

SENATE BILL NO. 1—COMMITTEE OF THE WHOLE

DECEMBER 16, 2015

Referred to Committee of the Whole

SUMMARY—Revises provisions relating to commerce.  
(BDR 32-8)

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

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

AN ACT relating to commerce; providing for the issuance of transferable tax credits and the partial abatement of certain taxes to a project that satisfies certain capital investment and other requirements; authorizing the governing body of a city or county to grant abatements of certain permitting and licensing fees imposed or charged by the city or county; authorizing the Office of Economic Development to approve an economic development financing proposal under certain circumstances; requiring the State Board of Finance to issue general obligation bonds of the State pursuant to an economic development financing agreement approved by the Office; establishing limitations on the amount of the general obligation bonds of the State that may be outstanding pursuant to an economic development financing agreement; revising provisions relating to the administration of certain tax increment areas, improvement districts and other special districts created by a local government pursuant to an economic development financing agreement; revising provisions governing the creation of districts for the promotion of economic development and the pledge of certain sales and use tax proceeds for those districts; providing for the expansion of infrastructure necessary to provide natural gas to the legal boundary of an economic diversification district; authorizing the creation of an improvement district to acquire, operate and maintain an



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electrical project and a fire protection project for a qualified project; authorizing a regional transportation commission in a county in which a qualified project is located to acquire, construct, improve, maintain and operate a project to provide freight rail service or contract for the construction or operation of such a project; authorizing a municipality to designate a tax increment area for certain natural resources projects and rail projects conducted in relation to a qualified project; revising provisions governing the allocation of certain sales and use taxes and employer excise taxes for the payment of debt incurred by a municipality that has designated a tax increment area for the purpose of financing an undertaking; revising provisions governing the financing of certain undertakings in a tax increment area; revising provisions governing the issuance of state obligations for certain purposes related to natural resources; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

1     **Sections 2-18** of this bill authorize the Office of Economic Development to  
2 approve applications for partial abatements of certain taxes and the issuance of  
3 transferable tax credits submitted by the lead participant engaged in a qualified  
4 project with other participants for a common purpose or business endeavor and  
5 which is located within the geographic boundaries of a single project site in this  
6 State. **Section 11** authorizes the lead participant in a project to, on behalf of the  
7 project, apply to the Office for these economic development incentives. **Section 12**  
8 requires the Office to approve such an application for a qualified project if, in  
9 addition to certain other requirements: (1) the project would promote the economic  
10 development of this State and aid the implementation of the State Plan for  
11 Economic Development; (2) the participants in the project agree collectively to  
12 make a total new capital investment in this State of at least \$1 billion during the 10-  
13 year period immediately following approval of the application; and (3) at least 50  
14 percent of the employees engaged in the construction of the project and 50 percent  
15 of the employees employed at the project are residents of Nevada. **Section 12**  
16 further provides that any action by the Office concerning an application must be  
17 taken at a public meeting.

18     Upon approval of an application, **section 13** requires the Office to issue to the  
19 lead participant in the qualified project a certificate of eligibility for transferable tax  
20 credits. **Section 13** provides that a project is eligible for transferable tax credits in  
21 the amount of \$9,500 for each qualified employee employed by the participants in  
22 the project. **Section 13** also sets forth the criteria for determining whether an  
23 employee is a qualified employee. **Section 14** provides that: (1) the amount of  
24 transferable tax credits which may be approved in any fiscal year must not exceed  
25 \$7.6 million; and (2) the total amount of transferable tax credits which may be  
26 approved pursuant to this bill must not exceed \$38,000,000. **Section 14** also  
27 prohibits the Office from approving any applications for transferable tax credits for  
28 any fiscal year beginning on or after July 1, 2025.

29     **Section 11** provides that the transferable tax credits may be applied to: (1) the  
30 excise tax on banks and payroll taxes imposed by chapters 363A and 363B of NRS;  
31 (2) the gaming license fees imposed by the provisions of NRS 463.370; (3) the



32 general tax on insurance premiums imposed by chapter 680B of NRS; or (4) any  
33 combination of such taxes and fees. Additionally, **section 11** requires that the lead  
34 participant in a qualified project annually provide the Office with an audit of the  
35 qualified project that is certified by an independent certified public accountant in  
36 this State who is approved by the Office.

