

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

LCB File No. R016-00

February 14, 2000

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

AUTHORITY: §§ 1-3, NRS 360.750.

Section 1. NAC 364A.147 is hereby amended to read as follows:

364A.147 1. A proposed business seeking the exemption described in subsection 1 of NRS 364A.170 must apply for the exemption on the form prescribed by the commission on economic development.

2. ~~The~~ *Except as otherwise provided in subsection 3, the* commission on economic development will deny or approve and certify each application for an exemption at the first regularly scheduled meeting following receipt of the application if the application is received at least ~~10~~ *15* working days before the meeting. An application that is received within the ~~10~~ *15* working days before a meeting will be considered at the next regularly scheduled meeting of the commission following the one before which it was received.

3. *If an application for an exemption requires special review and consideration, the commission on economic development may consider the application at the next regularly scheduled meeting of the commission following the one before which it was received.*

4. *If the commission on economic development grants an exemption, the commission will immediately forward to the department of taxation any materials submitted to the commission by the business which applied for the exemption.*

Sec. 2. NAC 364A.149 is hereby amended to read as follows:

364A.149 ~~[1.—To demonstrate consistency]~~ *A business is consistent* with the plan for economic diversification and development of the commission on economic development ~~[, as required by paragraph (b) of subsection 3 of NRS 364A.170, a proposed business must:~~

- ~~—(a) Comply with state and local laws and obtain all required state and local licenses and permits required to operate the business;~~
- ~~—(b) Provide a minimum hourly wage for entry level employees of at least 70 percent of the average statewide hourly wage; and~~
- ~~—(c) Provide a medical insurance plan for all employees which includes an option for health insurance coverage for the dependents of employees.~~

~~—2.—The following business sectors are inconsistent with the plan for economic diversification and development and therefore a proposed business which is a part of one of these sectors will not be certified by the commission as eligible for the exemption:~~

- ~~—(a) Tourism and travel.~~
- ~~—(b) Gaming.~~
- ~~—(c) Lodging.] if:~~

- 1. The goals of the business are consistent with the goals of the commission concerning industrial development and diversification, including, without limitation:*
 - (a) Diversification from the industries of gaming and hospitality;*
 - (b) The attraction of basic industries, including, without limitation, manufacturing, warehousing and distribution, and back-office operations;*
 - (c) The attraction of business facilities and services, including, without limitation, corporate headquarters, research and development, and producer services; and*

(d) The expansion of existing businesses and industries that are consistent with the goals described in paragraphs (a), (b) and (c);

2. The business complies with the requirements of NRS 360.750;

3. The exemption granted pursuant to NRS 364A.170 is a significant factor in the decision of the business to locate or expand in this state;

4. The business commits to maintaining the business in this state for at least 5 years after the date that the business first pays taxes to the department of taxation;

5. The business agrees in writing to supply to the executive director of the commission, upon the request of the executive director, any record necessary for the commission to verify that the business satisfies all requirements of the partial abatement;

6. The business has obtained a statement from the local development authority which states that the local development authority is in favor of the partial abatement; and

7. The business registers with the department of taxation on a form provided by the department of taxation.

Sec. 3. NAC 364A.148 is hereby repealed.

TEXT OF REPEALED SECTION

364A.148 Exemption for proposed business: Interpretation of “proposed business” by commission on economic development; application of exemption granted pursuant to NRS 364A.170 to existing business.

1. As used in NRS 364A.170 and chapter 364A of NAC, the commission on economic development will interpret the term “proposed business” to include:

(a) In a county whose population is 35,000 or more, the expansion of an existing business if the expansion will result in:

(1) The addition of at least 75 full-time employees to the payroll of the business in addition to the highest number of employees of the business in the past 3 years by the fourth quarter that the expansion is in operation; and

(2) A new capital investment in Nevada of at least \$1,000,000.

(b) In a county whose population is less than 35,000, the expansion of an existing business if the expansion will result in:

(1) The addition of at least 25 full-time employees to the payroll of the business in addition to the highest number of employees of the business in the past 3 years by the fourth quarter that the expansion is in operation; and

(2) A new capital investment in Nevada of at least \$250,000.

2. An exemption granted pursuant to NRS 364A.170 to an existing business for an expansion applies only to the additional employees resulting from the expansion. The tax due pursuant to chapter 364A of NRS on the basis of the existing employees must be calculated in the same manner and paid at the same times as before the expansion existed until the exemption expires or is otherwise terminated.