

**ADOPTED REGULATION OF THE  
COMMISSION ON ECONOMIC DEVELOPMENT**

**LCB File No. R015-00**

Effective May 2, 2001

EXPLANATION – Matter in *italics* is new; matter in brackets ~~omitted material~~ is material to be omitted.

AUTHORITY: §§1 and 2, NRS 360.750.

**Section 1.** NAC 361.093 is hereby amended to read as follows:

361.093 1. A person seeking a partial abatement from property taxes on the personal property of a new or expanded business pursuant to NRS 361.0687 must apply for the abatement on the form prescribed by the commission not more than 1 year before the business begins to develop the site for its expansion or operation in this state.

2. The commission will deny or approve each application for a partial abatement at the first regularly scheduled meeting following receipt of the application if the application is received at least 15 working days before the meeting. An application that is received within that time will be considered at the next regularly scheduled meeting of the commission following the one before which it was received.

3. *As used in this section, “commission” means the commission on economic development.*

**Sec. 2.** NAC 361.090, 361.096 and 361.099 are hereby repealed.

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## TEXT OF REPEALED SECTIONS

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**361.090 Definitions. (NRS 361.0687)** As used in NAC 361.090 to 361.099, inclusive, unless the context otherwise requires, “commission” means the commission on economic development.

**361.096 Requirements for approval of application. (NRS 361.0687)** The commission will approve an application for a partial abatement if:

1. The goals of the business are consistent with the goals of the commission concerning industrial development and diversification;
2. The average hourly wage paid by the business to its employees in this state is at least 125 percent of the average statewide industrial hourly wage as established by the employment security division of the department of employment, training and rehabilitation on July 1 of each fiscal year;
3. The business provides a health insurance plan for all employees 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 county, city or town in which the business operates;
5. The cost to the business for the benefits the business provides to its employees in this state will meet the minimum requirements for benefits established by the commission;
6. For a business that is new and primarily will be located in a county whose population:

(a) Is 100,000 or more, the capital investment in personal property in this state is at least \$50,000,000 and the business will create at least 100 new, permanent jobs in this state by the last day of the fourth quarter that it is in operation; or

(b) Is less than 100,000, the capital investment in personal property in this state is at least \$20,000,000 and the business will create at least 35 new, permanent jobs in this state by the last day of the fourth quarter that it is in operation;

7. For an expansion of a business that primarily will be located in a county whose population:

(a) Is 100,000 or more, the capital investment in personal property in this state for the expansion is at least \$10,000,000, the business has at least 100 employees in this state at the time of application and the expansion creates at least 20 new, permanent jobs in this state by the last day of the fourth quarter that it is in operation; or

(b) Is less than 100,000, the capital investment in personal property in this state for the expansion is at least \$4,000,000, the business has at least 35 employees in this state at the time of application and the expansion creates at least 10 new, permanent jobs in this state by the last day of the fourth quarter that it is in operation;

8. For a business located in a county:

(a) Whose population is 100,000 or more, the business has obtained a written statement from the governing body of the city in which the business is located, or if the business is not located in a city, from the governing body of the county where the personal property is located, which states that the governing body approves of the partial abatement; or

(b) Whose population is less than 100,000, the business has obtained the written statement described in paragraph (a) and a written statement from the board of trustees of the school district in which the personal property is located which states that the board of trustees approves of the partial abatement; and

9. The business has executed an agreement with the commission that grants the commission the right to review any document which the commission determines is necessary to verify the eligibility of the business for the partial abatement.

**361.099 Effective date of partial abatement; commission to forward certificate of eligibility. (NRS 361.0687)**

1. If the commission grants a partial abatement to a business pursuant to NAC 361.096:

(a) Between July 1 and December 31, the partial abatement applies retroactively from that July 1 if the governing body of the local government whose tax revenue will be affected by the exemption provides written authorization, and if no such authorization is provided, the exemption applies from the date agreed upon by the applicant and the governing body that is noted in the authorization; and

(b) Between January 1 and June 30, the exemption must be applied beginning on the following July 1, unless the applicant and the governing body of the local government whose tax revenue will be affected by the exemption agree upon another date and the governing body provides written authorization.

2. If the commission grants a partial abatement pursuant to NAC 361.096, the commission shall immediately forward a certificate of eligibility for the partial abatement that states the percentage of the property that is exempt to:

(a) The department of taxation; and

(b) The county assessor of each county in which personal property used in connection with the business will be located.

## NOTICE OF ADOPTION OF LCB FILE NO. R015-00

The Commission on Economic Development adopted amendments to chapter 361 of NAC to establish the administrative procedural language and timing for property tax abatements per SB 537 of the 1999 Legislative Session.