37 If the Office approves an application, **section 15** of this bill provides that the  
38 lead participant in the qualified project is entitled to a partial abatement of property  
39 taxes and employer excise taxes for a period of not more than 10 years after the  
40 date on which the partial abatement becomes effective and in an amount equal to 75  
41 percent of the property taxes and employer excise taxes that would otherwise be  
42 owed for the qualified project. Additionally, **section 15** provides that the lead  
43 participant is entitled to the partial abatement of certain local sales and use taxes for  
44 a period of not more than 15 years and in an amount equal to those local sales and  
45 use taxes that would otherwise be owed in the county in which the qualified project  
46 is located. Finally, **section 15** authorizes the Executive Director of the Office to  
47 require, as a condition of the partial abatement, that the lead participant pay all or a  
48 portion of the abated taxes into a trust fund in the State Treasury until part or all of  
49 the requirements for the partial abatement have been met. If the requirements for  
50 the partial abatement are met, the abated taxes paid into the trust fund, including the  
51 interest and income earned on that money, must be returned to the lead participant.  
52 If the requirements for the partial abatement are not met, the money in the escrow  
53 account must be transferred to the entity that would have received the money if the  
54 partial abatement had not been granted, as determined by the Department of  
55 Taxation.

56 **Section 16** requires the lead participant in a qualified project to repay any  
57 portion of transferable tax credits and any portion of an abatement to which the lead  
58 participant is not entitled if the Office determines that the lead participant becomes  
59 ineligible for the incentives. **Section 17** requires the Office to make and submit to  
60 the Legislature certain reports concerning any economic development incentives  
61 provided to a qualified project pursuant to **sections 2-17**. **Section 17** also requires  
62 the Office to, upon request, make available to the Legislature any information  
63 concerning a qualified project or a participant in a qualified project.

64 Existing law authorizes local governments to undertake various infrastructure  
65 projects and provides a variety of mechanisms through which a local government  
66 may finance such projects. (See, e.g., chapters 271, 271A, 278C, 318 and 354 of  
67 NRS) **Sections 19-29** of this bill establish provisions pursuant to which a local  
68 government that receives notice from the Office that a qualified project will be  
69 located within the jurisdiction of the local government and that determines there is  
70 a need to finance infrastructure projects to support the development of the qualified  
71 project may submit to the Office an economic development financing proposal  
72 pursuant to which the infrastructure projects would be financed from the proceeds  
73 of bonds, securities or other indebtedness issued by the State of Nevada. **Section 27**  
74 provides that a proposal may include provisions for financing one or more projects  
75 and must include the creation of one or more tax increment areas or special districts  
76 and the pledge of revenues from such areas or districts for the repayment of any  
77 bonds issued by the State of Nevada to finance the projects. **Section 28** requires the  
78 Office to review each proposal and approve, approve and modify or reject each  
79 proposal within 45 days after receiving the proposal. **Section 28** requires the Office  
80 to obtain the approval of the Legislature or the Interim Finance Committee of any  
81 such proposal which is submitted on or after July 1, 2017. **Section 28** sets forth  
82 criteria which must be met before the Office may approve a proposal. **Section 28**  
83 provides that any economic development financing agreement approved by the  
84 Office must include provisions requiring the Office to enter into an agreement with  
85 the local government pursuant to which the Office will administer any tax  
86 increment areas or special districts created by the local government pursuant to the



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87 economic development financing agreement. Additionally, **section 28** provides  
88 that: (1) if the revenues from areas or districts which are pledged for the repayment  
89 of the bonds issued by the State of Nevada to finance projects are insufficient to  
90 pay any amount due on the bonds, before such sums are paid from the State  
91 General Fund, the local government creating the area or district must pay the sum  
92 to the extent money is available in the uncommitted balance of the general fund of  
93 the local government; and (2) the payment of sums by a local government is not  
94 secured by a pledge of the taxing power of the local government. If the Office  
95 approves an economic development financing agreement, **section 29**: (1) requires  
96 the State Board of Finance to issue general obligation bonds of the State of Nevada  
97 to finance the infrastructure projects identified in the agreement; and (2) provides  
98 that the proceeds of such bonds must be allocated to the Office for the purpose of  
99 providing financing for the infrastructure projects identified in the agreement.  
100 **Section 29** prohibits the State Board of Finance from issuing bonds pursuant to an  
101 economic development financing agreement in an amount exceeding \$175,000,000  
102 for each agreement or if the total amount of outstanding bonds issued pursuant to  
103 such agreements would exceed \$200,000,000.

