which is 2 years after the date on which the abatement becomes
31 effective, a capital investment of at least \$250,000 in this State in capital assets that
32 will be retained at the location of the business in that county or city until at least the
33 date which is 5 years after the date on which the abatement becomes effective.

34 (h) If the business is an existing business, the business meets at least one of the
35 following requirements:

36 (1) For a business in:

37 (I) Except as otherwise provided in sub-subparagraph (II), a county
38 whose population is 100,000 or more or a city whose population is 60,000 or more,
39 the business will, by the eighth calendar quarter following the calendar quarter in
40 which the abatement becomes effective, increase the number of employees on its
41 payroll in that county or city by 10 percent more than it employed in the fiscal year
42 immediately preceding the fiscal year in which the abatement becomes effective or
43 by twenty-five employees, whichever is greater, who will be employed at the
44 location of the business in that county or city until at least the date which is 5 years
45 after the date on which the abatement becomes effective; or

46 (II) A county whose population is less than 100,000, an area of a
47 county whose population is 100,000 or more that is located within the geographic
48 boundaries of an area that is designated as rural by the United States Department of
49 Agriculture and at least 20 miles outside of the geographic boundaries of an area
50 designated as urban by the United States Department of Agriculture, or a city
51 whose population is less than 60,000, the business will, by the eighth calendar
52 quarter following the calendar quarter in which the abatement becomes effective,
53 increase the number of employees on its payroll in that county or city by 10 percent

1 more than it employed in the fiscal year immediately preceding the fiscal year in
2 which the abatement becomes effective or by six employees, whichever is greater,
3 who will be employed at the location of the business in that county or city until at
4 least the date which is 5 years after the date on which the abatement becomes
5 effective.

6 (2) The business will expand by making a capital investment in this State,
7 not later than the date which is 2 years after the date on which the abatement
8 becomes effective, in an amount equal to at least 20 percent of the value of the
9 tangible property possessed by the business in the fiscal year immediately
10 preceding the fiscal year in which the abatement becomes effective, and the capital
11 investment will be in capital assets that will be retained at the location of the
12 business in that county or city until at least the date which is 5 years after the date
13 on which the abatement becomes effective. The determination of the value of the
14 tangible property possessed by the business in the immediately preceding fiscal
15 year must be made by the:

16 (I) County assessor of the county in which the business will expand, if
17 the business is locally assessed; or

18 (II) Department, if the business is centrally assessed.

19 (i) The applicant has provided in the application an estimate of the total
20 number of new employees which the business anticipates hiring in this State by the
21 eighth calendar quarter following the calendar quarter in which the abatement
22 becomes effective if the Office approves the application.

23 (j) ~~That~~ Except as otherwise provided in subsection 3, if the business will
24 have at least 50 full-time employees on the payroll of the business by the eighth
25 calendar quarter following the calendar quarter in which the abatement becomes
26 effective, the business, by the earlier of the eighth calendar quarter following the
27 calendar quarter in which the abatement becomes effective or the date on which
28 the business has at least 50 full-time employees on the payroll of the business,
29 has a policy for paid family and medical leave and agrees that all employees who
30 have been employed by the business for at least ~~90 days calendar days~~ 1 year
31 will be eligible for at least 12 weeks of paid family and medical leave at a rate of
32 at least 55 percent of the regular wage of the employee. The business will agree in
33 writing that if the Office approves the application, the business will not:

34 (1) Prohibit, interfere with or otherwise discourage an employee from
35 taking paid family and medical leave:

36 (I) For any reason authorized pursuant to the Family and Medical
37 Leave Act of 1993, 29 U.S.C. §§ 2601 et seq.

38 (II) To care for any adult child, sibling or domestic partner of the
39 employee.

40 (2) Discriminate, discipline or discharge an employee for taking paid
41 family and medical leave:

42 (I) For any reason authorized pursuant to the Family and Medical
43 Leave Act of 1993, 29 U.S.C. §§ 2601 et seq.

44 (II) To care for any adult child, sibling or domestic partner of the
45 employee.

