

SENATE BILL NO. 429—COMMITTEE ON GOVERNMENT AFFAIRS

MARCH 27, 2023

Referred to Committee on Revenue and
Economic Development

SUMMARY—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.

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets [omitted material] is material to be omitted.

AN ACT relating to economic development; requiring certain new or expanding 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
2 this State to apply to the Office of Economic Development for a partial abatement
3 of certain taxes. The Office is required to approve an application for such partial
4 abatement if the Office makes certain determinations. (NRS 360.750) **Section 1** of
5 this bill revises the determinations the Office must make to approve an application
6 for such a partial abatement to require that a business provide certain paid family
7 and medical leave to employees of the business. **Section 1** requires a business that
8 will have at least 50 full-time employees on the payroll of the business by the
9 eighth calendar quarter following the calendar quarter in which the abatement
10 becomes effective to be the earlier of the eighth calendar quarter following the
11 calendar quarter in which the abatement becomes effective or the date on which the
12 business has at least 50 employees on the payroll of the business: (1) have a policy
13 for paid family and medical leave; and (2) agree that all employees who have been
14 employed by the business for at least 1 year will be eligible for at least 12 weeks of
15 paid family and medical leave at a rate of at least 55 percent of the regular wage of
16 the employee. Further, the business must agree in writing that the business will not
17 take certain actions in relation to an employee’s use of such paid family and
18 medical leave. **Section 1** also provides that if a business has a policy for paid
19 family and medical leave for employees on the payroll of the business outside of
20 this State that meets or exceeds the requirements for a policy of paid family and



21 medical leave set forth in **section 1** and the business agrees in writing that its
22 employees on the payroll in this State are eligible for paid family and medical leave
23 under the policy, the Office must determine that the business' policy meets the
24 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
3 business in this State may apply to the Office of Economic
4 Development pursuant to this section for a partial abatement of one
5 or more of the taxes imposed on the:
6 (a) New business pursuant to chapter 361, 363B or 374 of NRS.
7 (b) Expanded business pursuant to chapter 361 or 363B of NRS
8 or a partial abatement of the local sales and use taxes imposed on
9 the expanded business. As used in this paragraph, "local sales and
10 use taxes" means the taxes imposed on the gross receipts of any
11 retailer from the sale of tangible personal property sold at retail, or
12 stored, used or otherwise consumed, in the political subdivision in
13 which the business is to be located or expanded, except the taxes
14 imposed by the Sales and Use Tax Act and the Local School
15 Support Tax Law.
16 2. The Office of Economic Development shall approve an
17 application for a partial abatement pursuant to this section if the
18 Office makes the following determinations:
19 (a) The business offers primary jobs and is consistent with:
20 (1) The State Plan for Economic Development developed by
21 the Executive Director of the Office of Economic Development
22 pursuant to subsection 2 of NRS 231.053; and
23 (2) Any guidelines adopted by the Executive Director of the
24 Office to implement the State Plan for Economic Development.
25 (b) Not later than 1 year after the date on which the application
26 was received by the Office, the applicant has executed an agreement
27 with the Office which must:
28 (1) Comply with the requirements of NRS 360.755;
29 (2) State the date on which the abatement becomes effective,
30 as agreed to by the applicant and the Office, which must not be
31 earlier than the date on which the Office received the application
32 and not later than 1 year after the date on which the Office approves
33 the application;
34 (3) State that the business will, after the date on which the
35 abatement becomes effective, continue in operation in this State for
36 a period specified by the Office, which must be at least 5 years, and



1 will continue to meet the eligibility requirements set forth in this
2 subsection;

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

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

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

10 (d) Except as otherwise provided in subsection ~~[4 or] 5 [.] or 6,~~
11 the average hourly wage that will be paid by the business to its new
12 employees in this State is at least 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.

16 (e) The business will, by the eighth calendar quarter following
17 the calendar quarter in which the abatement becomes effective, offer
18 a health insurance plan for all employees that includes an option for
19 health insurance coverage for dependents of the employees, and the
20 health care benefits the business offers to its employees in this State
21 will meet the minimum requirements for health care benefits
22 established by the Office.

23 (f) Except as otherwise provided in this subsection and NRS
24 361.0687, if the business is a new business in a county whose
25 population is 100,000 or more or a city whose population is 60,000
26 or more, the business meets at least one of the following
27 requirements:

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

34 (2) Establishing the business will require the business to
35 make, not later than the date which is 2 years after the date on which
36 the abatement becomes effective, a capital investment of at least
37 \$1,000,000 in this State in capital assets that will be retained at the
38 location of the business in that county or city until at least the date
39 which is 5 years after the date on which the abatement becomes
40 effective.

41 (g) Except as otherwise provided in NRS 361.0687, if the
42 business is a new business in a county whose population is less than
43 100,000, in an area of a county whose population is 100,000 or more
44 that is located within the geographic boundaries of an area that is
45 designated as rural by the United States Department of Agriculture



1 and at least 20 miles outside of the geographic boundaries of an area
2 designated as urban by the United States Department of Agriculture,
3 or in a city whose population is less than 60,000, the business meets
4 at least one of the following requirements:

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

11 (2) Establishing the business will require the business to
12 make, not later than the date which is 2 years after the date on which
13 the abatement becomes effective, a capital investment of at least
14 \$250,000 in this State in capital assets that will be retained at the
15 location of the business in that county or city until at least the date
16 which is 5 years after the date on which the abatement becomes
17 effective.