104 Existing law authorizes the governing body of any county, city or  
105 unincorporated town to create an improvement district for the acquisition, operation  
106 and maintenance of certain projects, and to finance the cost of any project through  
107 the issuance of bonds and the levy of assessments upon property in the  
108 improvement district. (NRS 271.265, 271.270, 271.325) **Sections 36, 38 and 39** of  
109 this bill authorize the governing body of a county, city or unincorporated town in  
110 which a qualified project is located to create an improvement district for electrical  
111 projects and fire protection projects for the qualified project.

112 Existing law authorizes the governing body of a county or city in which a  
113 qualified project is or is expected to be located to: (1) create an economic  
114 diversification district that includes within its boundaries the qualified project; and  
115 (2) pledge an amount equal to the proceeds of all sales and use taxes imposed on or  
116 owed by each participant in the qualified project with regard to tangible personal  
117 property purchased in the county or city for use in the district, or stored, used or  
118 otherwise consumed in the district by a participant, during a fiscal year, other than  
119 any local sales and use taxes for which an abatement is received. (Chapter 271B of  
120 NRS) **Sections 42-46** of this bill authorize the governing body of a county or city to  
121 create an economic diversification district and pledge sales and use taxes for certain  
122 purposes related to a qualified project that qualifies for the economic development  
123 incentives set forth in this bill. **Sections 45 and 46** of this bill provide that if the  
124 Executive Director of the Office of Economic Development requires the lead  
125 participant to pay all or a portion of the abated taxes into a trust fund in the State  
126 Treasury until certain requirements are met: (1) the pledge of money must be  
127 conditioned upon the lead participant qualifying for a return of the money paid into  
128 the trust fund; (2) money subject to the conditional pledge must be deposited into  
129 the trust fund; and (3) the pledged money may not be disbursed until the lead  
130 participant qualifies for the return of the money paid into the trust fund.

131 Existing law requires the Public Utilities Commission of Nevada to adopt  
132 regulations authorizing a public utility which purchases natural gas for resale to  
133 expand its infrastructure in a manner consistent with a program of economic  
134 development. The program of economic development must be proposed by the  
135 public utility and approved by the Commission. The required regulations must  
136 prescribe procedures for approval of the expansion and must ensure the recovery by  
137 the public utility of all prudent and reasonable costs associated with the expansion.  
138 (NRS 704.9925) For these purposes, **section 41** of this bill provides that an  
139 expansion of infrastructure by such a public utility as necessary to provide natural  
140 gas to the legal boundary of an economic diversification district constitutes a  
141 program of economic development. **Section 41** also requires that the public utility,



142 in accordance with the existing statute, expand its infrastructure in this manner and  
143 file an application with the Commission to establish rates to recover the costs  
144 associated with the expansion.

145 Under existing law, a board of county commissioners may create a regional  
146 transportation commission under certain circumstances. (NRS 277A.180) Existing  
147 law authorizes a regional transportation commission to exercise the power of  
148 eminent domain, if the county or city with jurisdiction over the property approves  
149 the exercise of that power, for the acquisition, construction, repair or maintenance  
150 of public roads, or for any other purpose related to public mass transportation.  
151 (NRS 277A.250) **Section 47** of this bill authorizes the regional transportation  
152 commission in a county in which a qualified project is located to construct,  
153 improve, maintain and operate a project to provide freight rail service in relation to  
154 the qualified project or contract for the construction or operation of such a project.

155 Existing law authorizes the governing body of a municipality to designate a tax  
156 increment area for the purpose of creating a special account for the payment of  
157 bonds or other securities issued to defray the cost of certain undertakings,  
158 including, without limitation, water projects. The designation of a tax increment  
159 area by the governing body provides for the allocation of a portion of the taxes  
160 levied upon taxable property in the tax increment area each year to pay the bond  
161 requirements of loans, money advanced to or indebtedness incurred by the  
162 municipality to finance or refinance the undertaking. (Chapter 278C of NRS) In  
163 addition to such property taxes, a portion of the sales and use taxes imposed within  
164 the tax increment area and the excise tax imposed on financial institutions and  
165 employers (the "modified business tax") located in the tax increment area may be  
166 allocated to pay the debt incurred by the municipality to finance or refinance the  
167 undertaking if the undertaking is a water project, the estimated cost of which  
168 exceeds \$50,000,000, and such financing is approved by the Interim Finance  
169 Committee. (NRS 278C.157, 278C.250) **Sections 51 and 53-59** of this bill revise  
170 these provisions to: (1) provide that, in addition to a water project, a portion of the  
171 sales and use taxes imposed within the tax increment area and the modified  
172 business tax imposed on financial institutions and employers located in the tax  
173 increment area may be allocated to pay the debt incurred by the municipality to  
174 finance or refinance an undertaking that is a rail project in relation to a qualified  
175 project or a natural resources project; and (2) remove the \$50,000,000 threshold to  
176 qualify for such an allocation of those taxes. **Section 60** of this bill authorizes a  
177 municipality to issue securities purchased by the state Municipal Bond Bank if the  
178 securities are issued for a purpose related to natural resources.

