

ASSEMBLY BILL NO. 400—ASSEMBLYWOMAN  
BENITEZ-THOMPSON

MARCH 21, 2019

Referred to Committee on Taxation

SUMMARY—Revises provisions governing economic development. (BDR 18-803)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State: No.

~

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

AN ACT relating to tax abatements; prohibiting the Office of Economic Development from granting certain tax abatements to a person who has already received certain abatements; prohibiting the Office from approving certain abatements of the taxes imposed for the support of local schools; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Under existing law, the Executive Director of the Office of Economic  
2 Development is required to develop and periodically revise a State Plan for  
3 Economic Development. Such a plan must not include provisions for the granting  
4 of any abatement, partial abatement or exemption from taxes to certain persons who  
5 are subject to certain taxes on the net proceeds of minerals or certain gaming  
6 license fees. (NRS 231.053) **Section 1** of this bill also prohibits such a plan from  
7 including provisions for the granting of any abatement or partial abatement to a  
8 person to whom an abatement or partial abatement has already been granted and is  
9 in effect.  
10 Existing law authorizes the Office of Economic Development to approve an  
11 abatement or a partial abatement of the Local School Support Tax in certain  
12 circumstances. (NRS 274.310, 274.320, 274.330, 360.750, 360.754, 374.356,  
13 374.357, 374.358) **Sections 5-8, 11-13 and 18** of this bill remove that  
14 authorization. **Sections 2-4, 9, 10 and 14-17** of this bill make conforming changes.



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

1       **Section 1.** NRS 231.053 is hereby amended to read as follows:

2       231.053 After considering any advice and recommendations of  
3 the Board, the Executive Director:

4       1. Shall direct and supervise the administrative and technical  
5 activities of the Office.

6       2. Shall develop and may periodically revise a State Plan for  
7 Economic Development, which:

8       (a) Must include a statement of:

9       (1) New industries which have the potential to be developed  
10 in this State;

11       (2) The strengths and weaknesses of this State for business  
12 incubation;

13       (3) The competitive advantages and weaknesses of this State;

14       (4) The manner in which this State can leverage its  
15 competitive advantages and address its competitive weaknesses;

16       (5) A strategy to encourage the creation and expansion of  
17 businesses in this State and the relocation of businesses to this State;  
18 and

19       (6) Potential partners for the implementation of the strategy,  
20 including, without limitation, the Federal Government, local  
21 governments, local and regional organizations for economic  
22 development, chambers of commerce, and private businesses,  
23 investors and nonprofit entities; and

24       (b) Must not include provisions for the granting of any  
25 abatement, partial abatement or exemption from taxes or any other  
26 incentive for economic development to a person **[who will]** :

27       **(1) Who will** locate or expand a business in this State that is  
28 subject to the tax imposed pursuant to NRS 362.130 or the gaming  
29 license fees imposed by the provisions of NRS 463.370.

30       **(2) For which any abatement or partial abatement has been**  
31 **approved by the Office and is in effect.**

32       3. Shall develop criteria for the designation of regional  
33 development authorities pursuant to subsection 4.

34       4. Shall designate as many regional development authorities  
35 for each region of this State as the Executive Director determines to  
36 be appropriate to implement the State Plan for Economic  
37 Development. In designating regional development authorities, the  
38 Executive Director must consult with local governmental entities  
39 affected by the designation. The Executive Director may, if he or  
40 she determines that such action would aid in the implementation of  
41 the State Plan for Economic Development, remove the designation  
42 of any regional development authority previously designated



1 pursuant to this section and declare void any contract between the  
2 Office and that regional development authority.

3 5. Shall establish procedures for entering into contracts with  
4 regional development authorities to provide services to aid, promote  
5 and encourage the economic development of this State.

6 6. May apply for and accept any gift, donation, bequest, grant  
7 or other source of money to carry out the provisions of NRS  
8 231.020 to 231.139, inclusive, and 231.1555 to 231.1597, inclusive.

9 7. May adopt such regulations as may be necessary to carry out  
10 the provisions of NRS 231.020 to 231.139, inclusive, and 231.1555  
11 to 231.1597, inclusive.

12 8. In a manner consistent with the laws of this State, may  
13 reorganize the programs of economic development in this State to  
14 further the State Plan for Economic Development. If, in the opinion  
15 of the Executive Director, changes to the laws of this State are  
16 necessary to implement the economic development strategy for this  
17 State, the Executive Director must recommend the changes to the  
18 Governor and the Legislature.

19 **Sec. 2.** NRS 231.0685 is hereby amended to read as follows:

20 231.0685 The Office shall, on or before January 15 of each  
21 odd-numbered year, prepare and submit to the Director of the  
22 Legislative Counsel Bureau for transmission to the Legislature a  
23 report concerning the abatements from taxation that the Office  
24 approved pursuant to NRS 274.310, ~~274.320,~~ 274.330, 360.750,  
25 360.752, 360.753 or 360.754. The report must set forth, for each  
26 abatement from taxation that the Office approved during the fiscal  
27 years which are 3 fiscal years and 6 fiscal years immediately  
28 preceding the submission of the report:

29 1. The dollar amount of the abatement;

30 2. The location of the business for which the abatement was  
31 approved;

32 3. The value of infrastructure included as an incentive for the  
33 business;

34 4. If applicable, the number of employees that the business for  
35 which the abatement was approved employs or will employ;

36 5. Whether the business for which the abatement was approved  
37 is a new business or an existing business;

38 6. The economic sector in which the business operates, the  
39 number of primary jobs related to the business, the average wage  
40 paid to employees of the business and the assessed values of  
41 personal property and real property of the business;

42 7. Any information concerning whether the business for which  
43 the abatement was approved participates or has participated in a  
44 program of workforce development, as defined in NRS 231.146,  
45 implemented by the Executive Director; and



1 8. Any other information that the Office determines to be  
2 useful.

3 **Sec. 3.** NRS 231A.170 is hereby amended to read as follows:

4 231A.170 1. For the purpose of NRS 231A.110, a qualified  
5 active low-income community business is limited to those  
6 businesses meeting the Small Business Administration size  
7 eligibility standards established in 13 C.F.R. §§ 121.101 to 201,  
8 inclusive, at the time the qualified low-income community  
9 investment is made. A business must be considered a qualified  
10 active low-income community business for the duration of the  
11 qualified community development entity's investment in, or loan to,  
12 the business if the entity reasonably expects, at the time it makes the  
13 investment or loan, that the business will continue to satisfy the  
14 requirements for being a qualified active low-income community  
15 business, other than the Small Business Administration size  
16 standards, throughout the entire period of the investment or loan.

17 2. Except as otherwise provided in this subsection, the  
18 businesses limited by this section do not include any business that  
19 derives or projects to derive 15 percent or more of its annual  
20 revenue from the rental or sale of real estate. This exclusion does  
21 not apply to a business that is controlled by, or under common  
22 control with, another business if the second business:

23 (a) Does not derive or project to derive 15 percent or more of its  
24 annual revenue from the rental or sale of real estate; and

25 (b) Is the primary tenant of the real estate leased from the first  
26 business.

27 3. The following businesses are not qualified active low-  
28 income community businesses:

29 (a) A business that has received an abatement from taxation  
30 pursuant to NRS 274.310, ~~274.320,~~ 274.330, 360.750, 360.753 or  
31 360.754.

32 (b) An entity that has liability for insurance premium tax on a  
33 premium tax report filed pursuant to NRS 680B.030.

34 (c) A business engaged in banking or lending.

35 (d) A massage parlor.

36 (e) A bath house.

37 (f) A tanning salon.

38 (g) A country club.

39 (h) A business operating under a nonrestricted license for  
40 gaming issued pursuant to NRS 463.170.

41 (i) A liquor store.

42 (j) A golf course.

43 **Sec. 4.** NRS 266.267 is hereby amended to read as follows:

44 266.267 ~~+~~ A city council shall not enter into a lease of real  
45 property owned by the city for a term of 3 years or longer or enter



1 into a contract for the sale of real property until after the property  
2 has been appraised pursuant to NRS 268.059. Except as otherwise  
3 provided in this section, paragraph (a) of subsection 1 of NRS  
4 268.050 and subsection 3 of NRS 496.080:

5 ~~[(a)]~~ 1. The sale or lease of real property must be made in the  
6 manner required pursuant to NRS 268.059, 268.061 and 268.062;  
7 and

8 ~~[(b)]~~ 2. A lease or sale must be made at or above the highest  
9 appraised value of the real property as determined pursuant to the  
10 appraisal conducted pursuant to NRS 268.059.

11 ~~[(2.) The city council may sell or lease real property for less than  
12 its appraised value to any person who maintains or intends to  
13 maintain a business within the boundaries of the city which is  
14 eligible pursuant to NRS 374.357 for an abatement from the sales  
15 and use taxes imposed pursuant to chapter 374 of NRS.]~~

16 **Sec. 5.** NRS 274.310 is hereby amended to read as follows:

17 274.310 1. A person who intends to locate a business in this  
18 State within:

19 (a) A historically underutilized business zone, as defined in 15  
20 U.S.C. § 632;

21 (b) A redevelopment area created pursuant to chapter 279 of  
22 NRS;

23 (c) An area eligible for a community development block grant  
24 pursuant to 24 C.F.R. Part 570; or

25 (d) An enterprise community established pursuant to 24 C.F.R.  
26 Part 597,

27 ↪ may submit a request to the governing body of the county, city or  
28 town in which the business would operate for an endorsement of an  
29 application by the person to the Office of Economic Development  
30 for a partial abatement of one or more of the taxes imposed pursuant  
31 to chapter 361 ~~[or 374]~~ of NRS. The governing body of the county,  
32 city or town shall provide notice of the request to the board of  
33 trustees of the school district in which the business would operate.  
34 The notice must set forth the date, time and location of the hearing  
35 at which the governing body will consider whether to endorse the  
36 application.

37 2. The governing body of a county, city or town shall develop  
38 procedures for:

39 (a) Evaluating whether such an abatement would be beneficial  
40 for the economic development of the county, city or town.

