

## LOANS TO SMALL BUSINESSES

**NRS 279.700 "Small business" defined.** As used in [NRS 279.700](#) to 279.740, inclusive, "small business" means a business that employs not more than 25 persons.

(Added to NRS by [2013, 796](#))

**NRS 279.710 Revolving loan account: Creation; investment; credit of interest and income; deposit of money; payment of claims; acceptance of gifts and grants.**

1. Each legislative body shall create a revolving loan account in the treasury of the community. The account must be administered by the agency.

2. The money in a revolving loan account created pursuant to this section must be invested as money in other accounts in the treasury of the community is invested. All interest and income earned on the money in a revolving loan account must be credited to the account. Any money remaining in a revolving loan account at the end of a fiscal year does not revert to the general fund of the community, and the balance in the account must be carried forward.

3. All payments of principal and interest on loans made to a small business from a revolving loan account must be deposited with the treasurer of the community for credit to the account.

4. Claims against a revolving loan account must be paid as other claims against the agency are paid.

5. An agency may accept gifts, grants, bequests and donations from any source for deposit in the revolving loan account.

(Added to NRS by [2013, 796](#))

**NRS 279.720 Revolving loan account: Authorized uses of money in account; limitation.**

1. After deducting the costs directly related to administering a revolving loan account created pursuant to [NRS 279.710](#), an agency may use the money in the account, including repayments of principal and interest on loans made from the account, and interest and income earned on money in the account, only to make loans at or below market rate to small businesses located within the redevelopment area or persons wishing to locate or relocate a new small business in the redevelopment area for the costs incurred:

(a) In expanding or improving an existing small business, including, without limitation, costs incurred for remodeling; or

(b) In locating or relocating a small business in the redevelopment area.

2. The term of any loan that may be made from the revolving loan account must be 5 years or less.

(Added to NRS by [2013, 796](#))

**NRS 279.730 Application for loan; requirements of contract for loan; regulations.**

1. A small business located in a redevelopment area or a person who wishes to locate or relocate a new small business in a redevelopment area may submit an application to the agency for a loan from the revolving loan account created pursuant to [NRS 279.710](#). An application must include a written description of the manner in which the loan will be used.

2. An agency shall, within the limits of money available for use in the revolving loan account, make loans to small businesses and persons whose applications have been approved. If an agency makes a loan from the revolving loan account, the agency shall ensure that the contract for the loan includes all terms and conditions for repayment of the loan.

3. Each agency:

(a) Shall adopt regulations that prescribe:

(1) The process by which a small business may submit to the agency an application for a loan from the revolving loan account;

(2) The criteria for eligibility for a loan from the revolving loan account;

(3) The contents of an application for a loan from the revolving loan account, which must include, without limitation:

(I) A description of the business history of the applicant;

(II) A description of the income history of the applicant;

(III) A copy of the business plan of the applicant;

(IV) A description of the contributions of the applicant to the revitalization of the redevelopment area; and

(V) A statement of whether any money from the loan will be used by the applicant to maintain or create any jobs;

(4) The maximum amount of a loan which may be made from the revolving loan account;

(5) The rate of interest for loans made from the revolving loan account; and

(6) The collateral and security interest that a small business is required to provide as security for the loan, which must be an amount sufficient to allow the agency to recoup the amount of the loan made to a small business if the small business defaults on the loan.

(b) May adopt such other regulations as it deems necessary to carry out the provisions of NRS 279.700 to 279.740, inclusive.

(Added to NRS by 2013, 797)