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

1 **Section 1.** Chapter 360 of NRS is hereby amended by adding  
2 thereto the provisions set forth as sections 2 to 29, inclusive, of this  
3 act.

4 **Sec. 2.** *As used in sections 2 to 18, inclusive, of this act,*  
5 *unless the context otherwise requires, the words and terms defined*  
6 *in sections 3 to 10, inclusive, of this act have the meanings*  
7 *ascribed to them in those sections.*

8 **Sec. 3.** *"Capital investment" means all costs and expenses*  
9 *incurred by the participants in a qualified project in connection*



1 *with the acquisition, construction, installation and equipping of*  
2 *the qualified project.*

3 **Sec. 4.** *“Employer excise taxes” means the taxes imposed on*  
4 *the wages paid by an employer pursuant to chapter 363A or 363B*  
5 *of NRS.*

6 **Sec. 5.** *“Lead participant” means the participant designated*  
7 *by the participants in a project as the lead participant in an*  
8 *application submitted pursuant to section 11 of this act.*

9 **Sec. 6.** *“Local sales and use taxes” means only the taxes*  
10 *imposed pursuant to chapters 374, 377, 377A and 377B of NRS*  
11 *imposed on the gross receipts of any retailer from the sale of*  
12 *tangible personal property sold at retail, or stored, used or*  
13 *otherwise consumed, in the county in which the qualified project*  
14 *is located. The term does not include any taxes imposed by the*  
15 *Sales and Use Tax Act.*

16 **Sec. 7.** *“Participant” means a business which operates*  
17 *within the geographic boundaries of a project site and which*  
18 *contributes to or participates in the project.*

19 **Sec. 8.** *“Project” means a project undertaken by a business*  
20 *or group of businesses:*

21 *1. Located within the geographic boundaries of a single*  
22 *project site in this State; and*

23 *2. Engaged in a common purpose or business endeavor.*

24 **Sec. 9.** *“Property taxes” means any taxes levied by the State*  
25 *or a local government pursuant to the provisions of chapter 361 of*  
26 *NRS.*

27 **Sec. 10.** *“Qualified project” means a project which the*  
28 *Office of Economic Development determines meets all the*  
29 *requirements set forth in subsections 2, 3 and 4 of section 11 of*  
30 *this act.*

31 **Sec. 11.** *1. On behalf of a project, the lead participant in*  
32 *the project may apply to the Office of Economic Development for:*

33 *(a) A certificate of eligibility for transferable tax credits which*  
34 *may be applied to:*

35 *(1) Any tax imposed by chapters 363A and 363B of NRS;*

36 *(2) The gaming license fees imposed by the provisions of*  
37 *NRS 463.370;*

38 *(3) Any tax imposed by chapter 680B of NRS; or*

39 *(4) Any combination of the fees and taxes described in*  
40 *subparagraphs (1), (2) and (3).*

41 *(b) A partial abatement of property taxes, employer excise*  
42 *taxes or local sales and use taxes, or any combination of any of*  
43 *those taxes.*

44 *2. For a project to be eligible for the transferable tax credits*  
45 *described in paragraph (a) of subsection 1 and the partial*



1 *abatement of the taxes described in paragraph (b) of subsection 1,*  
2 *the lead participant in the project must, on behalf of the project:*

3 *(a) Submit an application that meets the requirements of*  
4 *subsection 3;*

5 *(b) Provide documentation satisfactory to the Office that*  
6 *approval of the application would promote the economic*  
7 *development of this State and aid the implementation of the State*  
8 *Plan for Economic Development developed by the Executive*  
9 *Director of the Office pursuant to subsection 2 of NRS 231.053;*

10 *(c) Provide documentation satisfactory to the Office that the*  
11 *participants in the project collectively will make a total new capital*  
12 *investment of at least \$1 billion in this State within the 10-year*  
13 *period immediately following approval of the application;*

