

ASSEMBLY BILL NO. 191—ASSEMBLYMEN CONKLIN, KIRKPATRICK, BUSTAMANTE ADAMS, NEAL, OCEGUERA; ATKINSON, DIAZ, DONDERO LOOP, FLORES AND MASTROLUCA

FEBRUARY 21, 2011

Referred to Committee on Taxation

SUMMARY—Revises provisions governing the partial abatement of certain taxes. (BDR 32-916)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact. Effect on the State: Yes.

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

AN ACT relating to taxation; revising provisions governing the partial abatement of certain taxes; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Under existing law, a person who intends to locate or expand a business in
2 Nevada may apply to the Commission on Economic Development for a partial
3 abatement of one or more of the taxes imposed on the new or expanded business
4 pursuant to chapter 361 (property tax), 363B (business tax) or 374 (local school
5 support tax) of NRS. (NRS 360.750, 361.0687, 363B.120, 374.357). This bill
6 provides that a business which makes a capital investment of at least \$500,000 in a
7 program at the University of Nevada, Reno, the University of Nevada, Las Vegas,
8 or the Desert Research Institute for the support of research, development or training
9 related to the field of endeavor of the business and which meets certain other
10 requirements is eligible to apply for a partial abatement of property taxes, business
11 taxes and governmental services taxes. In addition, this bill provides that a business
12 which makes a capital investment of at least \$250,000 in the Nevada State College
13 or a community college within the Nevada System of Higher Education in support
14 of college certification or research or training related to the field of endeavor of the
15 business and which meets certain other requirements is also eligible to apply for a
16 partial abatement of property taxes, business taxes and governmental services taxes.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** The Legislature hereby finds that each exemption
2 provided by this act from any ad valorem tax on property or excise



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1 tax on the sale, storage, use or consumption of tangible personal
2 property sold at retail:

3 1. Will achieve a bona fide social or economic purpose and that
4 the benefits of the exemption are expected to exceed any adverse
5 effect of the exemption on the provision of services to the public by
6 the State or a local government that would otherwise receive
7 revenue from the tax from which the exemption would be granted;
8 and

9 2. Will not impair adversely the ability of the State or a local
10 government to pay, when due, all interest and principal on any
11 outstanding bonds or any other obligations for which revenue from
12 the tax from which the exemption would be granted was pledged.

13 **Sec. 2.** Chapter 360 of NRS is hereby amended by adding
14 thereto a new section to read as follows:

15 *1. A person who intends to locate or expand a business in this*
16 *State may apply to the Commission on Economic Development*
17 *pursuant to this section for a partial abatement of one or more of*
18 *the taxes imposed on the new or expanded business pursuant to*
19 *chapter 361, 363B or 371 of NRS.*

20 *2. The Commission on Economic Development shall approve*
21 *an application for a partial abatement pursuant to this section if*
22 *the Commission makes the following determinations:*

23 *(a) The business is consistent with:*

24 *(1) The State Plan for Industrial Development and*
25 *Diversification that is developed by the Commission pursuant to*
26 *NRS 231.067; and*

27 *(2) Any guidelines adopted pursuant to the State Plan.*

28 *(b) The applicant has executed an agreement with the*
29 *Commission which must:*

30 *(1) Comply with the requirements of NRS 360.755;*

31 *(2) Require the business to submit to the Department the*
32 *reports required by paragraph (c) of subsection 1 of*
33 *NRS 218D.355;*

34 *(3) State the agreed terms of the partial abatement, which*
35 *must comply with the requirements of subsection 4;*

36 *(4) State that the business will, after the date on which a*
37 *certificate of eligibility for the abatement is issued pursuant to*
38 *subsection 5, continue in operation in this State for a period*
39 *specified by the Commission, which must be at least 5 years, and*
40 *will continue to meet the eligibility requirements set forth in this*
41 *subsection; and*

42 *(5) Bind the successors in interest of the business for the*
43 *specified period.*

44 *(c) The business is registered pursuant to the laws of this State*
45 *or the applicant commits to obtain a valid business license and all*



1 *other permits required by the county, city or town in which the*
2 *business operates.*