41 (b) Issuing a certificate of endorsement for an application for  
42 such an abatement that is found to be beneficial for the economic  
43 development of the county, city or town.

44 3. A person whose application has been endorsed by the  
45 governing body of the county, city or town, as applicable, pursuant



1 to this section may submit the application to the Office of Economic  
2 Development. The Office shall approve the application if the Office  
3 makes the following determinations:

4 (a) The business is consistent with:

5 (1) The State Plan for Economic Development developed by  
6 the Administrator pursuant to subsection 2 of NRS 231.053; and

7 (2) Any guidelines adopted by the Administrator to  
8 implement the State Plan for Economic Development.

9 (b) The applicant has executed an agreement with the Office  
10 which states:

11 (1) The date on which the abatement becomes effective, as  
12 agreed to by the applicant and the Office, which must not be earlier  
13 than the date on which the Office received the application; and

14 (2) That the business will, after the date on which the  
15 abatement becomes effective:

16 (I) Commence operation and continue in operation in the  
17 historically underutilized business zone, as defined in 15 U.S.C. §  
18 632, redevelopment area created pursuant to chapter 279 of NRS,  
19 area eligible for a community development block grant pursuant to  
20 24 C.F.R. Part 570 or enterprise community established pursuant to  
21 24 C.F.R. Part 597 for a period specified by the Office, which must  
22 be at least 5 years; and

23 (II) Continue to meet the eligibility requirements set forth  
24 in this subsection.

25 ➤ The agreement must bind successors in interest of the business  
26 for the specified period.

27 (c) The business is registered pursuant to the laws of this State  
28 or the applicant commits to obtain a valid business license and all  
29 other permits required by the county, city or town in which the  
30 business will operate.

31 (d) The applicant invested or commits to invest a minimum of  
32 \$500,000 in capital assets that will be retained at the location of the  
33 business in the historically underutilized business zone, as defined  
34 in 15 U.S.C. § 632, redevelopment area created pursuant to chapter  
35 279 of NRS, area eligible for a community development block grant  
36 pursuant to 24 C.F.R. Part 570 or enterprise community established  
37 pursuant to 24 C.F.R. Part 597 until at least the date which is 5 years  
38 after the date on which the abatement becomes effective.

39 4. If the Office of Economic Development approves an  
40 application for a partial abatement, the Office shall immediately  
41 forward a certificate of eligibility for the abatement to:

42 (a) The Department of Taxation;

43 (b) The Nevada Tax Commission; and



1 (c) ~~[(If the partial abatement is from the property tax imposed~~  
2 ~~pursuant to chapter 361 of NRS, the)]~~ *The* county treasurer of the  
3 county in which the business will be located.

4 5. If the Office of Economic Development approves an  
5 application for a partial abatement pursuant to this section:

6 (a) The partial abatement must be for a duration of not less than  
7 1 year but not more than 5 years.

8 (b) ~~[(If the abatement is from the property tax imposed pursuant~~  
9 ~~to chapter 361 of NRS, the)]~~ *The* partial abatement must not exceed  
10 75 percent of the taxes on personal property payable by a business  
11 each year pursuant to that chapter.

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

14 (a) To meet the eligibility requirements for the partial  
15 abatement; or

16 (b) Operation before the time specified in the agreement  
17 described in paragraph (b) of subsection 3,

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

32 7. The Office of Economic Development may adopt such  
33 regulations as the Office determines to be necessary or advisable to  
34 carry out the provisions of this section.

35 8. An applicant for an abatement who is aggrieved by a final  
36 decision of the Office of Economic Development may petition for  
37 judicial review in the manner provided in chapter 233B of NRS.

38 **Sec. 6.** NRS 274.310 is hereby amended to read as follows:

39 274.310 1. A person who intends to locate a business in this  
40 State within:

41 (a) A historically underutilized business zone, as defined in 15  
42 U.S.C. § 632;

43 (b) A redevelopment area created pursuant to chapter 279 of  
44 NRS;



1 (c) An area eligible for a community development block grant  
2 pursuant to 24 C.F.R. Part 570; or

3 (d) An enterprise community established pursuant to 24 C.F.R.  
4 Part 597,

5 ↪ may submit a request to the governing body of the county, city or  
6 town in which the business would operate for an endorsement of an  
7 application by the person to the Office of Economic Development  
8 for a partial abatement of one or more of the taxes imposed pursuant  
9 to chapter 361 ~~for 374~~ of NRS. The governing body of the county,  
10 city or town shall provide notice of the request to the board of  
11 trustees of the school district in which the business would operate.  
12 The notice must set forth the date, time and location of the hearing  
13 at which the governing body will consider whether to endorse the  
14 application.

15 2. The governing body of a county, city or town shall develop  
16 procedures for:

17 (a) Evaluating whether such an abatement would be beneficial  
18 for the economic development of the county, city or town.

19 (b) Issuing a certificate of endorsement for an application for  
20 such an abatement that is found to be beneficial for the economic  
21 development of the county, city or town.

22 3. A person whose application has been endorsed by the  
23 governing body of the county, city or town, as applicable, pursuant  
24 to this section may submit the application to the Office of Economic  
25 Development. The Office shall approve the application if the Office  
26 makes the following determinations:

27 (a) The business is consistent with:

28 (1) The State Plan for Economic Development developed by  
29 the Administrator pursuant to subsection 2 of NRS 231.053; and

30 (2) Any guidelines adopted by the Administrator to  
31 implement the State Plan for Economic Development.

32 (b) The applicant has executed an agreement with the Office  
33 which states:

34 (1) The date on which the abatement becomes effective, as  
35 agreed to by the applicant and the Office, which must not be earlier  
36 than the date on which the Office received the application; and

37 (2) That the business will, after the date on which a  
38 certificate of eligibility for the abatement is issued pursuant to  
39 subsection 4:

40 (I) Commence operation and continue in operation in the  
41 historically underutilized business zone, as defined in 15 U.S.C. §  
42 632, redevelopment area created pursuant to chapter 279 of NRS,  
43 area eligible for a community development block grant pursuant to  
44 24 C.F.R. Part 570 or enterprise community established pursuant to





1 24 C.F.R. Part 597 for a period specified by the Office, which must  
2 be at least 5 years; and

3 (II) Continue to meet the eligibility requirements set forth  
4 in this subsection.

5 ➤ The agreement must bind successors in interest of the business  
6 for the specified period.

7 (c) The business is registered pursuant to the laws of this State  
8 or the applicant commits to obtain a valid business license and all  
9 other permits required by the county, city or town in which the  
10 business will operate.

11 (d) The applicant invested or commits to invest a minimum of  
12 \$500,000 in capital.

13 4. If the Office of Economic Development approves an  
14 application for a partial abatement, the Office shall immediately  
15 forward a certificate of eligibility for the abatement to:

- 16 (a) The Department of Taxation;
- 17 (b) The Nevada Tax Commission; and

18 (c) ~~If the partial abatement is from the property tax imposed~~  
19 ~~pursuant to chapter 361 of NRS, the~~ **The** county treasurer of the  
20 county in which the business will be located.

21 5. If a business whose partial abatement has been approved  
22 pursuant to this section and is in effect ceases:

23 (a) To meet the eligibility requirements for the partial  
24 abatement; or

25 (b) Operation before the time specified in the agreement  
26 described in paragraph (b) of subsection 3,

27 ➤ the business shall repay to the ~~Department of Taxation or, if the~~  
28 ~~partial abatement was from the property tax imposed pursuant to~~  
29 ~~chapter 361 of NRS, to the~~ county treasurer, the amount of the  
30 exemption that was allowed pursuant to this section before the  
31 failure of the business to comply unless the Nevada Tax  
32 Commission determines that the business has substantially complied  
33 with the requirements of this section. Except as otherwise provided  
34 in NRS 360.232 and 360.320, the business shall, in addition to the  
35 amount of the exemption required to be paid pursuant to this  
36 subsection, pay interest on the amount due at the rate most recently  
37 established pursuant to NRS 99.040 for each month, or portion  
38 thereof, from the last day of the month following the period for  
39 which the payment would have been made had the partial abatement  
40 not been approved until the date of payment of the tax.

41 6. The Office of Economic Development may adopt such  
42 regulations as the Office determines to be necessary or advisable to  
43 carry out the provisions of this section.



1 7. An applicant for an abatement who is aggrieved by a final  
2 decision of the Office of Economic Development may petition for  
3 judicial review in the manner provided in chapter 233B of NRS.

4 **Sec. 7.** NRS 274.330 is hereby amended to read as follows:

5 274.330 1. A person who owns a business which is located  
6 within an enterprise community established pursuant to 24 C.F.R.  
7 Part 597 in this State may submit a request to the governing body of  
8 the county, city or town in which the business is located for an  
9 endorsement of an application by the person to the Office of  
10 Economic Development for a partial abatement of one or more of  
11 the taxes imposed pursuant to chapter 361 ~~for 374~~ of NRS. The  
12 governing body of the county, city or town shall provide notice of  
13 the request to the board of trustees of the school district in which the  
14 business operates. The notice must set forth the date, time and  
15 location of the hearing at which the governing body will consider  
16 whether to endorse the application.

17 2. The governing body of a county, city or town shall develop  
18 procedures for:

19 (a) Evaluating whether such an abatement would be beneficial  
20 for the economic development of the county, city or town.

21 (b) Issuing a certificate of endorsement for an application for  
22 such an abatement that is found to be beneficial for the economic  
23 development of the county, city or town.

24 3. A person whose application has been endorsed by the  
25 governing body of the county, city or town, as applicable, pursuant  
26 to this section may submit the application to the Office of Economic  
27 Development. The Office shall approve the application if the Office  
28 makes the following determinations:

29 (a) The business is consistent with:

30 (1) The State Plan for Economic Development developed by  
31 the Administrator pursuant to subsection 2 of NRS 231.053; and

32 (2) Any guidelines adopted by the Administrator to  
33 implement the State Plan for Economic Development.