14 *(d) Provide documentation satisfactory to the Office that the*  
15 *participants in the project are engaged in a common purpose or*  
16 *business endeavor;*

17 *(e) Provide documentation satisfactory to the Office that the*  
18 *place of business of each participant is or will be located within*  
19 *the geographic boundaries of the project site;*

20 *(f) Provide documentation satisfactory to the Office that each*  
21 *participant in the project is registered pursuant to the laws of this*  
22 *State or commits to obtaining a valid business license and all other*  
23 *permits required by the county, city or town in which the project*  
24 *operates;*

25 *(g) Provide documentation satisfactory to the Office of the*  
26 *number of employees engaged or anticipated to be engaged in the*  
27 *construction of the project;*

28 *(h) Provide documentation satisfactory to the Office of the*  
29 *number of qualified employees employed or anticipated to be*  
30 *employed at the project by the participants;*

31 *(i) Provide documentation satisfactory to the Office that each*  
32 *employer engaged in the construction of the project provides a*  
33 *plan of health insurance and that each employee engaged in the*  
34 *construction of the project is offered coverage under the plan of*  
35 *health insurance provided by his or her employer;*

36 *(j) Provide documentation satisfactory to the Office that each*  
37 *participant in the project provides a plan of health insurance and*  
38 *that each employee employed at the project by each participant is*  
39 *offered coverage under the plan of health insurance provided by*  
40 *his or her employer;*

41 *(k) Provide documentation satisfactory to the Office that at*  
42 *least 50 percent of the employees engaged or anticipated to be*  
43 *engaged in construction of the project and 50 percent of the*  
44 *employees employed at the project are residents of Nevada, unless*  
45 *waived by the Executive Director of the Office upon proof*



1 *satisfactory to the Executive Director of the Office that there is an*  
2 *insufficient number of Nevada residents available and qualified*  
3 *for such employment;*

4 *(l) Agree to provide the Office with a full compliance audit of*  
5 *the participants in the project at the end of each fiscal year which:*

6 *(1) Shows the amount of money invested in this State by*  
7 *each participant in the project;*

8 *(2) Shows the number of employees engaged in the*  
9 *construction of the project and the number of those employees*  
10 *who are residents of Nevada;*

11 *(3) Shows the number of employees employed at the project*  
12 *by each participant and the number of those employees who are*  
13 *residents of Nevada; and*

14 *(4) Is certified by an independent certified public*  
15 *accountant in this State who is approved by the Office;*

16 *(m) Pay the cost of the audit required by paragraph (l); and*

17 *(n) Meet any other requirements prescribed by the Office.*

18 *3. An application submitted pursuant to subsection 2 must*  
19 *include:*

20 *(a) A detailed description of the project, including a*  
21 *description of the common purpose or business endeavor in which*  
22 *the participants in the project are engaged;*

23 *(b) A detailed description of the location of the project,*  
24 *including a precise description of the geographic boundaries of*  
25 *the project site;*

26 *(c) The name and business address of each participant in the*  
27 *project, which must be an address in this State;*

28 *(d) A detailed description of the plan by which the participants*  
29 *in the project intend to comply with the requirement that the*  
30 *participants collectively make a total new capital investment of at*  
31 *least \$1 billion in this State in the 10-year period immediately*  
32 *following approval of the application;*

33 *(e) If the application includes one or more partial abatements,*  
34 *an agreement executed by the Office with the lead participant in*  
35 *the project which:*

36 *(1) Complies with the requirements of NRS 360.755;*

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

41 *(3) States that the project will, after the date on which a*  
42 *certificate of eligibility for the partial abatement is approved*  
43 *pursuant to section 15 of this act, continue in operation in this*  
44 *State for a period specified by the Office; and*





1           (4) *Binds successors in interest of the lead participant for*  
2 *the specified period; and*

3           (f) *Any other information required by the Office.*

4           4. *For an employee to be considered a resident of Nevada for*  
5 *the purposes of this section, each participant in the project must*  
6 *maintain the following documents in the personnel file of the*  
7 *employee:*

8           (a) *A copy of the:*

9           (1) *Current and valid Nevada driver's license of the*  
10 *employee originally issued by the Department of Motor Vehicles*  
11 *more than 60 days before the hiring of the employee or a current*  
12 *and valid identification card for the employee originally issued by*  
13 *the Department of Motor Vehicles more than 60 days before the*  
14 *hiring of the employee; or*

