

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

**LCB File No. R078-02**

June 7, 2002

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

AUTHORITY: §§1-3, NRS 360.750, 361.0685 and 361.0687.

**Section 1.** Chapter 360 of NAC is hereby amended by adding thereto a new section to read as follows:

*1. Except as otherwise provided in NRS 361.0685 or 361.0687, the commission may not approve a partial abatement pursuant to NRS 361.0685 or 361.0687:*

*(a) Of greater percentage of the taxes on real and personal property payable by the business each year pursuant to chapter 361 of NRS than the lesser of:*

*(1) Fifty percent; or*

*(2) A percentage agreed upon in writing by the business receiving the partial abatement and the governing body of the local government whose tax revenue will be affected by the partial abatement; or*

*(b) Of longer duration than the shorter of:*

*(1) Ten years; or*

*(2) A duration agreed upon in writing by the business receiving the partial abatement and the governing body of the local government whose tax revenue will be affected by the partial abatement.*

*2. If the commission grants a partial abatement pursuant to NRS 361.0685 or 361.0687 during the period beginning on:*

*(a) January 1 and ending on June 30 of the same year, the partial abatement begins to apply on the later of:*

*(1) July 1 of the same year; or*

*(2) A date agreed upon in writing by the business receiving the partial abatement and the governing body of the local government whose tax revenue will be affected by the partial abatement; or*

*(b) July 1 and ending on December 31 of the same year, the partial abatement begins to apply on the later of:*

*(1) The date on which the commission grants the partial abatement; or*

*(2) A date agreed upon in writing by the business receiving the partial abatement and the governing body of the local government whose tax revenue will be affected by the partial abatement.*

*3. If the commission grants a partial abatement pursuant to NRS 361.0685 or 361.0687, the commission will immediately forward a certificate of eligibility for the partial abatement that states the percentage and duration of the partial abatement to the county assessor of each county in which real or personal property used in connection with the business will be located.*

**Sec. 2.** NAC 360.466 is hereby amended to read as follows:

360.466 As used in NAC 360.466 to 360.474, inclusive, ~~and~~ sections 2 to 9, inclusive, of ~~this regulation,~~ *LCB File No. R109-01, and section 1 of this regulation,* unless the context otherwise requires, the words and terms defined in NAC 360.468 and 360.470 and section 2 of ~~this regulation~~ *LCB File No. R109-01* have the meanings ascribed to them in those sections.

**Sec. 3.** NAC 231.010, 231.030, 231.040 and 231.050 are hereby repealed.

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**TEXT OF REPEALED SECTIONS**

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**231.010 “Commission” defined. (NRS 231.139)**

As used in NAC 231.010 to 231.050, inclusive, unless the context otherwise requires, “commission” means the commission on economic development.

**231.030 Application for certification of business for exemption of percentage of property from taxation. (NRS 231.139)**

1. A proposed business seeking certification by the commission pursuant to subsection 2 of NRS 231.139 must apply for certification on the form prescribed by the commission not more than 18 months before the business begins operating in this state.

2. The commission will deny or approve each application for certification 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. The commission will consider each application on a case-by-case basis.

**231.040 Requirements for business to be “consistent with the state plan for industrial development and diversification” for purposes of certification of business for exemption of percentage of property from taxation. (NRS 231.139)**

For the purposes of paragraph (a) of subsection 2 of NRS 231.139, a business is “consistent with the state plan for industrial development and diversification” 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 equal to 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. If the business primarily will be located in a county whose population:
  - (a) Is 100,000 or more, the business will create at least 50 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 business will create at least 20 new, permanent jobs in this state by the last day of the fourth quarter that it is in operation;
6. The business has obtained a statement from the governing body of each local government whose tax revenue will be affected by the exemption that is signed and dated, indicating that:

(a) The taxes to be paid by the business if the business is certified are sufficient to pay for any investment required to be made by the local government for services associated with the relocation or expansion of the business, including, without limitation, any cost related to the construction and maintenance of roads, services for the provision of sewer and water, fire and police protection and the construction and maintenance of schools; and

(b) The local government is in favor of the exemption and recognizes the potential amount of property of the business which will be exempt from taxation if the commission certifies the business, and the business has provided a copy of the statement to the commission;

7. The business has agreed to provide the commission at the end of each fiscal year with proof that the raw material it received during the year contained a significant percentage of its content from material generated within this state;

8. If the business is applying for an exemption pursuant to paragraph (a) of subsection 1 of NRS 361.0685, the business agrees to provide the commission at the end of each fiscal year with proof that it is in compliance with the provisions of that paragraph; 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 exemption.

**231.050 Exemption of percentage of property of businesses certified by commission from taxation: Quantity and duration; effective date; commission to forward certificate of eligibility. (NRS 231.139)**

1. Unless otherwise agreed to in writing by the governing body of the local government whose tax revenue will be affected by an exemption granted to a business pursuant to NRS 361.0685:

(a) Seventy-five percent of the personal property of the business is exempt from taxation for 10 consecutive years; and

(b) Seventy-five percent of the real property of the business is exempt from taxation for 20 consecutive years.

An exemption granted pursuant to NRS 361.0685 must not exceed the quantity or duration set forth in this subsection.

2. During any year, if the commission grants an exemption to a business pursuant to NRS 361.0685:

(a) Between July 1 and December 31, the exemption applies from the date on which the commission makes such a determination, 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 for that date; or

(b) Between January 1 and June 30, the exemption may be applied beginning on July 1 of that year, 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 for that date.

3. If the commission grants an exemption pursuant to NRS 361.0685, the commission shall immediately forward a certificate of eligibility for the exemption 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.