34 (b) The applicant has executed an agreement with the Office  
35 which states:

36 (1) The date on which the abatement becomes effective, as  
37 agreed to by the applicant and the Office, which must not be earlier  
38 than the date on which the Office received the application; and

39 (2) That the business will, after the date on which the  
40 abatement becomes effective:

41 (I) Continue in operation in the enterprise community for  
42 a period specified by the Office, which must be at least 5 years; and

43 (II) Continue to meet the eligibility requirements set forth  
44 in this subsection.



1 ↪ The agreement must bind successors in interest of the business  
2 for the specified period.

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

7 (d) The business:

8 (1) Employs one or more dislocated workers who reside in  
9 the enterprise community; and

10 (2) Pays such employees a wage of not less than 100 percent  
11 of the federally designated level signifying poverty for a family of  
12 four persons and provides medical benefits to the employees and  
13 their dependents which meet the minimum requirements for medical  
14 benefits established by the Office.

15 4. If the Office of Economic Development approves an  
16 application for a partial abatement, the Office shall:

17 (a) Determine the percentage of employees of the business  
18 which meet the requirements of paragraph (d) of subsection 3 and  
19 grant a partial abatement equal to that percentage; and

20 (b) Immediately forward a certificate of eligibility for the  
21 abatement to:

22 (1) The Department of Taxation;

23 (2) The Nevada Tax Commission; and

24 (3) ~~[(If the partial abatement is from the property tax imposed~~  
25 ~~pursuant to chapter 361 of NRS, the] The~~ county treasurer of the  
26 county in which the business is located.

27 5. If the Office of Economic Development approves an  
28 application for a partial abatement pursuant to this section:

29 (a) The partial abatement must be for a duration of not less than  
30 1 year but not more than 5 years.

31 (b) ~~[(If the abatement is from the property tax imposed pursuant~~  
32 ~~to chapter 361 of NRS, the] The~~ partial abatement must not exceed  
33 75 percent of the taxes on personal property payable by a business  
34 each year pursuant to that chapter.

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

37 (a) To meet the eligibility requirements for the partial  
38 abatement; or

39 (b) Operation before the time specified in the agreement  
40 described in paragraph (b) of subsection 3,

41 ↪ the business shall repay to the ~~[(Department of Taxation or, if the~~  
42 ~~partial abatement was from the property tax imposed pursuant to~~  
43 ~~chapter 361 of NRS, to the] county treasurer, the amount of the~~  
44 exemption that was allowed pursuant to this section before the  
45 failure of the business to comply unless the Nevada Tax



1 Commission determines that the business has substantially complied  
2 with the requirements of this section. Except as otherwise provided  
3 in NRS 360.232 and 360.320, the business shall, in addition to the  
4 amount of the exemption required to be paid pursuant to this  
5 subsection, pay interest on the amount due at the rate most recently  
6 established pursuant to NRS 99.040 for each month, or portion  
7 thereof, from the last day of the month following the period for  
8 which the payment would have been made had the partial abatement  
9 not been approved until the date of payment of the tax.

10 7. The Office of Economic Development:

11 (a) Shall adopt regulations relating to the minimum level of  
12 benefits that a business must provide to its employees to qualify for  
13 an abatement pursuant to this section.

14 (b) May adopt such other regulations as the Office determines to  
15 be necessary or advisable to carry out the provisions of this section.

16 8. An applicant for an abatement who is aggrieved by a final  
17 decision of the Office of Economic Development may petition for  
18 judicial review in the manner provided in chapter 233B of NRS.

19 9. As used in this section, "dislocated worker" means a person  
20 who:

21 (a) Has been terminated, laid off or received notice of  
22 termination or layoff from employment;

23 (b) Is eligible for or receiving or has exhausted his or her  
24 entitlement to unemployment compensation;

25 (c) Has been dependent on the income of another family  
26 member but is no longer supported by that income;

27 (d) Has been self-employed but is no longer receiving an income  
28 from self-employment because of general economic conditions in  
29 the community or natural disaster; or

30 (e) Is currently unemployed and unable to return to a previous  
31 industry or occupation.

32 **Sec. 8.** NRS 274.330 is hereby amended to read as follows:

33 274.330 1. A person who owns a business which is located  
34 within an enterprise community established pursuant to 24 C.F.R.  
35 Part 597 in this State may submit a request to the governing body of  
36 the county, city or town in which the business is located for an  
37 endorsement of an application by the person to the Office of  
38 Economic Development for a partial abatement of one or more of  
39 the taxes imposed pursuant to chapter 361 ~~for 374~~ of NRS. The  
40 governing body of the county, city or town shall provide notice of  
41 the request to the board of trustees of the school district in which the  
42 business operates. The notice must set forth the date, time and  
43 location of the hearing at which the governing body will consider  
44 whether to endorse the application.



1 2. The governing body of a county, city or town shall develop  
2 procedures for:

3 (a) Evaluating whether such an abatement would be beneficial  
4 for the economic development of the county, city or town.

5 (b) Issuing a certificate of endorsement for an application for  
6 such an abatement that is found to be beneficial for the economic  
7 development of the county, city or town.

8 3. A person whose application has been endorsed by the  
9 governing body of the county, city or town, as applicable, pursuant  
10 to this section may submit the application to the Office of Economic  
11 Development. The Office shall approve the application if the Office  
12 makes the following determinations:

13 (a) The business is consistent with:

14 (1) The State Plan for Economic Development developed by  
15 the Administrator pursuant to subsection 2 of NRS 231.053; and

16 (2) Any guidelines adopted by the Administrator to  
17 implement the State Plan for Economic Development.

18 (b) The applicant has executed an agreement with the Office  
19 which states:

20 (1) The date on which the abatement becomes effective, as  
21 agreed to by the applicant and the Office, which must not be earlier  
22 than the date on which the Office received the application; and

23 (2) That the business will, after the date on which a  
24 certificate of eligibility for the abatement is issued pursuant to  
25 subsection 4:

26 (I) Continue in operation in the enterprise community for  
27 a period specified by the Office, which must be at least 5 years; and

28 (II) Continue to meet the eligibility requirements set forth  
29 in this subsection.

30 ↪ The agreement must bind successors in interest of the business  
31 for the specified period.

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

36 (d) The business:

37 (1) Employs one or more dislocated workers who reside in  
38 the enterprise community; and

39 (2) Pays such employees a wage of not less than 100 percent  
40 of the federally designated level signifying poverty for a family of  
41 four persons and provides medical benefits to the employees and  
42 their dependents which meet the minimum requirements for medical  
43 benefits established by the Office.

44 4. If the Office of Economic Development approves an  
45 application for a partial abatement, the Office shall:



1 (a) Determine the percentage of employees of the business  
2 which meet the requirements of paragraph (d) of subsection 3 and  
3 grant a partial abatement equal to that percentage; and

4 (b) Immediately forward a certificate of eligibility for the  
5 abatement to:

6 (1) The Department of Taxation;

7 (2) The Nevada Tax Commission; and

8 (3) ~~[[If the partial abatement is from the property tax imposed~~  
9 ~~pursuant to chapter 361 of NRS, the]~~ *The* county treasurer of the  
10 county in which the business is located.

11 5. If a business whose partial abatement has been approved  
12 pursuant to this section and is in effect ceases:

13 (a) To meet the eligibility requirements for the partial  
14 abatement; or

15 (b) Operation before the time specified in the agreement  
16 described in paragraph (b) of subsection 3,

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

31 6. The Office of Economic Development:

32 (a) Shall adopt regulations relating to the minimum level of  
33 benefits that a business must provide to its employees to qualify for  
34 an abatement pursuant to this section.

35 (b) May adopt such other regulations as the Office determines to  
36 be necessary or advisable to carry out the provisions of this section.

37 7. An applicant for an abatement who is aggrieved by a final  
38 decision of the Office of Economic Development may petition for  
39 judicial review in the manner provided in chapter 233B of NRS.

40 8. As used in this section, "dislocated worker" means a person  
41 who:

42 (a) Has been terminated, laid off or received notice of  
43 termination or layoff from employment;

44 (b) Is eligible for or receiving or has exhausted his or her  
45 entitlement to unemployment compensation;



1 (c) Has been dependent on the income of another family  
2 member but is no longer supported by that income;

3 (d) Has been self-employed but is no longer receiving an income  
4 from self-employment because of general economic conditions in  
5 the community or natural disaster; or

6 (e) Is currently unemployed and unable to return to a previous  
7 industry or occupation.

8 **Sec. 9.** NRS 353.207 is hereby amended to read as follows:

9 353.207 1. The Chief shall:

10 (a) Require the Office of Economic Development and the Office  
11 of Energy each periodically to conduct an analysis of the relative  
12 costs and benefits of each incentive for economic development  
13 previously approved by the respective office and in effect during the  
14 immediately preceding 2 fiscal years, including, without limitation,  
15 any abatement of taxes approved by the Office of Economic  
16 Development pursuant to NRS 274.310, ~~274.320,~~ 274.330,  
17 360.750, 360.752, 360.753, 360.754, 360.890, 360.950, 361.0687 ~~;~~  
18 ~~374.357~~ or 701A.210, to assist the Governor and the Legislature in  
19 determining whether the economic benefits of the incentive have  
20 accomplished the purposes of the statute pursuant to which the  
21 incentive was approved and warrant additional incentives of that  
22 kind;

23 (b) Require each office to report in writing to the Chief the  
24 results of the analysis conducted by the office pursuant to paragraph  
25 (a); and

26 (c) Establish a schedule for performing and reporting the results  
27 of the analysis required by paragraph (a) which ensures that the  
28 results of the analysis reported by each office are included in the  
29 proposed budget prepared pursuant to NRS 353.205, as required by  
30 that section.

31 2. Each report prepared for the Chief pursuant to this section is  
32 a public record and is open to inspection pursuant to the provisions  
33 of NRS 239.010.