3 *(d) The business does not receive:*

4 *(1) Any funding from a governmental entity, other than any*
5 *private activity bonds as defined in 26 U.S.C. § 141; or*

6 *(2) Any real or personal property from a governmental*
7 *entity at no cost or at a reduced cost.*

8 *(e) The business meets the following requirements:*

9 *(1) The business makes a capital investment of at least*
10 *\$500,000 in a program of the University of Nevada, Reno, the*
11 *University of Nevada, Las Vegas, or the Desert Research Institute*
12 *to be used in support of research, development or training related*
13 *to the field of endeavor of the business.*

14 *(2) The business will employ 15 or more full-time*
15 *employees for the duration of the abatement.*

16 *(3) The business will employ two or more graduate students*
17 *from the program in which the capital investment is made on a*
18 *part-time basis for the duration of the abatement.*

19 *(4) The average hourly wage that will be paid by the*
20 *business to its employees in this State is at least 125 percent of the*
21 *average statewide hourly wage as established by the Employment*
22 *Security Division of the Department of Employment, Training and*
23 *Rehabilitation on July 1 of each fiscal year and:*

24 *(I) The business will provide a health insurance plan for*
25 *all employees that includes an option for health insurance*
26 *coverage for dependents of the employees; and*

27 *(II) The cost to the business for the benefits the business*
28 *provides to its employees in this State will meet the minimum*
29 *requirements for benefits established by the Commission by*
30 *regulation pursuant to subsection 9.*

31 *(5) The business submits with its application for a partial*
32 *abatement:*

33 *(I) A letter of support from the institution at which the*
34 *program operates, which is signed by the chief administrative*
35 *officer of the institution and the director or chair of the program*
36 *or the appropriate department, and which includes, without*
37 *limitation, a summary of the financial and other resources the*
38 *business will provide to the program and an agreement that the*
39 *institution will provide to the Commission periodic reports, at such*
40 *times and containing such information as the Commission may*
41 *require, regarding the use of those resources; and*

42 *(II) A letter of support which is signed by the chair of*
43 *the board of directors of the regional economic development*
44 *authority within whose jurisdiction the institution is located and*
45 *which includes, without limitation, a summary of the role the*



1 *business will play in diversifying the economy and, if applicable,*
2 *in achieving the broader goals of the regional economic*
3 *development authority for economic development and*
4 *diversification.*

5 *(f) In lieu of meeting the requirements of paragraph (e), the*
6 *business meets the following requirements:*

7 *(1) The business makes a capital investment of at least*
8 *\$250,000 in the Nevada State College or a community college*
9 *within the Nevada System of Higher Education to be used in*
10 *support of college certification or in support of research or*
11 *training related to the field of endeavor of the business.*

12 *(2) The business will employ 15 or more full-time*
13 *employees for the duration of the abatement.*

14 *(3) The business will employ two or more students from the*
15 *college in which the capital investment is made on a part-time*
16 *basis for the duration of the abatement.*

17 *(4) The average hourly wage that will be paid by the*
18 *business to its employees in this State is at least 125 percent of the*
19 *average statewide hourly wage as established by the Employment*
20 *Security Division of the Department of Employment, Training and*
21 *Rehabilitation on July 1 of each fiscal year and:*

22 *(I) The business will provide a health insurance plan for*
23 *all employees that includes an option for health insurance*
24 *coverage for dependents of the employees; and*

25 *(II) The cost to the business for the benefits the business*
26 *provides to its employees in this State will meet the minimum*
27 *requirements for benefits established by the Commission by*
28 *regulation pursuant to subsection 9.*

29 *(5) The business submits with its application for a partial*
30 *abatement:*

31 *(I) A letter of support from the college in which the*
32 *capital investment is made, which is signed by the chief*
33 *administrative officer of the college and which includes, without*
34 *limitation, a summary of the financial and other resources the*
35 *business will provide to the college and an agreement that the*
36 *college will provide to the Commission periodic reports, at such*
37 *times and containing such information as the Commission may*
38 *require, regarding the use of those resources; and*