46 (3) Prohibit, interfere with or otherwise discourage an employee or other
47 person from bringing a proceeding or testifying in a proceeding against the
48 business for a violation of the policy for paid family and medical leave that is
49 required pursuant to this paragraph.

50 3. For purposes of paragraph (j) of subsection 2, the Office of Economic
51 Development shall determine that a business meets the requirements of that
52 paragraph if the business has a policy for paid family and medical leave for
53 employees on the payroll of the business outside of this State that meets or

1 exceeds the requirements for a policy for paid family and medical leave pursuant
2 to that paragraph and the business agrees in writing that its employees on the
3 payroll in this State are eligible for paid family and medical leave under such
4 policy.

5 4. Notwithstanding the provisions of subsection 2, the Office of Economic
6 Development:

7 (a) Shall not consider an application for a partial abatement pursuant to this
8 section unless the Office has requested a letter of acknowledgment of the request
9 for the abatement from any affected county, school district, city or town.

10 (b) Shall consider the level of health care benefits provided by the business to
11 its employees, the policy of paid family and medical leave provided by the
12 business to its employees, the projected economic impact of the business and the
13 projected tax revenue of the business after deducting projected revenue from the
14 abated taxes.

15 (c) May, if the Office determines that such action is necessary:

16 (1) Approve an application for a partial abatement pursuant to this section
17 by a business that does not meet the requirements set forth in paragraph (f), (g) or
18 (h) of subsection 2;

19 (2) Make any of the requirements set forth in paragraphs (d) to (h),
20 inclusive, of subsection 2 more stringent; or

21 (3) Add additional requirements that a business must meet to qualify for a
22 partial abatement pursuant to this section.

23 ~~4.4~~ 5. Notwithstanding any other provision of law, the Office of Economic
24 Development shall not approve an application for a partial abatement pursuant to
25 this section if:

26 (a) The applicant intends to locate or expand in a county in which the rate of
27 unemployment is 7 percent or more and the average hourly wage that will be paid
28 by the applicant to its new employees in this State is less than 70 percent of the
29 average statewide hourly wage, as established by the Employment Security
30 Division of the Department of Employment, Training and Rehabilitation on July 1
31 of each fiscal year.

32 (b) The applicant intends to locate or expand in a county in which the rate of
33 unemployment is less than 7 percent and the average hourly wage that will be paid
34 by the applicant to its new employees in this State is less than 85 percent of the
35 average statewide hourly wage, as established by the Employment Security
36 Division of the Department of Employment, Training and Rehabilitation on July 1
37 of each fiscal year.

38 (c) The applicant intends to locate in a county but has already received a partial
39 abatement pursuant to this section for locating that business in that county.

40 (d) The applicant intends to expand in a county but has already received a
41 partial abatement pursuant to this section for expanding that business in that county.

42 (e) The applicant has changed the name or identity of the business to evade the
43 provisions of paragraph (c) or (d).

44 ~~5.5~~ 6. Notwithstanding any other provision of law, if the Office of Economic
45 Development approves an application for a partial abatement pursuant to this
46 section, in determining the types of taxes imposed on a new or expanded business
47 for which the partial abatement will be approved and the amount of the partial
48 abatement:

49 (a) If the new or expanded business is located in a county in which the rate of
50 unemployment is 7 percent or more and the average hourly wage that will be paid
51 by the business to its new employees in this State is less than 85 percent of the
52 average statewide hourly wage, as established by the Employment Security

1 Division of the Department of Employment, Training and Rehabilitation on July 1
2 of each fiscal year, the Office shall not:

3 (1) Approve an abatement of the taxes imposed pursuant to chapter 361 of
4 NRS which exceeds 25 percent of the taxes on personal property payable by the
5 business each year.

6 (2) Approve an abatement of the taxes imposed pursuant to chapter 363B
7 of NRS which exceeds 25 percent of the amount of tax otherwise due pursuant to
8 NRS 363B.110.

