

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. (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 new or expanding business 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:

Existing law authorizes a person who intends to locate or expand a business in this State to apply to the Office of Economic Development for a partial abatement of certain taxes. The Office is required to approve an application for such partial abatement if the Office makes certain determinations. (NRS 360.750) Section 1 of this bill revises the determinations the Office must make to approve an application for such a partial abatement to require that a business provide certain paid family and medical leave to employees of the business. Section 1 requires that a business: (1) have a policy for paid family and medical leave; and (2) agree that all employees who have been employed by the business for at least 90 days will be eligible for at least 12 weeks of paid family and medical leave at a rate of at least 55 percent of the regular wage of the employee. Further, the business must agree in writing that the business will not take certain actions in relation to an employee’s use of such paid family and medical leave.

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

Section 1. NRS 360.750 is hereby amended to read as follows: 360.750 1. A person who intends to locate or expand a business in this State may apply to the Office of Economic



1 Development pursuant to this section for a partial abatement of one  
2 or more of the taxes imposed on the:

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

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

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

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

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

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

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

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

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

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

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

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

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

43 (d) Except as otherwise provided in subsection 4 or 5, the  
44 average hourly wage that will be paid by the business to its new  
45 employees in this State is at least 100 percent of the average



1 statewide hourly wage as established by the Employment Security  
2 Division of the Department of Employment, Training and  
3 Rehabilitation on July 1 of each fiscal year.

4 (e) The business will, by the eighth calendar quarter following  
5 the calendar quarter in which the abatement becomes effective, offer  
6 a health insurance plan for all employees that includes an option for  
7 health insurance coverage for dependents of the employees, and the  
8 health care benefits the business offers to its employees in this State  
9 will meet the minimum requirements for health care benefits  
10 established by the Office.

11 (f) Except as otherwise provided in this subsection and NRS  
12 361.0687, if the business is a new business in a county whose  
13 population is 100,000 or more or a city whose population is 60,000  
14 or more, the business meets at least one of the following  
15 requirements:

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

22 (2) Establishing the business will require the business to  
23 make, not later than the date which is 2 years after the date on which  
24 the abatement becomes effective, a capital investment of at least  
25 \$1,000,000 in this State in capital assets that will be retained at the  
26 location of the business in that county or city until at least the date  
27 which is 5 years after the date on which the abatement becomes  
28 effective.

29 (g) Except as otherwise provided in NRS 361.0687, if the  
30 business is a new business in a county whose population is less than  
31 100,000, in an area of a county whose population is 100,000 or more  
32 that is located within the geographic boundaries of an area that is  
33 designated as rural by the United States Department of Agriculture  
34 and at least 20 miles outside of the geographic boundaries of an area  
35 designated as urban by the United States Department of Agriculture,  
36 or in a city whose population is less than 60,000, the business meets  
37 at least one of the following requirements:

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

44 (2) Establishing the business will require the business to  
45 make, not later than the date which is 2 years after the date on which



1 the abatement becomes effective, a capital investment of at least  
2 \$250,000 in this State in capital assets that will be retained at the  
3 location of the business in that county or city until at least the date  
4 which is 5 years after the date on which the abatement becomes  
5 effective.

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

8 (1) For a business in:

9 (I) Except as otherwise provided in sub-subparagraph (II),  
10 a county whose population is 100,000 or more or a city whose  
11 population is 60,000 or more, the business will, by the eighth  
12 calendar quarter following the calendar quarter in which the  
13 abatement becomes effective, increase the number of employees on  
14 its payroll in that county or city by 10 percent more than it  
15 employed in the fiscal year immediately preceding the fiscal year in  
16 which the abatement becomes effective or by twenty-five  
17 employees, whichever is greater, who will be employed at the  
18 location of the business in that county or city until at least the date  
19 which is 5 years after the date on which the abatement becomes  
20 effective; or

21 (II) A county whose population is less than 100,000, an  
22 area of a county whose population is 100,000 or more that is located  
23 within the geographic boundaries of an area that is designated as  
24 rural by the United States Department of Agriculture and at least 20  
25 miles outside of the geographic boundaries of an area designated as  
26 urban by the United States Department of Agriculture, or a city  
27 whose population is less than 60,000, the business will, by the  
28 eighth calendar quarter following the calendar quarter in which the  
29 abatement becomes effective, increase the number of employees on  
30 its payroll in that county or city by 10 percent more than it  
31 employed in the fiscal year immediately preceding the fiscal year in  
32 which the abatement becomes effective or by six employees,  
33 whichever is greater, who will be employed at the location of the  
34 business in that county or city until at least the date which is 5 years  
35 after the date on which the abatement becomes effective.