34 **Sec. 10.** NRS 360.225 is hereby amended to read as follows:

35 360.225 1. During the course of an investigation undertaken  
36 pursuant to NRS 360.130 of a person claiming:

37 (a) A partial abatement of property taxes pursuant to  
38 NRS 361.0687;

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

40 (c) A deferral of the payment of taxes on the sale of eligible  
41 property pursuant to NRS 372.397 or 374.402;

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



1 ~~(e)~~ A partial abatement of taxes pursuant to NRS 360.752 on or  
2 before June 30, 2023;

3 ~~(f)~~ (e) A partial abatement of taxes pursuant to NRS 360.754  
4 on or before December 31, 2056;

5 ~~(g)~~ (f) A partial abatement of taxes pursuant to NRS 360.890  
6 on or before June 30, 2032; or

7 ~~(h)~~ (g) An abatement of taxes pursuant to NRS 360.950 on or  
8 before June 30, 2036,

9 ➔ the Department shall investigate whether the person meets the  
10 eligibility requirements for the abatement, partial abatement,  
11 exemption or deferral that the person is claiming.

12 2. If the Department finds that the person does not meet the  
13 eligibility requirements for the abatement, exemption or deferral  
14 which the person is claiming, the Department shall report its  
15 findings to the Office of Economic Development and take any other  
16 necessary actions.

17 **Sec. 11.** NRS 360.750 is hereby amended to read as follows:

18 360.750 1. A person who intends to locate or expand a  
19 business in this State may apply to the Office of Economic  
20 Development pursuant to this section for a partial abatement of one  
21 or more of the taxes imposed on the new or expanded business  
22 pursuant to chapter 361 ~~;~~ or 363B  ~~[or 374]~~ of NRS.

23 2. The Office of Economic Development shall approve an  
24 application for a partial abatement pursuant to this section if the  
25 Office makes the following determinations:

26 (a) The business offers primary jobs and is consistent with:

27 (1) The State Plan for Economic Development developed by  
28 the Executive Director of the Office of Economic Development  
29 pursuant to subsection 2 of NRS 231.053; and

30 (2) Any guidelines adopted by the Executive Director of the  
31 Office to implement the State Plan for Economic Development.

32 (b) The applicant has executed an agreement with the Office  
33 which must:

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

35 (2) State the date on which the abatement becomes effective,  
36 as agreed to by the applicant and the Office, which must not be  
37 earlier than the date on which the Office received the application;

38 (3) State that the business will, after the date on which the  
39 abatement becomes effective, continue in operation in this State for  
40 a period specified by the Office, which must be at least 5 years, and  
41 will continue to meet the eligibility requirements set forth in this  
42 subsection;

43 (4) State that the business will offer primary jobs; and

44 (5) Bind the successors in interest of the business for the  
45 specified period.





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

5 (d) Except as otherwise provided in subsection 4 or 5, the  
6 average hourly wage that will be paid by the business to its new  
7 employees in this State is at least 100 percent of the average  
8 statewide hourly wage as established by the Employment Security  
9 Division of the Department of Employment, Training and  
10 Rehabilitation on July 1 of each fiscal year.

11 (e) The business will, by the eighth calendar quarter following  
12 the calendar quarter in which the abatement becomes effective, offer  
13 a health insurance plan for all employees that includes an option for  
14 health insurance coverage for dependents of the employees, and the  
15 health care benefits the business offers to its employees in this State  
16 will meet the minimum requirements for health care benefits  
17 established by the Office.

18 (f) Except as otherwise provided in this subsection and NRS  
19 361.0687, if the business is a new business in a county whose  
20 population is 100,000 or more or a city whose population is 60,000  
21 or more, the business meets at least one of the following  
22 requirements:

23 (1) The business will have 50 or more full-time employees  
24 on the payroll of the business by the eighth calendar quarter  
25 following the calendar quarter in which the abatement becomes  
26 effective who will be employed at the location of the business in  
27 that county or city until at least the date which is 5 years after the  
28 date on which the abatement becomes effective.

29 (2) Establishing the business will require the business to  
30 make, not later than the date which is 2 years after the date on which  
31 the abatement becomes effective, a capital investment of at least  
32 \$1,000,000 in this State in capital assets that will be retained at the  
33 location of the business in that county or city until at least the date  
34 which is 5 years after the date on which the abatement becomes  
35 effective.

36 (g) Except as otherwise provided in NRS 361.0687, if the  
37 business is a new business in a county whose population is less than  
38 100,000, in an area of a county whose population is 100,000 or more  
39 that is located within the geographic boundaries of an area that is  
40 designated as rural by the United States Department of Agriculture  
41 and at least 20 miles outside of the geographic boundaries of an area  
42 designated as urban by the United States Department of Agriculture,  
43 or in a city whose population is less than 60,000, the business meets  
44 at least one of the following requirements:



1 (1) The business will have 10 or more full-time employees  
2 on the payroll of the business by the eighth calendar quarter  
3 following the calendar quarter in which the abatement becomes  
4 effective who will be employed at the location of the business in  
5 that county or city until at least the date which is 5 years after the  
6 date on which the abatement becomes effective.

7 (2) Establishing the business will require the business to  
8 make, not later than the date which is 2 years after the date on which  
9 the abatement becomes effective, a capital investment of at least  
10 \$250,000 in this State in capital assets that will be retained at the  
11 location of the business in that county or city until at least the date  
12 which is 5 years after the date on which the abatement becomes  
13 effective.

14 (h) If the business is an existing business, the business meets at  
15 least one of the following requirements:

16 (1) For a business in:

17 (I) Except as otherwise provided in sub-subparagraph (II),  
18 a county whose population is 100,000 or more or a city whose  
19 population is 60,000 or more, the business will, by the eighth  
20 calendar quarter following the calendar quarter in which the  
21 abatement becomes effective, increase the number of employees on  
22 its payroll in that county or city by 10 percent more than it  
23 employed in the fiscal year immediately preceding the fiscal year in  
24 which the abatement becomes effective or by twenty-five  
25 employees, whichever is greater, who will be employed at the  
26 location of the business in that county or city until at least the date  
27 which is 5 years after the date on which the abatement becomes  
28 effective; or

29 (II) A county whose population is less than 100,000, an  
30 area of a county whose population is 100,000 or more that is located  
31 within the geographic boundaries of an area that is designated as  
32 rural by the United States Department of Agriculture and at least 20  
33 miles outside of the geographic boundaries of an area designated as  
34 urban by the United States Department of Agriculture, or a city  
35 whose population is less than 60,000, the business will, by the  
36 eighth calendar quarter following the calendar quarter in which the  
37 abatement becomes effective, increase the number of employees on  
38 its payroll in that county or city by 10 percent more than it  
39 employed in the fiscal year immediately preceding the fiscal year in  
40 which the abatement becomes effective or by six employees,  
41 whichever is greater, who will be employed at the location of the  
42 business in that county or city until at least the date which is 5 years  
43 after the date on which the abatement becomes effective.

44 (2) The business will expand by making a capital investment  
45 in this State, not later than the date which is 2 years after the date on



1 which the abatement becomes effective, in an amount equal to at  
2 least 20 percent of the value of the tangible property possessed by  
3 the business in the fiscal year immediately preceding the fiscal year  
4 in which the abatement becomes effective, and the capital  
5 investment will be in capital assets that will be retained at the  
6 location of the business in that county or city until at least the date  
7 which is 5 years after the date on which the abatement becomes  
8 effective. The determination of the value of the tangible property  
9 possessed by the business in the immediately preceding fiscal year  
10 must be made by the:

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

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

14 (i) The applicant has provided in the application an estimate of  
15 the total number of new employees which the business anticipates  
16 hiring in this State by the eighth calendar quarter following the  
17 calendar quarter in which the abatement becomes effective if the  
18 Office approves the application.

19 3. Notwithstanding the provisions of subsection 2, the Office  
20 of Economic Development:

21 (a) Shall not consider an application for a partial abatement  
22 pursuant to this section unless the Office has requested a letter of  
23 acknowledgment of the request for the abatement from any affected  
24 county, school district, city or town.

25 (b) Shall consider the level of health care benefits provided by  
26 the business to its employees, the projected economic impact of the  
27 business and the projected tax revenue of the business after  
28 deducting projected revenue from the abated taxes.

29 (c) May, if the Office determines that such action is necessary:

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

33 (2) Make any of the requirements set forth in paragraphs (d)  
34 to (h), inclusive, of subsection 2 more stringent; or

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

37 4. Notwithstanding any other provision of law, the Office of  
38 Economic Development shall not approve an application for a  
39 partial abatement pursuant to this section if:

40 (a) The applicant intends to locate or expand in a county in  
41 which the rate of unemployment is 7 percent or more and the  
42 average hourly wage that will be paid by the applicant to its new  
43 employees in this State is less than 70 percent of the average  
44 statewide hourly wage, as established by the Employment Security



1 Division of the Department of Employment, Training and  
2 Rehabilitation on July 1 of each fiscal year.

3 (b) The applicant intends to locate or expand in a county in  
4 which the rate of unemployment is less than 7 percent and the  
5 average hourly wage that will be paid by the applicant to its new  
6 employees in this State is less than 85 percent of the average  
7 statewide hourly wage, as established by the Employment Security  
8 Division of the Department of Employment, Training and  
9 Rehabilitation on July 1 of each fiscal year.

10 5. Notwithstanding any other provision of law, if the Office of  
11 Economic Development approves an application for a partial  
12 abatement pursuant to this section, in determining the types of taxes  
13 imposed on a new or expanded business for which the partial  
14 abatement will be approved and the amount of the partial abatement:

15 (a) If the new or expanded business is located in a county in  
16 which the rate of unemployment is 7 percent or more and the  
17 average hourly wage that will be paid by the business to its new  
18 employees in this State is less than 85 percent of the average  
19 statewide hourly wage, as established by the Employment Security  
20 Division of the Department of Employment, Training and  
21 Rehabilitation on July 1 of each fiscal year, the Office shall not:

22 (1) Approve an abatement of the taxes imposed pursuant to  
23 chapter 361 of NRS which exceeds 25 percent of the taxes on  
24 personal property payable by the business each year.

