



The Nevada Department of Business & Industry
Industrial Development Bond Program

Program Summary:

Applicants of the Industrial Development Revenue Bond Program (also known as IDRBs or IRBs) are manufacturing companies who are interested expanding their business. The size of the expansion, the number of new jobs created, and high wages are important factors in weighing the approval of the application along with the ability of the applicant to pay back the bonds.

There is a cap or ceiling amount of bonds equal to or less than \$10,000,000 as mandated by the Federal Government for each application request. The \$10,000,000 limit applies to the sum of the face amount of the tax exempt bonds to be issued and the remaining principal amount of all prior IDRB issued bonds. Bond proceeds **cannot** be used **to refinance debt, inventory, or operating capital.**

The project must comply with requirements from the Internal Revenue Code as well as other evaluation criteria such as:

1. Capital expenditure limitation of \$20,000,000 if the par amount of proposed bonds together with prior outstanding issues (outstanding principal balance; is in the same jurisdiction). The \$20,000,000 capital expenditure limit applies for a six year period.
2. The sum of all other industrial development revenue bonds, used by the developer, cannot exceed \$40,000,000 nationwide.
3. Public benefit to the community and state, including: new employment, wages and distribution of wages, programs promoting employee education and skills etc.
4. Community support and sponsorship.
5. Efficiency as measured by employee:bond ratio.
6. Demonstrated need for tax-exempt financing and ability to pay off the new bond debt.
7. Construction and equipment cost reasonableness.
8. Location of facility: rural areas with high unemployment rates, disadvantaged economic areas, etc.
9. Energy efficiency or/and use or incorporation of renewable energy strategies
10. Financial capacity of applicant.

Getting Started:

An applicant should familiarize themselves with the general rules, regulations, timing and process before engaging in filing an application for an Industrial Development Bond financed loan. The General Underwriting Document requirements and time line are available at this web site. The Nevada Administrative Code sections governing the Industrial Development Bond program (regulations) are available at this web site [IDRB Regulations]. Once an applicant has gleaned the general context of the program, a review and download of the Application [IDRB-APandQs] would be in order. This document serves not only as an application but also helps the IDR program assess the applicability of your organizational borrowing needs/qualifications and ability to meet the strict IRS rules associated with industrial development revenue bonds. While the process is intended to be as streamlined as possible, it does mirror somewhat a bank loan application process mixed with the public hearings associated with all publicly funded programs. But we encourage interested parties to seriously consider this program if it is applicable----thousands of manufacturers around the USA have taken advantage of this program for over 30 years.

Organizational information and financial status must necessarily be incorporated into the Application evaluation process. Under Nevada Statutes, an applicant's proprietary information may be restricted from public view. Please contact us if this is a concern.