39 *(II) A letter of support which is signed by the chair of*
40 *the board of directors of the regional economic development*
41 *authority within whose jurisdiction the college is located and*
42 *which includes, without limitation, a summary of the role the*
43 *business will play in diversifying the economy and, if applicable,*
44 *in achieving the broader goals of the regional economic*



1 *development authority for economic development and*
2 *diversification.*

3 *3. Notwithstanding the provisions of subsection 2, the*
4 *Commission on Economic Development:*

5 *(a) Shall not consider an application for a partial abatement*
6 *pursuant to this section unless the Commission has requested a*
7 *letter of acknowledgment of the request for the abatement from*
8 *any affected county, school district, city or town.*

9 *(b) May, if the Commission determines that such action is*
10 *necessary:*

11 *(1) Approve an application for a partial abatement*
12 *pursuant to this section by a business that does not meet the*
13 *requirements set forth in paragraph (e) or (f) of subsection 2; or*

14 *(2) Add additional requirements that a business must meet*
15 *to qualify for a partial abatement pursuant to this section.*

16 *4. If the Commission on Economic Development approves an*
17 *application for a partial abatement pursuant to this section:*

18 *(a) The total amount of the abatement must not exceed 50*
19 *percent of the amount of the capital investment by the business;*

20 *(b) The duration of the abatement must be for 5 years;*

21 *(c) Any abatement of:*

22 *(1) The property taxes imposed on a business pursuant to*
23 *chapter 361 of NRS must not exceed 50 percent of the taxes on*
24 *personal property payable by the business each year;*

25 *(2) The tax imposed on a business pursuant to chapter*
26 *363B of NRS must not exceed 50 percent of the amount of the tax*
27 *otherwise due from the business pursuant to NRS 363B.110*
28 *during each year; and*

29 *(3) The governmental services tax imposed on a business*
30 *pursuant to chapter 371 of NRS must not exceed 50 percent of the*
31 *amount of the tax otherwise due from the business pursuant to*
32 *that chapter during each year; and*

33 *(d) The abatement applies only to the business for which the*
34 *abatement was approved pursuant to this section and the property*
35 *used in connection with that business.*

36 *5. If the Commission on Economic Development approves an*
37 *application for a partial abatement pursuant to this section, the*
38 *Commission shall immediately forward a certificate of eligibility*
39 *for the abatement to:*

40 *(a) The Department;*

41 *(b) The Nevada Tax Commission;*

42 *(c) If the partial abatement is from the property tax imposed*
43 *pursuant to chapter 361 of NRS, the county treasurer of the*
44 *county in which the business will be located; and*



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1 (d) *If the partial abatement is from the governmental services*
2 *tax imposed pursuant to chapter 371 of NRS, the Department of*
3 *Motor Vehicles.*

4 6. *An applicant for a partial abatement pursuant to this*
5 *section or an existing business whose partial abatement is in effect*
6 *shall, upon the request of the Executive Director of the*
7 *Commission on Economic Development, furnish the Executive*
8 *Director with copies of all records necessary to verify that the*
9 *applicant meets the requirements of subsection 2.*

10 7. *If a business whose partial abatement has been approved*
11 *pursuant to this section and is in effect ceases to meet the*
12 *requirements set forth in subsection 2 or ceases operation before*
13 *the time specified in the agreement described in paragraph (b) of*
14 *subsection 2, the business shall:*

15 (a) *If the partial abatement was from the property tax imposed*
16 *pursuant to chapter 361 of NRS, repay to the county treasurer;*

17 (b) *If the partial abatement was from the tax imposed on a*
18 *business pursuant to chapter 363B of NRS, repay to the*
19 *Department; and*

20 (c) *If the partial abatement was from the governmental*
21 *services tax imposed pursuant to chapter 371 of NRS, repay to the*
22 *Department of Motor Vehicles,*