25 (2) Approve an abatement of the taxes imposed pursuant to  
26 chapter 363B of NRS which exceeds 25 percent of the amount of  
27 tax otherwise due pursuant to NRS 363B.110.

28 (b) If the new or expanded business is located in a county in  
29 which the rate of unemployment is less than 7 percent and the  
30 average hourly wage that will be paid by the business to its new  
31 employees in this State is less than 100 percent of the average  
32 statewide hourly wage, as established by the Employment Security  
33 Division of the Department of Employment, Training and  
34 Rehabilitation on July 1 of each fiscal year, the Office shall not:

35 (1) Approve an abatement of the taxes imposed pursuant to  
36 chapter 361 of NRS which exceeds 25 percent of the taxes on  
37 personal property payable by the business each year.

38 (2) Approve an abatement of the taxes imposed pursuant to  
39 chapter 363B of NRS which exceeds 25 percent of the amount of  
40 tax otherwise due pursuant to NRS 363B.110.

41 ~~(3) Approve an abatement of the taxes imposed pursuant to~~  
42 ~~chapter 374 of NRS which exceeds the local sales and use taxes. As~~  
43 ~~used in this subparagraph, "local sales and use taxes" means the~~  
44 ~~taxes imposed on the gross receipts of any retailer from the sale of~~  
45 ~~tangible personal property sold at retail, or stored, used or otherwise~~



~~consumed, in the political subdivision in which the new or expanded business is located, except the taxes imposed by the Sales and Use Tax Act and the Local School Support Tax Law.]~~

6. If the Office of Economic Development approves an application for a partial abatement pursuant to this section, the Office shall immediately forward a certificate of eligibility for the abatement to:

- (a) The Department;
- (b) The Nevada Tax Commission; and
- (c) If the partial abatement is from the property tax imposed pursuant to chapter 361 of NRS, the county treasurer.

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

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

- (a) To meet the requirements set forth in subsection 2; or
- (b) Operation before the time specified in the agreement described in paragraph (b) of subsection 2,  
↳ the business shall repay to the Department or, if the partial abatement was from the property tax imposed pursuant to chapter 361 of NRS, to the county treasurer, the amount of the exemption that was allowed pursuant to this section before the failure of the business to comply unless the Nevada Tax Commission determines that the business has substantially complied with the requirements of this section. Except as otherwise provided in NRS 360.232 and 360.320, the business shall, in addition to the amount of the exemption required to be paid pursuant to this subsection, pay interest on the amount due at the rate most recently established pursuant to NRS 99.040 for each month, or portion thereof, from the last day of the month following the period for which the payment would have been made had the partial abatement not been approved until the date of payment of the tax.

9. A county treasurer:
- (a) Shall deposit any money that he or she receives pursuant to subsection 8 in one or more of the funds established by a local government of the county pursuant to NRS 354.6113 or 354.6115; and
  - (b) May use the money deposited pursuant to paragraph (a) only for the purposes authorized by NRS 354.6113 and 354.6115.

10. The Office of Economic Development may adopt such regulations as the Office of Economic Development determines to



1 be necessary to carry out the provisions of this section and  
2 NRS 360.755.

3 11. The Nevada Tax Commission:

4 (a) Shall adopt regulations regarding:

5 (1) The capital investment that a new business must make to  
6 meet the requirement set forth in paragraph (f) or (g) of subsection  
7 2; and

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

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

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

17 13. For the purposes of this section, an employee is a “full-time  
18 employee” if he or she is in a permanent position of employment  
19 and works an average of 30 hours per week during the applicable  
20 period set forth in subsection 2.

21 **Sec. 12.** NRS 360.750 is hereby amended to read as follows:

22 360.750 1. A person who intends to locate or expand a  
23 business in this State may apply to the Office of Economic  
24 Development pursuant to this section for a partial abatement of one  
25 or more of the taxes imposed on the new or expanded business  
26 pursuant to chapter 361 ~~§~~ or 363B ~~§~~ of NRS.

27 2. The Office of Economic Development shall approve an  
28 application for a partial abatement pursuant to this section if the  
29 Office makes the following determinations:

30 (a) The business offers primary jobs and is consistent with:

31 (1) The State Plan for Economic Development developed by  
32 the Executive Director of the Office of Economic Development  
33 pursuant to subsection 2 of NRS 231.053; and

34 (2) Any guidelines adopted by the Executive Director of the  
35 Office to implement the State Plan for Economic Development.

36 (b) The applicant has executed an agreement with the Office  
37 which must:

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

39 (2) State the date on which the abatement becomes effective,  
40 as agreed to by the applicant and the Office, which must not be  
41 earlier than the date on which the Office received the application;

42 (3) State that the business will, after the date on which the  
43 abatement becomes effective, continue in operation in this State for  
44 a period specified by the Office, which must be at least 5 years, and



1 will continue to meet the eligibility requirements set forth in this  
2 subsection;

3 (4) State that the business will offer primary jobs; and

4 (5) Bind the successors in interest of the business for the  
5 specified period.

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

10 (d) Except as otherwise provided in subsection 4 or 5, the  
11 average hourly wage that will be paid by the business to its new  
12 employees in this State is at least 100 percent of the average  
13 statewide hourly wage as established by the Employment Security  
14 Division of the Department of Employment, Training and  
15 Rehabilitation on July 1 of each fiscal year.

16 (e) The business will, by the eighth calendar quarter following  
17 the calendar quarter in which the abatement becomes effective, offer  
18 a health insurance plan for all employees that includes an option for  
19 health insurance coverage for dependents of the employees, and the  
20 health care benefits the business offers to its employees in this State  
21 will meet the minimum requirements for health care benefits  
22 established by the Office.

23 (f) Except as otherwise provided in this subsection and NRS  
24 361.0687, if the business is a new business in a county whose  
25 population is 100,000 or more or a city whose population is 60,000  
26 or more, the business meets at least one of the following  
27 requirements:

28 (1) The business will have 75 or more full-time employees  
29 on the payroll of the business by the eighth calendar quarter  
30 following the calendar quarter in which the abatement becomes  
31 effective who will be employed at the location of the business in  
32 that county or city until at least the date which is 5 years after the  
33 date on which the abatement becomes effective.

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

36 (g) Except as otherwise provided in NRS 361.0687, if the  
37 business is a new business in a county whose population is less than  
38 100,000, in an area of a county whose population is 100,000 or more  
39 that is located within the geographic boundaries of an area that is  
40 designated as rural by the United States Department of Agriculture  
41 and at least 20 miles outside of the geographic boundaries of an area  
42 designated as urban by the United States Department of Agriculture,  
43 or in a city whose population is less than 60,000, the business meets  
44 at least one of the following requirements:



1 (1) The business will have 15 or more full-time employees  
2 on the payroll of the business by the eighth calendar quarter  
3 following the calendar quarter in which the abatement becomes  
4 effective who will be employed at the location of the business in  
5 that county or city until at least the date which is 5 years after the  
6 date on which the abatement becomes effective.

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

9 (h) If the business is an existing business, the business meets at  
10 least one of the following requirements:

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

14 (2) The business will expand by making a capital investment  
15 in this State in an amount equal to at least 20 percent of the value of  
16 the tangible property possessed by the business in the immediately  
17 preceding fiscal year. The determination of the value of the tangible  
18 property possessed by the business in the immediately preceding  
19 fiscal year must be made by the:

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

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

23 (i) The applicant has provided in the application an estimate of  
24 the total number of new employees which the business anticipates  
25 hiring in this State by the eighth calendar quarter following the  
26 calendar quarter in which the abatement becomes effective if the  
27 Office approves the application.

28 3. Notwithstanding the provisions of subsection 2, the Office  
29 of Economic Development:

30 (a) Shall not consider an application for a partial abatement  
31 pursuant to this section unless the Office has requested a letter of  
32 acknowledgment of the request for the abatement from any affected  
33 county, school district, city or town.

34 (b) Shall consider the level of health care benefits provided by  
35 the business to its employees, the projected economic impact of the  
36 business and the projected tax revenue of the business after  
37 deducting projected revenue from the abated taxes.

38 (c) May, if the Office determines that such action is necessary:

39 (1) Approve an application for a partial abatement pursuant  
40 to this section by a business that does not meet the requirements set  
41 forth in paragraph (f), (g) or (h) of subsection 2;

42 (2) Make any of the requirements set forth in paragraphs (d)  
43 to (h), inclusive, of subsection 2 more stringent; or

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





1 4. Notwithstanding any other provision of law, the Office of  
2 Economic Development shall not approve an application for a  
3 partial abatement pursuant to this section if:

4 (a) The applicant intends to locate or expand in a county in  
5 which the rate of unemployment is 7 percent or more and the  
6 average hourly wage that will be paid by the applicant to its new  
7 employees in this State is less than 70 percent of the average  
8 statewide hourly wage, as established by the Employment Security  
9 Division of the Department of Employment, Training and  
10 Rehabilitation on July 1 of each fiscal year.

11 (b) The applicant intends to locate or expand in a county in  
12 which the rate of unemployment is less than 7 percent and the  
13 average hourly wage that will be paid by the applicant to its new  
14 employees in this State is less than 85 percent of the average  
15 statewide hourly wage, as established by the Employment Security  
16 Division of the Department of Employment, Training and  
17 Rehabilitation on July 1 of each fiscal year.

18 5. Notwithstanding any other provision of law, if the Office of  
19 Economic Development approves an application for a partial  
20 abatement pursuant to this section, in determining the types of taxes  
21 imposed on a new or expanded business for which the partial  
22 abatement will be approved and the amount of the partial abatement:

23 (a) If the new or expanded business is located in a county in  
24 which the rate of unemployment is 7 percent or more and the  
25 average hourly wage that will be paid by the business to its new  
26 employees in this State is less than 85 percent of the average  
27 statewide hourly wage, as established by the Employment Security  
28 Division of the Department of Employment, Training and  
29 Rehabilitation on July 1 of each fiscal year, the Office shall not:

30 (1) Approve an abatement of the taxes imposed pursuant to  
31 chapter 361 of NRS which exceeds 25 percent of the taxes on  
32 personal property payable by the business each year.