36 (2) The business will expand by making a capital investment  
37 in this State, not later than the date which is 2 years after the date on  
38 which the abatement becomes effective, in an amount equal to at  
39 least 20 percent of the value of the tangible property possessed by  
40 the business in the fiscal year immediately preceding the fiscal year  
41 in which the abatement becomes effective, and the capital  
42 investment will be in capital assets that will be retained at the  
43 location of the business in that county or city until at least the date  
44 which is 5 years after the date on which the abatement becomes  
45 effective. The determination of the value of the tangible property



1 possessed by the business in the immediately preceding fiscal year  
2 must be made by the:

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

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

6 (i) The applicant has provided in the application an estimate of  
7 the total number of new employees which the business anticipates  
8 hiring in this State by the eighth calendar quarter following the  
9 calendar quarter in which the abatement becomes effective if the  
10 Office approves the application.

11 *(j) The business has a policy for paid family and medical leave  
12 and agrees that all employees who have been employed by the  
13 business for at least 90 days calendar days will be eligible for at  
14 least 12 weeks of paid family and medical leave at a rate of at least  
15 55 percent of the regular wage of the employee. The business will  
16 agree in writing that if the Office approves the application, the  
17 business will not:*

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

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

22 *(II) To care for any adult child, sibling or domestic  
23 partner of the employee.*

24 *(2) Discriminate, discipline or discharge an employee for  
25 taking paid family and medical leave:*

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

28 *(II) To care for any adult child, sibling or domestic  
29 partner of the employee.*

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

35 3. Notwithstanding the provisions of subsection 2, the Office  
36 of Economic Development:

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

41 (b) Shall consider the level of health care benefits provided by  
42 the business to its employees, *the policy of paid family and medical  
43 leave provided by the business to its employees*, the projected  
44 economic impact of the business and the projected tax revenue of



1 the business after deducting projected revenue from the abated  
2 taxes.

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

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

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

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

11 4. Notwithstanding any other provision of law, the Office of  
12 Economic Development shall not approve an application for a  
13 partial abatement pursuant to this section if:

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

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

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

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

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

36 5. Notwithstanding any other provision of law, if the Office of  
37 Economic Development approves an application for a partial  
38 abatement pursuant to this section, in determining the types of taxes  
39 imposed on a new or expanded business for which the partial  
40 abatement will be approved and the amount of the partial abatement:

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



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

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

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

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

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

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

22 6. If the Office of Economic Development approves an  
23 application for a partial abatement pursuant to this section, the  
24 Office shall immediately forward a certificate of eligibility for the  
25 abatement to:

26 (a) The Department;

27 (b) The Nevada Tax Commission; and

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

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

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

42 9. If a business whose partial abatement has been approved  
43 pursuant to this section and is in effect ceases:

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



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

3 ↪ the business shall repay to the Department or, if the partial  
4 abatement was from the property tax imposed pursuant to chapter  
5 361 of NRS, to the county treasurer, the amount of the partial  
6 abatement that was allowed pursuant to this section before the  
7 failure of the business to comply unless the Nevada Tax  
8 Commission determines that the business has substantially complied  
9 with the requirements of this section. Except as otherwise provided  
10 in NRS 360.232 and 360.320, the business shall, in addition to the  
11 amount of the partial abatement required to be paid pursuant to this  
12 subsection, pay interest on the amount due at the rate most recently  
13 established pursuant to NRS 99.040 for each month, or portion  
14 thereof, from the last day of the month following the period for  
15 which the payment would have been made had the partial abatement  
16 not been approved until the date of payment of the tax.

17 10. A county treasurer:

18 (a) Shall deposit any money that he or she receives pursuant to  
19 subsection 9 in one or more of the funds established by a local  
20 government of the county pursuant to NRS 354.6113 or 354.6115;  
21 and

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

24 11. The Office of Economic Development may adopt such  
25 regulations as the Office of Economic Development determines to  
26 be necessary to carry out the provisions of this section and  
27 NRS 360.755.

28 12. The Nevada Tax Commission:

29 (a) Shall adopt regulations regarding:

30 (1) The capital investment that a new business must make to  
31 meet the requirement set forth in paragraph (f) or (g) of subsection  
32 2; and

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

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

38 13. An applicant for a partial abatement pursuant to this section  
39 who is aggrieved by a final decision of the Office of Economic  
40 Development may petition for judicial review in the manner  
41 provided in chapter 233B of NRS.





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

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