23 *↳ the amount of the exemption that was allowed pursuant to this*
24 *section before the failure of the business to comply unless the*
25 *Nevada Tax Commission determines that the business has*
26 *substantially complied with the requirements of this section.*
27 *Except as otherwise provided in NRS 360.232 and 360.320, the*
28 *business shall, in addition to the amount of the exemption*
29 *required to be paid pursuant to this subsection, pay interest on the*
30 *amount due at the rate most recently established pursuant to NRS*
31 *99.040 for each month, or portion thereof, from the last day of the*
32 *month following the period for which the payment would have*
33 *been made had the partial abatement not been approved until the*
34 *date of payment of the tax.*

35 8. *A county treasurer:*

36 (a) *Shall deposit any money that he or she receives pursuant to*
37 *subsection 7 in one or more of the funds established by a local*
38 *government of the county pursuant to NRS 354.6113 or 354.6115;*
39 *and*

40 (b) *May use the money deposited pursuant to paragraph (a)*
41 *only for the purposes authorized by NRS 354.6113 and 354.6115.*

42 9. *The Commission on Economic Development:*

43 (a) *Shall adopt regulations relating to the minimum level of*
44 *benefits that a business must provide to its employees to qualify for*
45 *a partial abatement pursuant to this section; and*



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1 (b) *May adopt such other regulations as the Commission*
2 *determines to be necessary to carry out the provisions of this*
3 *section.*

4 **10. The Nevada Tax Commission:**

5 (a) *Shall adopt regulations regarding any security that a*
6 *business is required to post to qualify for a partial abatement*
7 *pursuant to this section; and*

8 (b) *May adopt such other regulations as the Nevada Tax*
9 *Commission determines to be necessary to carry out the provisions*
10 *of this section.*

11 **11. An applicant for a partial abatement pursuant to this**
12 **section who is aggrieved by a final decision of the Commission on**
13 **Economic Development may petition for judicial review in the**
14 **manner provided in chapter 233B of NRS.**

15 **Sec. 3.** NRS 360.225 is hereby amended to read as follows:

16 360.225 1. During the course of an investigation undertaken
17 pursuant to NRS 360.130 of a person claiming:

18 (a) A partial abatement of property taxes pursuant to
19 NRS 361.0687;

20 (b) An exemption from taxes pursuant to NRS 363B.120;

21 (c) A deferral of the payment of taxes on the sale of capital
22 goods pursuant to NRS 372.397 or 374.402; ~~or~~

23 (d) An abatement of taxes on the gross receipts from the sale,
24 storage, use or other consumption of eligible machinery or
25 equipment pursuant to NRS 374.357 ~~or~~; **or**

26 (e) *A partial abatement of taxes pursuant to section 2 of this*
27 *act,*

28 ➔ the Department shall investigate whether the person meets the
29 eligibility requirements for the abatement, partial abatement,
30 exemption or deferral that the person is claiming.

31 2. If the Department finds that the person does not meet the
32 eligibility requirements for the abatement, exemption or deferral
33 which the person is claiming, the Department shall report its
34 findings to the Commission on Economic Development and take
35 any other necessary actions.

36 **Sec. 4.** NRS 360.750 is hereby amended to read as follows:

37 360.750 1. A person who intends to locate or expand a
38 business in this State may apply to the Commission on Economic
39 Development **pursuant to this section** for a partial abatement of one
40 or more of the taxes imposed on the new or expanded business
41 pursuant to chapter 361, 363B or 374 of NRS.

42 2. The Commission on Economic Development shall approve
43 an application for a partial abatement **pursuant to this section** if the
44 Commission makes the following determinations:

45 (a) The business is consistent with:



1 (1) The State Plan for Industrial Development and
2 Diversification that is developed by the Commission pursuant to
3 NRS 231.067; and

4 (2) Any guidelines adopted pursuant to the State Plan.

5 (b) The applicant has executed an agreement with the
6 Commission which must:

7 (1) Comply with the requirements of NRS 360.755;

8 (2) State that the business will, after the date on which a
9 certificate of eligibility for the abatement is issued pursuant to
10 subsection 4, continue in operation in this State for a period
11 specified by the Commission, which must be at least 5 years, and
12 will continue to meet the eligibility requirements set forth in this
13 subsection; and

14 (3) Bind the successors in interest of the business for the
15 specified period.