33 (2) Approve an abatement of the taxes imposed pursuant to  
34 chapter 363B of NRS which exceeds 25 percent of the amount of  
35 tax otherwise due pursuant to NRS 363B.110.

36 (b) If the new or expanded business is located in a county in  
37 which the rate of unemployment is less than 7 percent and the  
38 average hourly wage that will be paid by the business to its new  
39 employees in this State is less than 100 percent of the average  
40 statewide hourly wage, as established by the Employment Security  
41 Division of the Department of Employment, Training and  
42 Rehabilitation on July 1 of each fiscal year, the Office shall not:

43 (1) Approve an abatement of the taxes imposed pursuant to  
44 chapter 361 of NRS which exceeds 25 percent of the taxes on  
45 personal property payable by the business each year.



1 (2) Approve an abatement of the taxes imposed pursuant to  
2 chapter 363B of NRS which exceeds 25 percent of the amount of  
3 tax otherwise due pursuant to NRS 363B.110.

4 ~~[(3) Approve an abatement of the taxes imposed pursuant to  
5 chapter 374 of NRS which exceeds the local sales and use taxes. As  
6 used in this subparagraph, "local sales and use taxes" means the  
7 taxes imposed on the gross receipts of any retailer from the sale of  
8 tangible personal property sold at retail, or stored, used or otherwise  
9 consumed, in the political subdivision in which the new or expanded  
10 business is located, except the taxes imposed by the Sales and Use  
11 Tax Act and the Local School Support Tax Law.]~~

12 6. If the Office of Economic Development approves an  
13 application for a partial abatement pursuant to this section, the  
14 Office shall immediately forward a certificate of eligibility for the  
15 abatement to:

- 16 (a) The Department;
- 17 (b) The Nevada Tax Commission; and

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

20 7. An applicant for a partial abatement pursuant to this section  
21 or an existing business whose partial abatement is in effect shall,  
22 upon the request of the Executive Director of the Office of  
23 Economic Development, furnish the Executive Director with copies  
24 of all records necessary to verify that the applicant meets the  
25 requirements of subsection 2.

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

- 28 (a) To meet the requirements set forth in subsection 2; or
- 29 (b) Operation before the time specified in the agreement  
30 described in paragraph (b) of subsection 2,

31 ➤ the business shall repay to the Department or, if the partial  
32 abatement was from the property tax imposed pursuant to chapter  
33 361 of NRS, to the county treasurer, the amount of the exemption  
34 that was allowed pursuant to this section before the failure of the  
35 business to comply unless the Nevada Tax Commission determines  
36 that the business has substantially complied with the requirements of  
37 this section. Except as otherwise provided in NRS 360.232 and  
38 360.320, the business shall, in addition to the amount of the  
39 exemption required to be paid pursuant to this subsection, pay  
40 interest on the amount due at the rate most recently established  
41 pursuant to NRS 99.040 for each month, or portion thereof, from the  
42 last day of the month following the period for which the payment  
43 would have been made had the partial abatement not been approved  
44 until the date of payment of the tax.

45 9. A county treasurer:



1 (a) Shall deposit any money that he or she receives pursuant to  
2 subsection 8 in one or more of the funds established by a local  
3 government of the county pursuant to NRS 354.6113 or 354.6115;  
4 and

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

7 10. The Office of Economic Development may adopt such  
8 regulations as the Office of Economic Development determines to  
9 be necessary to carry out the provisions of this section and  
10 NRS 360.755.

11 11. The Nevada Tax Commission:

12 (a) Shall adopt regulations regarding:

13 (1) The capital investment that a new business must make to  
14 meet the requirement set forth in paragraph (f) or (g) of subsection  
15 2; and

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

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

21 12. An applicant for a partial abatement pursuant to this section  
22 who is aggrieved by a final decision of the Office of Economic  
23 Development may petition for judicial review in the manner  
24 provided in chapter 233B of NRS.

25 13. For the purposes of this section, an employee is a “full-time  
26 employee” if he or she is in a permanent position of employment  
27 and works an average of 30 hours per week during the applicable  
28 period set forth in subsection 2.

29 **Sec. 13.** NRS 360.754 is hereby amended to read as follows:

30 360.754 1. A person who intends to locate or expand a data  
31 center in this State may apply to the Office of Economic  
32 Development pursuant to this section for a partial abatement of one  
33 or more of the taxes imposed on the new or expanded data center  
34 pursuant to chapter 361 ~~for 374~~ of NRS.

35 2. The Office of Economic Development shall approve an  
36 application for a partial abatement pursuant to this section if the  
37 Office makes the following determinations:

38 (a) The application is consistent with the State Plan for  
39 Economic Development developed by the Executive Director of the  
40 Office of Economic Development pursuant to subsection 2 of NRS  
41 231.053 and any guidelines adopted by the Executive Director of the  
42 Office to implement the State Plan for Economic Development.

43 (b) The applicant has executed an agreement with the Office of  
44 Economic Development which must:

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



1 (2) State the date on which the abatement becomes effective,  
2 as agreed to by the applicant and the Office of Economic  
3 Development, which must not be earlier than the date on which the  
4 Office received the application;

5 (3) State that the data center will, after the date on which the  
6 abatement becomes effective, continue in operation in this State for  
7 a period specified by the Office of Economic Development, which  
8 must be at least 10 years, and will continue to meet the eligibility  
9 requirements set forth in this subsection; and

10 (4) Bind the successors in interest of the applicant for the  
11 specified period.

12 (c) The applicant is registered pursuant to the laws of this State  
13 or the applicant commits to obtain a valid business license and all  
14 other permits required by each county, city or town in which the  
15 data center operates.

16 (d) If the applicant is seeking a partial abatement for a period of  
17 not more than 10 years, the applicant meets the following  
18 requirements:

19 (1) The data center will, by not later than the date that is 5  
20 years after the date on which the abatement becomes effective, have  
21 or have added 10 or more full-time employees who are residents of  
22 Nevada and who will be employed at the data center and will  
23 continue to employ 10 or more full-time employees who are  
24 residents of Nevada at the data center until at least the date which is  
25 10 years after the date on which the abatement becomes effective.

26 (2) Establishing or expanding the data center will require the  
27 data center or any combination of the data center and one or more  
28 colocated businesses to make in each county in this State in which  
29 the data center is located, by not later than the date which is 5 years  
30 after the date on which the abatement becomes effective, a  
31 cumulative capital investment of at least \$25,000,000 in capital  
32 assets that will be used or located at the data center.

33 (3) The average hourly wage that will be paid by the data  
34 center to its employees in this State is at least 100 percent of the  
35 average statewide hourly wage as established by the Employment  
36 Security Division of the Department of Employment, Training and  
37 Rehabilitation on July 1 of each fiscal year and:

38 (I) The data center will, by not later than the date which is  
39 2 years after the date on which the abatement becomes effective,  
40 provide a health insurance plan for all employees employed at the  
41 data center that includes an option for health insurance coverage for  
42 dependents of the employees; and

43 (II) The health care benefits provided to employees  
44 employed at the data center will meet the minimum requirements for



1 health care benefits established by the Office of Economic  
2 Development by regulation pursuant to subsection 12.

3 (4) At least 50 percent of the employees engaged in the  
4 construction of the data center are residents of Nevada, unless  
5 waived by the Executive Director of the Office of Economic  
6 Development upon proof satisfactory to the Executive Director of  
7 the Office of Economic Development that there is an insufficient  
8 number of residents of Nevada available and qualified for such  
9 employment.

10 (e) If the applicant is seeking a partial abatement for a period of  
11 10 years or more but not more than 20 years, the applicant meets the  
12 following requirements:

13 (1) The data center will, by not later than the date that is 5  
14 years after the date on which the abatement becomes effective, have  
15 or have added 50 or more full-time employees who are residents of  
16 Nevada and who will be employed at the data center and will  
17 continue to employ 50 or more full-time employees who are  
18 residents of Nevada at the data center until at least the date which is  
19 20 years after the date on which the abatement becomes effective.

20 (2) Establishing or expanding the data center will require the  
21 data center or any combination of the data center and one or more  
22 colocated businesses to make in each county in this State in which  
23 the data center is located, by not later than the date which is 5 years  
24 after the date on which the abatement becomes effective, a  
25 cumulative capital investment of at least \$100,000,000 in capital  
26 assets that will be used or located at the data center.

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

32 (I) The data center will, by not later than the date which is  
33 2 years after the date on which the abatement becomes effective,  
34 provide a health insurance plan for all employees employed at the  
35 data center that includes an option for health insurance coverage for  
36 dependents of the employees; and

37 (II) The health care benefits provided to employees  
38 employed at the data center will meet the minimum requirements for  
39 health care benefits established by the Office of Economic  
40 Development by regulation pursuant to subsection 12.

41 (4) At least 50 percent of the employees engaged in the  
42 construction of the data center are residents of Nevada, unless  
43 waived by the Executive Director of the Office of Economic  
44 Development upon proof satisfactory to the Executive Director of  
45 the Office of Economic Development that there is an insufficient



1 number of residents of Nevada available and qualified for such  
2 employment.

3 (f) The applicant has provided in the application an estimate of  
4 the total number of new employees which the data center anticipates  
5 hiring in this State if the Office of Economic Development approves  
6 the application.

7 3. Notwithstanding the provisions of subsection 2, the Office  
8 of Economic Development:

9 (a) Shall not consider an application for a partial abatement  
10 pursuant to this section unless the Office of Economic Development  
11 has requested a letter of acknowledgment of the request for the  
12 abatement from each affected county, school district, city or town.

13 (b) Shall consider the level of health care benefits provided to  
14 employees employed at the data center, the projected economic  
15 impact of the data center and the projected tax revenue of the data  
16 center after deducting projected revenue from the abated taxes.

