Local Emerging Small Business Program

Assembly Bill 294 passed in the 2013 Legislative Session, amended Chapter 231 of the Nevada Administrative Code (NAC) and adopted provisions governing the certification of local emerging small businesses by the Governor’s Office of Economic Development (also referred to as GOED). The regulation related to this program was adopted by the Legislative Commission on December 20, 2013.

A business interested in obtaining certification as a local emerging small business will submit a complete application to GOED and attest that the business satisfies the requirements of the program. Pursuant to the legislation, a business may qualify as a local emerging small business if it meets the program requirements in that the business:

- Is a local business, in existence, operational and for-profit,
- Maintains its principal place of business in Nevada,
- Is in compliance with all applicable licensing and registration requirements,
- Is not a subsidiary of parent company belonging to a group of firms that are owned or controlled by the same persons, if in aggregate, the group of firms does not qualify for the program, and
- Be qualified as either a Tier 1 or Tier 2 local emerging small business.

NOTE: Tier 1 businesses must not employ more than 20 full time or full time equivalent employees. If the business provides construction services, the average annual gross receipts for the business must not exceed $1.7 million for the three years immediately preceding the date of application. If the business is involved in the sale of goods or services other than construction, the average annual gross receipts may not exceed $700,000 for the three years immediately preceding the date of the application.

Tier 2 businesses must not employ more than 30 full time or full time equivalent employees. If the business provides construction services, the average annual gross receipts for the business must not exceed $3.5 million for the three years immediately preceding the date of application. If the business is involved in the sale of goods or services other than construction, the average annual gross receipts may not exceed $1.3 million for the three years immediately preceding the date of the application.

Applications will include general information about the business including address, legal structure, date established, capabilities, gross receipts for the past three years, and the number of full time or full time equivalent employees.

Applications will be reviewed upon receipt and each applicant will be issued written notification of determination within 90 days of receipt of application. Certification as a local emerging small business is valid until 2 years after the last day of the month in which it was issued or renewed. Not less than 60 days prior to expiration, GOED will send a written notice of expiration and an affidavit to renew certification. The completed affidavit must be submitted at least 10 days prior to expiration.
A directory of all local emerging small businesses will be maintained on GOED’s website. Any individual or firm who believes that a certified local emerging small business does not satisfy the criteria may file a complaint with GOED. Following an investigation, certification may be revoked if it is determined that the business does not qualify. Certification may also be revoked if at any time GOED determines that a business does not satisfy the criteria to be certified as a local emerging small business.

GOED will meet with authorized representatives of the Nevada Purchasing Division, State Public Works and governing bodies of local governments in counties whose population is 100,000 or more (currently Clark and Washoe Counties) to receive input and provide advice regarding the establishment and achievement of goals for the award of local purchasing contracts and contracts for public works to local emerging small businesses. Reports will be collected every six months containing data regarding:

- the number of local emerging small businesses solicited to submit a bid or proposal,
- the number of local emerging small businesses that submitted a bid or proposal,
- the number of contracts awarded to local emerging small businesses, and
- the total dollar amount of contracts awarded to local emerging small businesses during that six month time period.

Pursuant to the legislation, NRS Chapters 332, 333 and 338 were amended to include a new section that specifies the reports required and as described above.

- NRS 3320.201: Governing bodies in Washoe and Clark Counties will report on contracts for which the estimated cost is $50,000 or less but does not include a contract for which a procurement card is used.
- NRS 333.177: Nevada State Purchasing Division will report on contracts awarded pursuant to subsection 3 of NRS 333.300 (estimated cost $50,000 or less but does not include procurement card).
- NRS 338.1427: Nevada State Public Works Division will report on contracts for which the estimated cost is $100,000 or less.

At this point in time, the UNLV Campus Improvement Authority Board (CIAB) has no direct responsibility relative to AB294. However, if in the future there are purchasing activities that the CIAB is involved with through the State Purchasing Division, and are administered under any of the above referenced statutes, then this law/regulation would apply.

The directory of certified emerging small businesses will be available to the public and can be referenced or utilized by any purchasing body, even if not required by law.

A new webpage is currently being created and should be live on GOED’s website in the new couple of weeks – www.diversifynevada.com