16 (c) The business is registered pursuant to the laws of this State
17 or the applicant commits to obtain a valid business license and all
18 other permits required by the county, city or town in which the
19 business operates.

20 (d) Except as otherwise provided in NRS 361.0687, if the
21 business is a new business in a county whose population is 100,000
22 or more or a city whose population is 60,000 or more, the business
23 meets at least two of the following requirements:

24 (1) The business will have 75 or more full-time employees
25 on the payroll of the business by the fourth quarter that it is in
26 operation.

27 (2) Establishing the business will require the business to
28 make a capital investment of at least \$1,000,000 in this State.

29 (3) The average hourly wage that will be paid by the new
30 business to its employees in this State is at least 100 percent of the
31 average statewide hourly wage as established by the Employment
32 Security Division of the Department of Employment, Training and
33 Rehabilitation on July 1 of each fiscal year and:

34 (I) The business will provide a health insurance plan for
35 all employees that includes an option for health insurance coverage
36 for dependents of the employees; and

37 (II) The cost to the business for the benefits the business
38 provides to its employees in this State will meet the minimum
39 requirements for benefits established by the Commission by
40 regulation pursuant to subsection 8.

41 (e) Except as otherwise provided in NRS 361.0687, if the
42 business is a new business in a county whose population is less than
43 100,000 or a city whose population is less than 60,000, the business
44 meets at least two of the following requirements:



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1 (1) The business will have 15 or more full-time employees
2 on the payroll of the business by the fourth quarter that it is in
3 operation.

4 (2) Establishing the business will require the business to
5 make a capital investment of at least \$250,000 in this State.

6 (3) The average hourly wage that will be paid by the new
7 business to its employees in this State is at least 100 percent of the
8 average statewide hourly wage or the average countywide hourly
9 wage, whichever is less, as established by the Employment Security
10 Division of the Department of Employment, Training and
11 Rehabilitation on July 1 of each fiscal year and:

12 (I) The business will provide a health insurance plan for
13 all employees that includes an option for health insurance coverage
14 for dependents of the employees; and

15 (II) The cost to the business for the benefits the business
16 provides to its employees in this State will meet the minimum
17 requirements for benefits established by the Commission by
18 regulation pursuant to subsection 8.

19 (f) If the business is an existing business, the business meets at
20 least two of the following requirements:

21 (1) The business will increase the number of employees on
22 its payroll by 10 percent more than it employed in the immediately
23 preceding fiscal year or by six employees, whichever is greater.

24 (2) The business will expand by making a capital investment
25 in this State in an amount equal to at least 20 percent of the value of
26 the tangible property possessed by the business in the immediately
27 preceding fiscal year. The determination of the value of the tangible
28 property possessed by the business in the immediately preceding
29 fiscal year must be made by the:

30 (I) County assessor of the county in which the business
31 will expand, if the business is locally assessed; or

32 (II) Department, if the business is centrally assessed.

33 (3) The average hourly wage that will be paid by the existing
34 business to its new employees in this State is at least the amount of
35 the average hourly wage required to be paid by businesses pursuant
36 to subparagraph (2) of either paragraph (a) or (b) of subsection 2 of
37 NRS 361.0687, whichever is applicable, and:

38 (I) The business will provide a health insurance plan for
39 all new employees that includes an option for health insurance
40 coverage for dependents of the employees; and

41 (II) The cost to the business for the benefits the business
42 provides to its new employees in this State will meet the minimum
43 requirements for benefits established by the Commission by
44 regulation pursuant to subsection 8.



1 (g) In lieu of meeting the requirements of paragraph (d), (e) or
2 (f), if the business furthers the development and refinement of
3 intellectual property, a patent or a copyright into a commercial
4 product, the business meets at least two of the following
5 requirements:

6 (1) The business will have 10 or more full-time employees
7 on the payroll of the business by the fourth quarter that it is in
8 operation.

9 (2) Establishing the business will require the business to
10 make a capital investment of at least \$500,000 in this State.