17 (c) May, if the Office of Economic Development determines  
18 that such action is necessary:

19 (1) Approve an application for a partial abatement pursuant  
20 to this section by a data center that does not meet the requirements  
21 set forth in paragraph (d) or (e) of subsection 2;

22 (2) Make the requirements set forth in paragraph (d) and (e)  
23 of subsection 2 more stringent; or

24 (3) Add additional requirements that an applicant must meet  
25 to qualify for a partial abatement pursuant to this section.

26 4. If the Office of Economic Development approves an  
27 application for a partial abatement pursuant to this section, the  
28 Office shall immediately forward a certificate of eligibility for the  
29 abatement to:

30 (a) The Department;

31 (b) The Nevada Tax Commission; and

32 (c) ~~If the partial abatement is from the property tax imposed~~  
33 ~~pursuant to chapter 361 of NRS, the~~ *The* county treasurer of each  
34 county in which the data center is or will be located.

35 5. If the Office of Economic Development approves an  
36 application for a partial abatement pursuant to this section, the  
37 Office may also approve a partial abatement of taxes for each  
38 colocated business that enters into a contract to use or occupy, for a  
39 period of at least 2 years, all or a portion of the new or expanded  
40 data center. Each such colocated business shall obtain a state  
41 business license issued by the Secretary of State. The percentage  
42 amount of a partial abatement approved for a colocated business  
43 pursuant to this subsection must not exceed the percentage amount  
44 of the partial abatement approved for the data center. The duration  
45 of a partial abatement approved for a colocated business pursuant to



1 this subsection must not exceed the duration of the contract or  
2 contracts entered into between the colocated business and the data  
3 center, including the duration of any contract or contracts extended  
4 or renewed by the parties. If a colocated business ceases to meet the  
5 requirements set forth in this subsection, the colocated business  
6 shall repay the amount of the abatement that was allowed in the  
7 same manner in which a data center is required by subsection 7 to  
8 repay the Department or a county treasurer. If a data center ceases to  
9 meet the requirements of subsection 2 or ceases operation before the  
10 time specified in the agreement described in paragraph (b) of  
11 subsection 2, any partial abatement approved for a colocated  
12 business ceases to be in effect, but the colocated business is not  
13 required to repay the amount of the abatement that was allowed  
14 before the date on which the abatement ceases to be in effect. A data  
15 center shall provide the Executive Director of the Office and the  
16 Department with a list of the colocated businesses that are qualified  
17 to receive a partial abatement pursuant to this subsection and shall  
18 notify the Executive Director within 30 days after any change to the  
19 list. The Executive Director shall provide the list and any updates to  
20 the list to the Department and the county treasurer of each affected  
21 county.

22 6. An applicant for a partial abatement pursuant to this section  
23 or a data center whose partial abatement is in effect shall, upon the  
24 request of the Executive Director of the Office of Economic  
25 Development, furnish the Executive Director with copies of all  
26 records necessary to verify that the applicant meets the requirements  
27 of subsection 2.

28 7. If a data center whose partial abatement has been approved  
29 pursuant to this section and is in effect ceases:

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

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

33 ↪ the data center shall repay to ~~the Department or, if the partial~~  
34 ~~abatement was from the property tax imposed pursuant to chapter~~  
35 ~~361 of NRS, to~~ the county treasurer, the amount of the abatement  
36 that was allowed pursuant to this section before the failure of the  
37 data center to comply unless the Nevada Tax Commission  
38 determines that the data center has substantially complied with the  
39 requirements of this section. Except as otherwise provided in NRS  
40 360.232 and 360.320, the data center shall, in addition to the amount  
41 of the abatement required to be repaid pursuant to this subsection,  
42 pay interest on the amount due at the rate most recently established  
43 pursuant to NRS 99.040 for each month, or portion thereof, from the  
44 last day of the month following the period for which the payment



1 would have been made had the partial abatement not been approved  
2 until the date of payment of the tax.

3 8. A county treasurer:

4 (a) Shall deposit any money that he or she receives pursuant to  
5 subsection 5 or 7 in one or more of the funds established by a local  
6 government of the county pursuant to NRS 354.6113 or 354.6115;  
7 and

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

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

14 10. For an employee to be considered a resident of Nevada for  
15 the purposes of this section, a data center must maintain the  
16 following documents in the personnel file of the employee:

17 (a) A copy of the current and valid Nevada driver's license of  
18 the employee or a current and valid identification card for the  
19 employee issued by the Department of Motor Vehicles;

20 (b) If the employee is a registered owner of one or more motor  
21 vehicles in Nevada, a copy of the current motor vehicle registration  
22 of at least one of those vehicles;

23 (c) Proof that the employee is a full-time employee; and

24 (d) Proof that the employee is covered by the health insurance  
25 plan which the data center is required to provide pursuant to sub-  
26 subparagraph (I) of subparagraph (3) of paragraph (d) of subsection  
27 2 or sub-subparagraph (I) of subparagraph (3) of paragraph (e) of  
28 subsection 2.

29 11. For the purpose of obtaining from the Executive Director  
30 of the Office of Economic Development any waiver of the  
31 requirements set forth in subparagraph (4) of paragraph (d) of  
32 subsection 2 or subparagraph (4) of paragraph (e) of subsection 2, a  
33 data center must submit to the Executive Director of the Office of  
34 Economic Development written documentation of the efforts to  
35 meet the requirements and documented proof that an insufficient  
36 number of Nevada residents is available and qualified for  
37 employment.

38 12. The Office of Economic Development:

39 (a) Shall adopt regulations relating to the minimum level of  
40 health care benefits that a data center must provide to its employees  
41 to meet the requirement set forth in paragraph (d) or (e) of  
42 subsection 2;

43 (b) May adopt such other regulations as the Office determines to  
44 be necessary to carry out the provisions of this section; and





1 (c) Shall not approve any application for a partial abatement  
2 submitted pursuant to this section which is received on or after  
3 January 1, 2036.

4 13. The Nevada Tax Commission:

5 (a) Shall adopt regulations regarding:

6 (1) The capital investment necessary to meet the requirement  
7 set forth in paragraph (d) or (e) of subsection 2; and

8 (2) Any security that a data center is required to post to  
9 qualify for a partial abatement pursuant to this section.

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

13 14. As used in this section, unless the context otherwise  
14 requires:

15 (a) "Colocated business" means a person who enters into a  
16 contract with a data center that is qualified to receive an abatement  
17 pursuant to this section to use or occupy all or part of the data  
18 center.

19 (b) "Data center" means one or more buildings located at one or  
20 more physical locations in this State which house a group of  
21 networked server computers for the purpose of centralizing the  
22 storage, management and dissemination of data and information  
23 pertaining to one or more businesses and includes any modular or  
24 preassembled components, associated telecommunications and  
25 storage systems and, if the data center includes more than one  
26 building or physical location, any network or connection between  
27 such buildings or physical locations.

28 (c) "Full-time employee" means a person who is in a permanent  
29 position of employment and works an average of 30 hours per week  
30 during the applicable period set forth in paragraph (d) or (e) of  
31 subsection 2.

32 **Sec. 14.** NRS 360.757 is hereby amended to read as follows:

33 360.757 1. The Office of Economic Development shall not  
34 take any action on an application for any abatement of taxes  
35 pursuant to NRS 274.310, ~~274.320,~~ 274.330, 360.750, 360.753 or  
36 360.754 or any other specific statute unless the Office:

37 (a) Takes that action at a public meeting conducted for that  
38 purpose; and

39 (b) At least 30 days before the meeting, provides notice of the  
40 application to:

41 (1) The governing body of the county, the board of trustees  
42 of the school district and the governing body of the city or town, if  
43 any, in which the pertinent business is or will be located;

44 (2) The governing body of any other political subdivision  
45 that could be affected by the abatement; and



1 (3) The general public.

2 2. The notice required by this section must set forth the date,  
3 time and location of the meeting at which the Office of Economic  
4 Development will consider the application.

5 3. The Office of Economic Development shall adopt  
6 regulations relating to the notice required by this section.

7 **Sec. 15.** NRS 360.884 is hereby amended to read as follows:

8 360.884 “Local sales and use taxes” means only the taxes  
9 imposed pursuant to chapters ~~[374.]~~ 377, 377A and 377B of NRS  
10 imposed on the gross receipts of any retailer from the sale of  
11 tangible personal property sold at retail, or stored, used or otherwise  
12 consumed, in the county in which the qualified project is located.  
13 The term does not include any taxes imposed by the Sales and Use  
14 Tax Act.

15 **Sec. 16.** NRS 360.920 is hereby amended to read as follows:

16 360.920 “Local sales and use taxes” means only the taxes  
17 imposed pursuant to ~~[chapters 374 and]~~ *chapter* 377 of NRS on the  
18 gross receipts of any retailer from the sale of tangible personal  
19 property sold at retail, or stored, used or otherwise consumed, in the  
20 county in which the qualified project is located. The term does not  
21 include the taxes imposed by the Sales and Use Tax Act.

22 **Sec. 17.** NRS 372.397 is hereby amended to read as follows:

23 372.397 1. A person may apply to the Office of Economic  
24 Development for a deferment of the payment of the tax on the sale  
25 of eligible property for a sales price of \$1,000,000 or more for use  
26 by the person in a business in this State. If a purchase is made  
27 outside of the State from a retailer who is not registered with the  
28 Department, an application for a deferment must be made in  
29 advance or, if the purchase has been made, within 60 days after the  
30 date on which the tax is due. If a purchase is made in this State from  
31 a retailer who is registered with the Department and to whom the tax  
32 is paid, an application must be made within 60 days after the  
33 payment of the tax. If the application for a deferment is approved,  
34 the taxpayer is eligible for a refund of the tax paid.

35 2. The Office of Economic Development shall certify the  
36 person’s eligibility for a deferment pursuant to this section if:

37 (a) The person meets the eligibility requirements set forth in  
38 NRS 360.750 for a partial abatement of the taxes imposed on the  
39 person pursuant to ~~[chapter 374]~~ *chapters 361 or 363B* of NRS;

40 (b) The purchase is consistent with the State Plan for Economic  
41 Development developed by the Executive Director of the Office  
42 pursuant to subsection 2 of NRS 231.053; and

43 (c) The Office determines that:

44 (1) The deferment is a significant factor in the decision of the  
45 person to locate or expand a business in this State; and



1 (2) The eligible property will be retained at the location of  
2 the person's business in this State until at least the date which is 5  
3 years after the date on which the Office certifies the person's  
4 eligibility for the deferment.