15           (2) *If the employee is a veteran of the Armed Forces of the*  
16 *United States, a current and valid Nevada driver's license of*  
17 *the employee or a current and valid identification card for the*  
18 *employee issued by the Department of Motor Vehicles;*

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

22           (c) *Proof that the employee is employed full-time and*  
23 *scheduled to work for an average minimum of 30 hours per week;*  
24 *and*

25           (d) *Proof that the employee is offered coverage under a plan of*  
26 *health insurance provided by his or her employer.*

27           5. *For the purpose of obtaining from the Executive Director*  
28 *of the Office any waiver of the requirement set forth in paragraph*  
29 *(k) of subsection 2, the lead participant in the project must submit*  
30 *to the Executive Director of the Office written documentation of*  
31 *the efforts to meet the requirement and documented proof that an*  
32 *insufficient number of Nevada residents is available and qualified*  
33 *for employment.*

34           6. *The Executive Director of the Office shall make available*  
35 *to the public and post on the Internet website for the Office:*

36           (a) *Any request for a waiver of the requirements set forth in*  
37 *paragraph (k) of subsection 2; and*

38           (b) *Any approval of such a request for a waiver that is granted*  
39 *by the Executive Director of the Office.*

40           7. *The Executive Director of the Office shall post a request*  
41 *for a waiver of the requirements set forth in paragraph (k) of*  
42 *subsection 2 on the Internet website of the Office within 3 days*  
43 *after receiving the request and shall keep the request posted on the*  
44 *Internet website for not less than 5 days. The Executive Director*



1 *of the Office shall ensure that the Internet website allows members*  
2 *of the public to post comments regarding the request.*

3 *8. The Executive Director of the Office shall consider any*  
4 *comments posted on the Internet website concerning any request*  
5 *for a waiver of the requirements set forth in paragraph (k) of*  
6 *subsection 2 before making a decision regarding whether to*  
7 *approve the request. If the Executive Director of the Office*  
8 *approves the request for a waiver, the Executive Director of the*  
9 *Office must post the approval on the Internet website of the Office*  
10 *within 3 days and ensure that the Internet website allows members*  
11 *of the public to post comments regarding the approval.*

12 **Sec. 12. 1. If the Office of Economic Development receives**  
13 **an application pursuant to section 11 of this act, the Office:**

14 *(a) Shall not consider the application unless the Office has*  
15 *requested a letter of acknowledgment of the request for a partial*  
16 *abatement from any county, school district, city or town which the*  
17 *Office determines may experience a direct economic effect as a*  
18 *result of the partial abatement.*

19 *(b) Shall not take any action on the application unless the*  
20 *Office takes that action at a public meeting conducted for that*  
21 *purpose.*

22 *(c) Shall, at least 30 days before any public meeting conducted*  
23 *for the purpose of taking any action on the application, provide*  
24 *notice of the application and the date, time and location of the*  
25 *public meeting at which the Office will consider the application to:*

26 *(1) Each participant in the project;*

27 *(2) The Department;*

28 *(3) The Nevada Gaming Control Board;*

29 *(4) The governing body of the county, the board of trustees*  
30 *of the school district and the governing body of the city or town, if*  
31 *any, in which the project will be located;*

32 *(5) The governing body of any other political subdivision*  
33 *that the Office determines could experience a direct economic*  
34 *effect as a result of the abatement; and*

35 *(6) The general public.*

36 *2. The date of the public meeting to consider an application*  
37 *submitted pursuant to section 11 of this act must be not later than*  
38 *60 days after the date on which the Office receives the completed*  
39 *application.*

40 *3. The Office shall approve an application submitted*  
41 *pursuant to section 11 of this act if the Office finds that the project*  
42 *is a qualified project. The Office shall issue a decision on the*  
43 *application not later than 30 days after the conclusion of the*  
44 *public meeting on the application.*



1       4. *The lead participant in a qualified project shall submit all*  
2 *accountings and other required information to the Office and the*  
3 *Department not later than 30 days after a date specified in the*  
4 *decision issued by the Office. If the Office or the Department*  
5 *determines that information submitted pursuant to this subsection*  
6 *is incomplete, the lead participant shall, not later than 30 days*  
7 *after receiving notice that the information is incomplete, provide*  
8 *to the Office or the Department, as applicable, all additional*  
9 *information required by the Office or the Department.*

10       5. *Until the Office of Economic Development provides notice*  
11 *of the application and the public meeting pursuant to paragraph*  
12 *(c) of subsection 1, the information contained in the application*  
13 *provided to the Office of Economic Development:*