11 (3) The average hourly wage that will be paid by the new
12 business to its employees in this State is at least the amount of the
13 average hourly wage required to be paid by businesses pursuant to
14 subparagraph (2) of either paragraph (a) or (b) of subsection 2 of
15 NRS 361.0687, whichever is applicable, and:

16 (I) The business will provide a health insurance plan for
17 all employees that includes an option for health insurance coverage
18 for dependents of the employees; and

19 (II) The cost to the business for the benefits the business
20 provides to its employees in this State will meet with minimum
21 requirements established by the Commission by regulation pursuant
22 to subsection 8.

23 3. Notwithstanding the provisions of subsection 2, the
24 Commission on Economic Development:

25 (a) Shall not consider an application for a partial abatement
26 *pursuant to this section* unless the Commission has requested a
27 letter of acknowledgment of the request for the abatement from any
28 affected county, school district, city or town.

29 (b) May, if the Commission determines that such action is
30 necessary:

31 (1) Approve an application for a partial abatement *pursuant*
32 *to this section* by a business that does not meet the requirements set
33 forth in paragraph (d), (e), (f) or (g) of subsection 2;

34 (2) Make the requirements set forth in paragraph (d), (e), (f)
35 or (g) of subsection 2 more stringent; or

36 (3) Add additional requirements that a business must meet to
37 qualify for a partial abatement *pursuant to this section*.

38 4. If the Commission on Economic Development approves an
39 application for a partial abatement *pursuant to this section*, the
40 Commission shall immediately forward a certificate of eligibility for
41 the abatement to:

42 (a) The Department;

43 (b) The Nevada Tax Commission; and

44 (c) If the partial abatement is from the property tax imposed
45 pursuant to chapter 361 of NRS, the county treasurer.



1 5. An applicant for a partial abatement pursuant to this section
2 or an existing business whose partial abatement is in effect shall,
3 upon the request of the Executive Director of the Commission on
4 Economic Development, furnish the Executive Director with copies
5 of all records necessary to verify that the applicant meets the
6 requirements of subsection 2.

7 6. If a business whose partial abatement has been approved
8 pursuant to this section and is in effect ceases:

9 (a) To meet the requirements set forth in subsection 2; or

10 (b) Operation before the time specified in the agreement
11 described in paragraph (b) of subsection 2,

12 ➔ the business shall repay to the Department or, if the partial
13 abatement was from the property tax imposed pursuant to chapter
14 361 of NRS, to the county treasurer, the amount of the exemption
15 that was allowed pursuant to this section before the failure of the
16 business to comply unless the Nevada Tax Commission determines
17 that the business has substantially complied with the requirements of
18 this section. Except as otherwise provided in NRS 360.232 and
19 360.320, the business shall, in addition to the amount of the
20 exemption required to be paid pursuant to this subsection, pay
21 interest on the amount due at the rate most recently established
22 pursuant to NRS 99.040 for each month, or portion thereof, from the
23 last day of the month following the period for which the payment
24 would have been made had the partial abatement not been approved
25 until the date of payment of the tax.

26 7. A county treasurer:

27 (a) Shall deposit any money that he or she receives pursuant to
28 subsection 6 in one or more of the funds established by a local
29 government of the county pursuant to NRS 354.6113 or 354.6115;
30 and

31 (b) May use the money deposited pursuant to paragraph (a) only
32 for the purposes authorized by NRS 354.6113 and 354.6115.

33 8. The Commission on Economic Development:

34 (a) Shall adopt regulations relating to the minimum level of
35 benefits that a business must provide to its employees if the business
36 is going to use benefits paid to employees as a basis to qualify for a
37 partial abatement ~~§~~ *pursuant to this section*; and

38 (b) May adopt such other regulations as the Commission on
39 Economic Development determines to be necessary to carry out the
40 provisions of this section and NRS 360.755.

41 9. The Nevada Tax Commission:

42 (a) Shall adopt regulations regarding:

43 (1) The capital investment that a new business must make to
44 meet the requirement set forth in paragraph (d), (e) or (g) of
45 subsection 2; and



1 (2) Any security that a business is required to post to qualify
2 for a partial abatement pursuant to this section.