5 ↪ Upon certification, the Office shall immediately forward the  
6 deferment to the Nevada Tax Commission.

7 3. Upon receipt of such a certification, the Nevada Tax  
8 Commission shall verify the sale, the price paid, the date of the sale  
9 and the applicable period for payment of the deferred tax. It may  
10 require security for the payment in an amount which does not  
11 exceed the amount of tax deferred.

12 4. If the Office of Economic Development certifies a person's  
13 eligibility for a deferment pursuant to this section:

14 (a) Payment of the total amount of tax due on the sale of the  
15 eligible property must be deferred without interest for the 60-month  
16 period beginning on the date the Office makes that certification; and

17 (b) Payment of the tax must be made in each month, beginning  
18 not later than the date which is 1 year after the date on which the  
19 Office makes that certification, at a rate which is at least sufficient  
20 to result in payment of the total obligation within the period  
21 described in paragraph (a).

22 5. The Nevada Tax Commission shall adopt regulations  
23 governing:

24 (a) The aggregation of related purchases which are made to  
25 expand a business, establish a new business, or renovate or replace  
26 eligible property; and

27 (b) The period within which such purchases may be aggregated.

28 6. As used in this section, "eligible property" does not include  
29 any of the following capital assets:

30 (a) Buildings or the structural components of buildings;

31 (b) Equipment used by a public utility;

32 (c) Equipment used for medical treatment;

33 (d) Machinery or equipment used in mining; or

34 (e) Machinery or equipment used in gaming.

35 **Sec. 18.** NRS 274.320, 374.356, 374.357 and 374.358 are  
36 hereby repealed.

37 **Sec. 19.** 1. This section and sections 1 to 5, inclusive, 7, 9,  
38 10, 11 and 13 to 18, inclusive, of this act become effective on  
39 July 1, 2019.

40 2. Sections 6, 8 and 12 of this act become effective on July 1,  
41 2032.

42 3. Sections 5, 7 and 11 of this act expire by limitation on  
43 June 30, 2032.



---

---

TEXT OF REPEALED SECTIONS

---

---

**274.320 Abatement for expanding business in certain areas of economic development: Endorsement required; application; requirements for approval; certificate of eligibility; duration and amount of abatement; repayment required under certain circumstances; regulations; judicial review.**

1. A person who intends to expand a business in this State within:

(a) A historically underutilized business zone, as defined in 15 U.S.C. § 632;

(b) A redevelopment area created pursuant to chapter 279 of NRS;

(c) An area eligible for a community development block grant pursuant to 24 C.F.R. Part 570; or

(d) An enterprise community established pursuant to 24 C.F.R. Part 597,

↳ may submit a request to the governing body of the county, city or town in which the business operates for an endorsement of an application by the person to the Office of Economic Development for a partial abatement of the taxes imposed on capital equipment pursuant to chapter 374 of NRS. The governing body of the county, city or town shall provide notice of the request to the board of trustees of the school district in which the business operates. The notice must set forth the date, time and location of the hearing at which the governing body will consider whether to endorse the application.

2. The governing body of a county, city or town shall develop procedures for:

(a) Evaluating whether such an abatement would be beneficial for the economic development of the county, city or town.

(b) Issuing a certificate of endorsement for an application for such an abatement that is found to be beneficial for the economic development of the county, city or town.

3. A person whose application has been endorsed by the governing body of the county, city or town, as applicable, pursuant to this section may submit the application to the Office of Economic Development. The Office shall approve the application if the Office makes the following determinations:

(a) The business is consistent with:



(1) The State Plan for Economic Development developed by the Administrator pursuant to subsection 2 of NRS 231.053; and

(2) Any guidelines adopted by the Administrator to implement the State Plan for Economic Development.

(b) The applicant has executed an agreement with the Office which states:

(1) The date on which the abatement becomes effective, as agreed to by the applicant and the Office, which must not be earlier than the date on which the Office received the application; and

(2) That the business will, after the date on which the abatement becomes effective:

(I) Continue in operation in the historically underutilized business zone, as defined in 15 U.S.C. § 632, redevelopment area created pursuant to chapter 279 of NRS, area eligible for a community development block grant pursuant to 24 C.F.R. Part 570 or enterprise community established pursuant to 24 C.F.R. Part 597 for a period specified by the Office, which must be at least 5 years; and

(II) Continue to meet the eligibility requirements set forth in this subsection.

↳ The agreement must bind successors in interest of the business for the specified period.

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

(d) The applicant invested or commits to invest a minimum of \$250,000 in capital equipment that will be retained at the location of the business in the historically underutilized business zone, as defined in 15 U.S.C. § 632, redevelopment area created pursuant to chapter 279 of NRS, area eligible for a community development block grant pursuant to 24 C.F.R. Part 570 or enterprise community established pursuant to 24 C.F.R. Part 597 until at least the date which is 5 years after the date on which the abatement becomes effective.

4. If the Office of Economic Development approves an application for a partial abatement, the Office shall immediately forward a certificate of eligibility for the abatement to:

- (a) The Department of Taxation; and
- (b) The Nevada Tax Commission.

5. If the Office of Economic Development approves an application for a partial abatement pursuant to this section:

(a) The partial abatement must be for a duration of not less than 1 year but not more than 5 years.



(b) If the abatement is from the property tax imposed pursuant to chapter 361 of NRS, the partial abatement must not exceed 75 percent of the taxes on personal property payable by a business each year pursuant to that chapter.

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

(a) To meet the eligibility requirements for the partial abatement; or

(b) Operation before the time specified in the agreement described in paragraph (b) of subsection 3,

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

7. The Office of Economic Development may adopt such regulations as the Office determines to be necessary or advisable to carry out the provisions of this section.

8. An applicant for an abatement who is aggrieved by a final decision of the Office of Economic Development may petition for judicial review in the manner provided in chapter 233B of NRS.

**374.356 Abatement for eligible machinery or equipment used at new or expanded data center.**

1. A person who intends to locate or expand a data center in this State may, pursuant to NRS 360.754, apply to the Office of Economic Development for a partial abatement from the taxes imposed by this chapter on the gross receipts from the sale, and the storage, use or other consumption, of eligible machinery or equipment for use at a data center which has been approved for a partial abatement pursuant to NRS 360.754.

2. If an application for a partial abatement is approved:

(a) For an applicant seeking an abatement pursuant to paragraph (d) of subsection 2 of NRS 360.754, the data center and any colocated business is eligible for an abatement from the tax imposed by this chapter for a period of not more than 10 years.

(b) For an applicant seeking an abatement pursuant to paragraph (e) of subsection 2 of NRS 360.754, the data center and any



colocated business is eligible for an abatement from the tax imposed by this chapter for a period of not more than 20 years.

(c) The abatement must be administered and carried out in the manner set forth in NRS 360.754.

3. As used in this section:

(a) "Colocated business" has the meaning ascribed to it in NRS 360.754.

(b) "Data center" has the meaning ascribed to it in NRS 360.754.

(c) "Eligible machinery or equipment" means machinery or equipment necessary to and specifically related to the business of the data center or colocated business. The term does not include vehicles, buildings or the structural components of buildings.

**374.357 Abatement for eligible machinery or equipment used by certain new or expanded businesses.**

1. A person who maintains a business or intends to locate a business in this State may, pursuant to NRS 360.750, apply to the Office of Economic Development for an abatement from the taxes imposed by this chapter on the gross receipts from the sale, and the storage, use or other consumption, of eligible machinery or equipment for use by a business which has been approved for an abatement pursuant to NRS 360.750.

2. If an application for an abatement is approved pursuant to NRS 360.750:

(a) The taxpayer is eligible for an abatement from the tax imposed by this chapter for not more than 2 years.

(b) The abatement must be administered and carried out in the manner set forth in NRS 360.750.

3. As used in this section, unless the context otherwise requires, "eligible machinery or equipment" means machinery or equipment for which a deduction is authorized pursuant to 26 U.S.C. § 179. The term does not include:

- (a) Buildings or the structural components of buildings;
- (b) Equipment used by a public utility;
- (c) Equipment used for medical treatment;
- (d) Machinery or equipment used in mining; or
- (e) Machinery or equipment used in gaming.

**374.358 Abatement for eligible machinery or equipment used by new or expanded businesses located in certain areas of economic development.**

1. A person who maintains a business or intends to locate a business in a historically underutilized business zone, as defined in 15 U.S.C. § 632, redevelopment area created pursuant to NRS 279.382 to 279.687, inclusive, area eligible for a community development block grant pursuant to 24 C.F.R. Part 570 or



enterprise community established pursuant to 24 C.F.R. Part 597 in this State may, pursuant to the applicable provisions of NRS 274.310, 274.320 or 274.330, apply to the Office of Economic Development for an abatement from the taxes imposed by this chapter on the gross receipts from the sale, and the storage, use or other consumption, of eligible machinery or equipment for use by a business which has been approved for an abatement pursuant to NRS 274.310, 274.320 or 274.330.

2. If an application for an abatement is approved pursuant to NRS 274.310, 274.320 or 274.330:

(a) The taxpayer is eligible for an abatement from the tax imposed by this chapter for a duration of not less than 1 year but not more than 5 years.

(b) The abatement must be administered and carried out in the manner set forth in the applicable provisions of NRS 274.310, 274.320 or 274.330.

3. As used in this section, unless the context otherwise requires, “eligible machinery or equipment” means machinery or equipment for which a deduction is authorized pursuant to 26 U.S.C. § 179. The term does not include:

- (a) Buildings or the structural components of buildings;
- (b) Equipment used by a public utility;
- (c) Equipment used for medical treatment;
- (d) Machinery or equipment used in mining; or
- (e) Machinery or equipment used in gaming.

