

LCB File No. R168-07

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

AUTHORITY: SB 352 Section 16(5) and Section 17(5), 2007 Regular Session

A **REGULATION** relating to economic development incentives, allowing the Nevada Commission on Economic Development to grant certain partial tax abatements, determine the process of application for these specific abatements, and provide tax relief to those certain projects.

Section 1. *Definitions. As used in this regulation, unless the context otherwise requires, the words and terms defined have the meanings ascribed to them in those sections.*

Section 2. *Commission, defined. Commission, means the Commission on Economic Development.*

Section 3. *Grocery store means a business selling at retail, groceries, including, without limitation, food for human consumption, articles used in the preparation of food, household supplies, dairy products, meat and produce, and having more than 10,000 square feet of floor space available to the public.*

Section 4. *Selling at retail has the meaning ascribed to it in NRS 372.050.*

Section 5. *Application to Commission for partial abatement for a new grocery store.*

1.) *A person may apply to the commission for a partial abatement of the taxes pursuant to those portions of chapter 361 of NRS pertaining to only personal property taxes, and Chapter 374 of NRS for a new grocery store which will be located in:*

a) An enterprise community pursuant to 24 CFR part 597.

2.) *The application must be made on a form prescribed by the Executive Director of the commission. The application must:*

a) Include a certificate of endorsement from the governing body in which it is or will be located. The certificate of endorsement issued by the governing body shall:

1. *Be consistent with procedures adopted by the governing body for evaluating the benefits of tax abatements and economic development; and*
 2. *Define and set the rate of the partial abatement of taxes allowed in Section 16 of SB 352, as well as the length of the abatement if not consistent with the limiting term allowed in SB 352 Section 16.*
 - b) *Deliver proof that notification was provided to the local school district for the meeting time of the governing body's hearing at which the adoption of the endorsement was heard; and*
 - c) *Deliver proof that if the property for which the partial abatement is sought is located in a redevelopment area created pursuant to chapter 279 of NRS, the partial abatement authorized by SB 352 Section 16(5) and Section 17(5), 2007 Regular Session, together with any partial abatement of taxes to which the owner of the property is entitled pursuant to NRS 361.4722, 361.4723 or 361.4724, or does not exceed 82 percent of the assessed value of the property.*
- 3.) *A person approved by the governing body for a certificate of endorsement shall submit an application to the commission to determine:*
 - a) *There will be the execution of an agreement with the commission that the business will:*
 1. *Commence and stay in business for a period of time specified by the commission but at least 5 years in the same location where the certificate of endorsement was obtained; and*
 2. *Agree to bind any successors to the business obtaining the partial abatement of taxes for the period of time specified by the commission but at least 5 years; and*
 3. *Maintain the requirements stated above. If the company ceases operations before the agreed to number of years has passed, and pursuant to the applicable statutes and regulations, the company shall repay to the Nevada Department of Taxation or applicable County Treasurer, the amount of the abatement received. In addition, the company shall pay interest on the amount due at the rate most recently established under*

NRS 99.040 for each month following the period for which the payment would have been made, had the abatement not been granted.

- b) The business must be registered, or will register, for all licenses required by the state, county, and city or town, for operation of the grocery store; and;*
- c) The applicant has or will invest a minimum of \$500,000 in capital directly into the project's taxable value which will increase its assessed value, through either personal or real property, by at least 35% of \$500,000;*
- 4.) The application will be considered by the commission pursuant to NRS 374.357, NAC 360.469 and NAC 360.472.*
- 5.) If the application is approved by the commission, the certificate of eligibility shall be forwarded to the:
 - a) Department of Taxation;*
 - b) Nevada Tax Commission; and*
 - c) If a partial abatement is granted for taxes imposed by chapter 361 of NRS, then the County Treasurer where the property is located.**
- 6.) If a person is aggrieved, they may petition for judicial review pursuant to NRS 233B.*

Section 6. *Application to Commission for partial abatement for expanding a grocery store.*

- 1.) A person may apply to the commission for a partial abatement of the taxes pursuant to chapter 374 of NRS for expansion of a grocery store, which will be located in:
 - a) An enterprise community pursuant to 24 CFR part 597.**
- 2.) The application must be made on a form prescribed by the Executive Director of the Commission. The application must:
 - a) Include a certificate of endorsement from the governing body in which it is or will be located. The certificate of endorsement issued by the governing body shall:
 - 1. Be consistent with procedures adopted by the governing body for evaluating the benefits of tax abatements and economic development; and*
 - 2. Define and set the rate of the partial abatement of taxes allowed in Section 17 of SB 352, as well as the length of the abatement if not consistent with the limiting term allowed in SB 352 Section 17.***

- b) *Deliver proof that notification was provided to the local school district for the meeting time of the governing body's hearing at which the adoption of the endorsement was heard.*
 - c) *Deliver proof that if the property for which the partial abatement is sought is located in a redevelopment area created pursuant to chapter 279 of NRS, the partial abatement authorized by SB 352 Section 16(5) and Section 17(5), 2007 Regular Session, together with any partial abatement of taxes to which the owner of the property is entitled pursuant to NRS 361.4722, 361.4723 or 361.4724, or does not exceed 82 percent of the assessed value of the property.*
- 3.) *A person approved by the governing body for a certificate of endorsement shall submit an application to the commission to determine:*
- a) *There will be the execution of an agreement with the commission that the business will:*
 - 1. *Commence and stay in business for a period of time specified by the commission but at least 5 years in the same location where the certificate of endorsement was obtained; and*
 - 2. *Agree to bind any successors to the business obtaining the partial abatement of taxes for the period of time specified by the commission but at least 5 years; and*
 - 3. *Maintain the requirements stated above. If the company ceases operations before the agreed to number of years has passed, and pursuant to the applicable statutes and regulations, the company shall repay to the Nevada Department of Taxation or applicable County Treasurer, the amount of the abatement received. In addition, the company shall pay interest on the amount due at the rate most recently established under NRS 99.040 for each month following the period for which the payment would have been made, had the abatement not been granted.*
 - b) *The applicant has or will invest a minimum of \$250,000 in capital directly into the project's taxable value which will increase its assessed value, through either personal or real property, by at least 35% of \$250,000;*

- 4.) *The application will be considered by the commission pursuant to NRS 374.357, NAC 360.469 and NAC 360.472.*
- 5.) *If the application is approved by the commission, the certificate of eligibility shall be forwarded to the:*
 - a) *Department of Taxation;*
 - b) *Nevada Tax Commission; and*
 - c) *If a partial abatement is granted for taxes imposed by chapter 361 of NRS, then the County Treasurer where the property is located.*
- 6.) *If a person is aggrieved, they may petition for judicial review pursuant to NRS 233B.*