14       (a) *Is confidential proprietary information of the business;*

15       (b) *Is not a public record; and*

16       (c) *Must not be disclosed to any person who is not an officer or*  
17 *employee of the Office of Economic Development unless the lead*  
18 *participant consents to the disclosure.*

19       6. *After the Office provides notice of the application and the*  
20 *public meeting pursuant to paragraph (c) of subsection 1:*

21       (a) *The application is a public record; and*

22       (b) *Upon request by any person, the Executive Director of the*  
23 *Office shall disclose the application to the person who made the*  
24 *request, except for any information in the application that is*  
25 *protected from disclosure pursuant to subsection 7.*

26       7. *Before the Executive Director of the Office discloses the*  
27 *application to the public, the lead participant may submit a request*  
28 *to the Executive Director of the Office to protect from disclosure*  
29 *any information in the application which, under generally*  
30 *accepted business practices, would be considered a trade secret or*  
31 *other confidential proprietary information of the business. After*  
32 *consulting with the business, the Executive Director of the Office*  
33 *shall determine whether to protect the information from*  
34 *disclosure. The decision of the Executive Director of the Office is*  
35 *final and is not subject to judicial review. If the Executive Director*  
36 *of the Office determines to protect the information from*  
37 *disclosure, the protected information:*

38       (a) *Is confidential proprietary information of the business;*

39       (b) *Is not a public record;*

40       (c) *Must be redacted by the Executive Director of the Office*  
41 *from any copy of the application that is disclosed to the public;*  
42 *and*

43       (d) *Must not be disclosed to any person who is not an officer*  
44 *or employee of the Office of Economic Development unless the*  
45 *lead participant consents to the disclosure.*



1       **Sec. 13. 1. If the Office of Economic Development**  
2 *approves an application for a certificate of eligibility for*  
3 *transferable tax credits submitted pursuant to paragraph (a) of*  
4 *subsection 1 of section 11 of this act, the Office shall immediately*  
5 *forward a copy of the certificate of eligibility which identifies the*  
6 *estimated amount of the tax credits available pursuant to this*  
7 *section to:*

8       **(a) The lead participant in the qualified project;**

9       **(b) The Department; and**

10       **(c) The Nevada Gaming Control Board.**

11       **2. Within 14 business days after receipt of an audit provided**  
12 *by the lead participant in the qualified project pursuant to*  
13 *paragraph (l) of subsection 2 of section 11 of this act and any*  
14 *other accountings or other information required by the Office, the*  
15 *Office shall determine whether to certify the audit and make a*  
16 *final determination of whether a certificate of transferable tax*  
17 *credits will be issued. If the Office certifies the audit and*  
18 *determines that all other requirements for the transferable tax*  
19 *credits have been met, the Office shall notify the lead participant*  
20 *in the qualified project that the transferable tax credits will be*  
21 *issued. Within 30 days after the receipt of the notice, the lead*  
22 *participant in the qualified project shall make an irrevocable*  
23 *declaration of the amount of transferable tax credits that will be*  
24 *applied to each fee or tax set forth in subparagraphs (1), (2) and*  
25 *(3) of paragraph (a) of subsection 1 of section 11 of this act,*  
26 *thereby accounting for all of the credits which will be issued.*  
27 *Upon receipt of the declaration, the Office shall issue to the lead*  
28 *participant a certificate of transferable tax credits in the amount*  
29 *approved by the Office for the fees or taxes included in the*  
30 *declaration. The lead participant shall notify the Department upon*  
31 *transferring any of the transferable tax credits. The Office shall*  
32 *notify the Department and the Nevada Gaming Control Board of*  
33 *all transferable tax credits issued, segregated by each fee or tax set*  
34 *forth in subparagraphs (1), (2) and (3) of paragraph (a) of*  
35 *subsection 1 of section 11 of this act. The Department shall notify*  
36 *the Office and the Nevada Gaming Control Board of the amount*  
37 *of any transferable tax credits transferred.*

38       **3. A qualified project may be approved for a certificate of**  
39 *eligibility for transferable tax credits in the amount of \$9,500 for*  
40 *each qualified employee, up to a maximum of 4,000 qualified*  
41 *employees.*

42       **4. For the purpose of computing the amount of transferable**  
43 *tax credits for which a qualified project is eligible pursuant to*  
44 *subsection 3:*