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

20 (1) For a business in:

21 (I) Except as otherwise provided in sub-subparagraph (II),
22 a county whose population is 100,000 or more or a city whose
23 population is 60,000 or more, the business will, by the eighth
24 calendar quarter following the calendar quarter in which the
25 abatement becomes effective, increase the number of employees on
26 its payroll in that county or city by 10 percent more than it
27 employed in the fiscal year immediately preceding the fiscal year in
28 which the abatement becomes effective or by twenty-five
29 employees, whichever is greater, who will be employed at the
30 location of the business in that county or city until at least the date
31 which is 5 years after the date on which the abatement becomes
32 effective; or

33 (II) A county whose population is less than 100,000, an
34 area of a county whose population is 100,000 or more that is located
35 within the geographic boundaries of an area that is designated as
36 rural by the United States Department of Agriculture and at least 20
37 miles outside of the geographic boundaries of an area designated as
38 urban by the United States Department of Agriculture, or a city
39 whose population is less than 60,000, the business will, by the
40 eighth calendar quarter following the calendar quarter in which the
41 abatement becomes effective, increase the number of employees on
42 its payroll in that county or city by 10 percent more than it
43 employed in the fiscal year immediately preceding the fiscal year in
44 which the abatement becomes effective or by six employees,
45 whichever is greater, who will be employed at the location of the



1 business in that county or city until at least the date which is 5 years
2 after the date on which the abatement becomes effective.

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

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

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

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

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

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

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

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

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



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

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

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

10 3. *For purposes of paragraph (j) of subsection 2, the Office of*
11 *Economic Development shall determine that a business meets the*
12 *requirements of that paragraph if the business has a policy for*
13 *paid family and medical leave for employees on the payroll of the*
14 *business outside of this State that meets or exceeds the*
15 *requirements for a policy for paid family and medical leave*
16 *pursuant to that paragraph and the business agrees in writing that*
17 *its employees on the payroll in this State are eligible for paid*
18 *family and medical leave under such policy.*

19 4. Notwithstanding the provisions of subsection 2, the Office
20 of Economic Development:

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

25 (b) Shall consider the level of health care benefits provided by
26 the business to its employees, *the policy of paid family and medical*
27 *leave provided by the business to its employees*, the projected
28 economic impact of the business and the projected tax revenue of
29 the business after deducting projected revenue from the abated
30 taxes.

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

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

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

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

39 ~~4.4~~ 5. Notwithstanding any other provision of law, the Office
40 of Economic Development shall not approve an application for a
41 partial abatement pursuant to this section if:

42 (a) The applicant intends to locate or expand in a county in
43 which the rate of unemployment is 7 percent or more and the
44 average hourly wage that will be paid by the applicant to its new
45 employees in this State is less than 70 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 (b) The applicant intends to locate or expand in a county in
5 which the rate of unemployment is less than 7 percent and the
6 average hourly wage that will be paid by the applicant to its new
7 employees in this State is less than 85 percent of the average
8 statewide hourly wage, as established by the Employment Security
9 Division of the Department of Employment, Training and
10 Rehabilitation on July 1 of each fiscal year.

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

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

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

19 ~~5.4~~ 6. Notwithstanding any other provision of law, if the
20 Office of Economic Development approves an application for a
21 partial abatement pursuant to this section, in determining the types
22 of taxes imposed on a new or expanded business for which the
23 partial abatement will be approved and the amount of the partial
24 abatement:

25 (a) If the new or expanded business is located in a county in
26 which the rate of unemployment is 7 percent or more and the
27 average hourly wage that will be paid by the business to its new
28 employees in this State is less than 85 percent of the average
29 statewide hourly wage, as established by the Employment Security
30 Division of the Department of Employment, Training and
31 Rehabilitation on July 1 of each fiscal year, the Office shall not:

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

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

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



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

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

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

11 (a) The Department;

12 (b) The Nevada Tax Commission; and

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

15 ~~7.7~~ 8. An applicant for a partial abatement pursuant to this
16 section or an existing business whose partial abatement is in effect
17 shall, upon the request of the Executive Director of the Office of
18 Economic Development, furnish the Executive Director with copies
19 of all records necessary to verify that the applicant meets the
20 requirements of subsection 2.

21 ~~8.7~~ 9. If an applicant for a partial abatement pursuant to this
22 section fails to execute the agreement described in paragraph (b) of
23 subsection 2 within 1 year after the date on which the application
24 was received by the Office, the applicant shall not be approved for a
25 partial abatement pursuant to this section unless the applicant
26 submits a new application.

27 ~~9.7~~ 10. If a business whose partial abatement has been
28 approved pursuant to this section and is in effect ceases:

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

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

32 ↪ the business shall repay to the Department or, if the partial
33 abatement was from the property tax imposed pursuant to chapter
34 361 of NRS, to the county treasurer, the amount of the partial
35 abatement that was allowed pursuant to this section before the
36 failure of the business to comply unless the Nevada Tax
37 Commission determines that the business has substantially complied
38 with the requirements of this section. Except as otherwise provided
39 in NRS 360.232 and 360.320, the business shall, in addition to the
40 amount of the partial abatement required to be paid pursuant to this
41 subsection, pay interest on the amount due at the rate most recently
42 established pursuant to NRS 99.040 for each month, or portion
43 thereof, from the last day of the month following the period for
44 which the payment would have been made had the partial abatement
45 not been approved until the date of payment of the tax.



1 ~~10.~~ **11.** A county treasurer:

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

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

8 ~~11.~~ **12.** The Office of Economic Development may adopt
9 such regulations as the Office of Economic Development
10 determines to be necessary to carry out the provisions of this section
11 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
15 meet the requirement set forth in paragraph (f) or (g) of subsection
16 2; and

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

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

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

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