9 (b) If the new or expanded business is located in a county in which the rate of
10 unemployment is less than 7 percent and the average hourly wage that will be paid
11 by the business to its new employees in this State is less than 100 percent of the
12 average statewide hourly wage, as established by the Employment Security
13 Division of the Department of Employment, Training and Rehabilitation on July 1
14 of each fiscal year, the Office shall not:

15 (1) Approve an abatement of the taxes imposed pursuant to chapter 361 of
16 NRS which exceeds 25 percent of the taxes on personal property payable by the
17 business each year.

18 (2) Approve an abatement of the taxes imposed pursuant to chapter 363B
19 of NRS which exceeds 25 percent of the amount of tax otherwise due pursuant to
20 NRS 363B.110.

21 ~~6.7~~ 7. If the Office of Economic Development approves an application for a
22 partial abatement pursuant to this section, the Office shall immediately forward a
23 certificate of eligibility for the abatement to:

24 (a) The Department;

25 (b) The Nevada Tax Commission; and

26 (c) If the partial abatement is from the property tax imposed pursuant to
27 chapter 361 of NRS, the county treasurer.

28 ~~7.7~~ 8. An applicant for a partial abatement pursuant to this section or an
29 existing business whose partial abatement is in effect shall, upon the request of the
30 Executive Director of the Office of Economic Development, furnish the Executive
31 Director with copies of all records necessary to verify that the applicant meets the
32 requirements of subsection 2.

33 ~~8.7~~ 9. If an applicant for a partial abatement pursuant to this section fails to
34 execute the agreement described in paragraph (b) of subsection 2 within 1 year after
35 the date on which the application was received by the Office, the applicant shall not
36 be approved for a partial abatement pursuant to this section unless the applicant
37 submits a new application.

38 ~~9.7~~ 10. If a business whose partial abatement has been approved pursuant to
39 this section and is in effect ceases:

40 (a) To meet the requirements set forth in subsection 2; or

41 (b) Operation before the time specified in the agreement described in
42 paragraph (b) of subsection 2,

43 the business shall repay to the Department or, if the partial abatement was from
44 the property tax imposed pursuant to chapter 361 of NRS, to the county treasurer,
45 the amount of the partial abatement that was allowed pursuant to this section before
46 the failure of the business to comply unless the Nevada Tax Commission
47 determines that the business has substantially complied with the requirements of
48 this section. Except as otherwise provided in NRS 360.232 and 360.320, the
49 business shall, in addition to the amount of the partial abatement required to be paid
50 pursuant to this subsection, pay interest on the amount due at the rate most recently
51 established pursuant to NRS 99.040 for each month, or portion thereof, from the
52 last day of the month following the period for which the payment would have been

1 made had the partial abatement not been approved until the date of payment of the
2 tax.

3 ~~¶10.¶~~ 11. A county treasurer:

4 (a) Shall deposit any money that he or she receives pursuant to subsection ~~¶9~~
5 10 in one or more of the funds established by a local government of the county
6 pursuant to NRS 354.6113 or 354.6115; and

7 (b) May use the money deposited pursuant to paragraph (a) only for the
8 purposes authorized by NRS 354.6113 and 354.6115.

9 ~~¶11.¶~~ 12. The Office of Economic Development may adopt such regulations
10 as the Office of Economic Development determines to be necessary to carry out the
11 provisions of this section and NRS 360.755.

12 ~~¶12.¶~~ 13. The Nevada Tax Commission:

13 (a) Shall adopt regulations regarding:

14 (1) The capital investment that a new business must make to meet the
15 requirement set forth in paragraph (f) or (g) of subsection 2; and

16 (2) Any security that a business is required to post to qualify for a partial
17 abatement pursuant to this section.

18 (b) May adopt such other regulations as the Nevada Tax Commission
19 determines to be necessary to carry out the provisions of this section and NRS
20 360.755.

21 ~~¶13.¶~~ 14. An applicant for a partial abatement pursuant to this section who is
22 aggrieved by a final decision of the Office of Economic Development may petition
23 for judicial review in the manner provided in chapter 233B of NRS.

24 ~~¶14.¶~~ 15. For the purposes of this section, an employee is a “full-time
25 employee” if he or she is in a permanent position of employment and works an
26 average of 30 hours per week during the applicable period set forth in subsection 2.