3 (b) May adopt such other regulations as the Nevada Tax
4 Commission determines to be necessary to carry out the provisions
5 of this section and NRS 360.755.

6 10. An applicant for ~~an~~ *a partial* abatement *pursuant to this*
7 *section* who is aggrieved by a final decision of the Commission on
8 Economic Development may petition for judicial review in the
9 manner provided in chapter 233B of NRS.

10 **Sec. 5.** NRS 360.755 is hereby amended to read as follows:

11 360.755 1. If the Commission on Economic Development
12 approves an application by a business for a partial abatement
13 pursuant to NRS 360.750 ~~H~~ *or section 2 of this act*, the agreement
14 with the Commission must provide that the business:

15 (a) Agrees to allow the Department to conduct audits of the
16 business to determine whether the business is in compliance with
17 the requirements for the partial abatement; and

18 (b) Consents to the disclosure of the audit reports in the manner
19 set forth in this section.

20 2. If the Department conducts an audit of the business to
21 determine whether the business is in compliance with the
22 requirements for the partial abatement, the Department shall, upon
23 request, provide the audit report to the Commission on Economic
24 Development.

25 3. Until the business has exhausted all appeals to the
26 Department and the Nevada Tax Commission relating to the audit,
27 the information contained in the audit report provided to the
28 Commission on Economic Development:

29 (a) Is confidential proprietary information of the business;

30 (b) Is not a public record; and

31 (c) Must not be disclosed to any person who is not an officer or
32 employee of the Commission on Economic Development unless the
33 business consents to the disclosure.

34 4. After the business has exhausted all appeals to the
35 Department and the Nevada Tax Commission relating to the audit:

36 (a) The audit report provided to the Commission on Economic
37 Development is a public record; and

38 (b) Upon request by any person, the Executive Director of the
39 Commission on Economic Development shall disclose the audit
40 report to the person who made the request, except for any
41 information in the audit report that is protected from disclosure
42 pursuant to subsection 5.

43 5. Before the Executive Director of the Commission on
44 Economic Development discloses the audit report to the public, the
45 business may submit a request to the Executive Director to protect



1 from disclosure any information in the audit report which, under
2 generally accepted business practices, would be considered a trade
3 secret or other confidential proprietary information of the business.
4 After consulting with the business, the Executive Director shall
5 determine whether to protect the information from disclosure. The
6 decision of the Executive Director is final and is not subject to
7 judicial review. If the Executive Director determines to protect the
8 information from disclosure, the protected information:

9 (a) Is confidential proprietary information of the business;

10 (b) Is not a public record;

11 (c) Must be redacted by the Executive Director from any audit
12 report that is disclosed to the public; and

13 (d) Must not be disclosed to any person who is not an officer or
14 employee of the Commission on Economic Development unless the
15 business consents to the disclosure.

16 **Sec. 6.** NRS 231.0685 is hereby amended to read as follows:

17 231.0685 The Commission on Economic Development shall,
18 on or before January 15 of each odd-numbered year, prepare and
19 submit to the Director of the Legislative Counsel Bureau for
20 transmission to the Legislature a report concerning the abatements
21 from taxation that the Commission approved pursuant to NRS
22 274.310, 274.320, 274.330 or 360.750 ~~§~~ *or section 2 of this act.*
23 The report must set forth, for each abatement from taxation that the
24 Commission approved in the 2-year period immediately preceding
25 the submission of the report:

26 1. The dollar amount of the abatement;

27 2. The location of the business for which the abatement was
28 approved;

29 3. If applicable, the number of employees that the business for
30 which the abatement was approved employs or will employ;

31 4. Whether the business for which the abatement was approved
32 is a new business or an existing business; and

33 5. Any other information that the Commission determines to be
34 useful.

35 **Sec. 7.** Notwithstanding the provisions of section 2 of this act,
36 no person is entitled to any partial abatement of taxes pursuant to
37 those provisions after June 30, 2021.

38 **Sec. 8.** 1. This act becomes effective on July 1, 2011.

39 2. Sections 2, 3, 5 and 6 of this act expire by limitation on
40 June 30, 2021.