**Notice date: 10/9/00**  
**Hearing date: 11/8/00**

**Date of Adoption by Agency: 11/8/00**  
**Filing date: 5/2/01**

### INFORMATIONAL STATEMENT

The following statement is submitted for adopted amendments to Nevada Administrative Code (NAC) 361.

**1. A description of how public comment was solicited, a summary of public response, and an explanation of how other interested persons may obtain a copy of the summary.**

Notices of hearing for the adoption and amendment of the proposed permanent regulation was posted at the following locations: Commission on Economic Development, 108 East Proctor Street, Carson City, Nevada; Nevada State Library, 100 Stewart Street, Carson City, Nevada; The Legislative Building, Capitol Complex, Carson City, Nevada; each County Main Public Library.

A copy of the notice of hearing and the proposed permanent regulation was placed on file at the State Library, 100 Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours. Additional copies of the notice and the proposed permanent regulation was also made available and placed on file at the Commission on Economic Development, 108 East Proctor Street, Carson City, Nevada; and in all counties in which an office of the Commission on Economic Development is not maintained, at the main public library, for inspection and copying by members of the public during business hours.

The hearing was held on November 8, 2000 at the Grant Sawyer State Office Building, Room 4401, 555 East Washington Avenue, Las Vegas, Nevada and audio/video conference at the Nevada State Legislative Building, Room 3138, 401 South Carson Street, Carson City, Nevada. It appears that due to the primarily procedural nature of the proposed permanent regulation, only affected or interested persons and businesses as set forth in #3 below responded to the proposed permanent regulation and testified at the hearing. A copy of the transcript of the hearing, for which a reasonable fee may be charged, may be obtained by calling the Commission on Economic Development at (775) 687-4325, or by writing to the Commission on Economic Development at 108 East Proctor Street, Carson City, Nevada, 89701.

The proposed permanent regulation was submitted to the Legislative Counsel Bureau, which completed its review on February 14, 2000. Thus, the proposed regulation, for practical purposes, was discussed at two workshops and has been heard and considered at one public hearing of the Commission on Economic Development.

**2. The number of persons who:**

**(a) Attended the hearing: 26**

**(b) Testified at the hearing: 2**

**(c) Submitted to the Commission written comments:** Written comments were submitted by the Nevada Taxpayers Association requesting the amendments to the administrative code prior to the hearing. No other written comments by the general public were submitted to, or received by, the staff of the Commission or the Commission on Economic Development.

**3. A description of how comment was solicited from affected and interested persons, a summary of their response, and an explanation how other interested persons may obtain a copy of the summary.**

Comments were solicited from affected and interested businesses and persons by the notices set forth in #1 above, by direct mail to interested businesses and persons on the Commission's mailing list.

Comments from the above-referenced in #2 were received relative to the original regulation and proposed draft of the permanent regulation with respect to the abatement of property taxes as outlined in Senate Bill 537 of the Nevada Legislature.

**4. If the permanent regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the permanent regulation without change.**

The proposed permanent regulation was modified at public workshops prior to adoption, due to issues raised by the Department of Taxation and by those referred to in #2.

The proposed permanent regulation was not changed at the public hearing since no additional concerns were raised by the affected public, the Department of Taxation or Commission members, and the Commission on Economic Development believed no changes other than those made were necessary.

**5. The estimated economic effect of the adopted permanent regulation on the businesses which it is to regulate on the public. These must be stated separately, and each case must include: (a) Both adverse and beneficial effects; and (b) Both immediate and long-term effects.**

**(a) Adverse and beneficial effects.**

The proposed permanent regulation presents no foreseeable or anticipated adverse economic effects to businesses or the public. However, the permanent regulation does impact businesses, which could have a beneficial economic effect on businesses and the general public. That effect cannot be quantified at this time.

**(b) Immediate and long-term effects.**

Same as #5(a) above.

**6. The estimated cost to the agency for enforcement of the adopted permanent regulation.**

The proposed permanent regulation presents no significant foreseeable or anticipated cost or decrease in costs for enforcement. However, it appears that there may be some minor additional administrative costs for the Commission on Economic Development and the Department of Taxation, which cannot be quantified at this time.

**7. A description of any regulations of other state or governmental agencies which the permanent regulation overlaps or duplicates and a statement explaining why the duplication or overlap is necessary. If the permanent regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.**

The proposed permanent regulation is particular to the Commission on Economic Development and the Department of Taxation practices and procedures and does not appear to overlap or duplicate regulations of other state or local governmental agencies.

**8. If the permanent regulation includes provisions which are more stringent than a federal regulation which regulates the same activity, a summary of such provisions.**

There are no known federal regulations pertaining to sales/use tax abatement program procedures, which are the subject of the proposed permanent regulation.

**9. If the permanent regulation provides a new fee or increase an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.**

The proposed permanent regulation does not provide a new fee or increase an existing fee.