45       **(a) Each qualified employee must be:**



1 (1) *Employed by a participant at the site of the qualified*  
2 *project.*

3 (2) *Employed full-time and scheduled to work for an*  
4 *average minimum of 30 hours per week.*

5 (3) *Employed for at least the last 3 consecutive months of*  
6 *the fiscal year.*

7 (4) *Offered coverage under a plan of health insurance*  
8 *provided by his or her employer.*

9 (b) *The wages for federal income tax purposes reported or*  
10 *required to be reported on Form W-2 of the qualified employees of*  
11 *the qualified project must be paid at an average rate of \$22 per*  
12 *hour.*

13 (c) *An employee engaged solely in the construction of the*  
14 *qualified project is deemed not to be a qualified employee.*

15 **Sec. 14.** 1. *Except as otherwise provided in this section, the*  
16 *Office of Economic Development shall not approve transferable*  
17 *tax credits:*

18 (a) *For Fiscal Year 2017-2018, 2018-2019, 2019-2020, 2020-*  
19 *2021, 2021-2022, 2022-2023, 2023-2024 or 2024-2025, if approval*  
20 *of the transferable tax credits would cause the total amount of*  
21 *transferable tax credits issued pursuant to sections 2 to 18,*  
22 *inclusive, of this act in that Fiscal Year to exceed \$7,600,000.*

23 (b) *For a fiscal year beginning on or after July 1, 2025.*

24 2. *The total amount of transferable tax credits issued*  
25 *pursuant to sections 2 to 18, inclusive, of this act to all qualified*  
26 *projects in this State must not exceed \$38,000,000.*

27 3. *If in any fiscal year the Office does not approve an amount*  
28 *of transferable tax credits equal to the total amount authorized by*  
29 *paragraph (a) or (b) of subsection 1, the remaining amount of*  
30 *transferable tax credits must be carried forward and made*  
31 *available for approval during subsequent fiscal years ending on or*  
32 *before June 30, 2025.*

33 4. *Each transferable tax credit issued pursuant to sections 2*  
34 *to 18, inclusive, of this act expires 4 years after the date on which*  
35 *the transferable tax credit is issued to the lead participant. A*  
36 *transferable tax credit issued pursuant to sections 2 to 18,*  
37 *inclusive, of this act may be transferred only once.*

38 **Sec. 15.** 1. *If the Office of Economic Development*  
39 *approves an application for a partial abatement of property taxes,*  
40 *employer excise taxes or local sales and use taxes submitted*  
41 *pursuant to paragraph (b) of subsection 1 of section 11 of this act,*  
42 *the Office shall immediately forward a certificate of eligibility for*  
43 *the partial abatement of the taxes described in that paragraph to:*

44 (a) *The Department;*

45 (b) *The Nevada Tax Commission; and*



1 (c) *The county treasurer of the county in which the qualified*  
2 *project will be located.*

3 2. *The partial abatement for the lead participant in the*  
4 *qualified project must:*

5 (a) *For property taxes, be for a duration of not more than 10*  
6 *years after the effective date of the partial abatement and in an*  
7 *amount that equals 75 percent of the amount of the property taxes*  
8 *that would otherwise be owed by each participant for the qualified*  
9 *project;*

10 (b) *For employer excise taxes, be for a duration of not more*  
11 *than 10 years after the effective date of the partial abatement and*  
12 *in an amount that equals 75 percent of the amount of the*  
13 *employer excise taxes that would otherwise be owed by each*  
14 *participant for employees employed by the participant for the*  
15 *qualified project; and*

16 (c) *For local sales and use taxes, be for a duration of not more*  
17 *than 15 years after the effective date of the partial abatement and*  
18 *in an amount that equals the amount of the local sales and use*  
19 *taxes that would otherwise be owed by each participant in the*  
20 *qualified project.*

21 3. *As a condition of approving a partial abatement of taxes*  
22 *pursuant to sections 2 to 18, inclusive, of this act, the Executive*  
23 *Director of the Office of Economic Development, if he or she*  
24 *determines it to be in the best interests of the State of Nevada, may*  
25 *require the lead participant to pay at such time or times as deemed*  
26 *appropriate, an amount of money equal to all or a portion of the*  
27 *abated taxes into a trust fund in the State Treasury to be held until*  
28 *all or a portion of the requirements for the partial abatement have*  
29 *been met. Interest and income earned on money in the trust fund*  
30 *must be credited to the trust fund. Any money remaining in the*  
31 *trust fund at the end of a fiscal year does not revert to the State*  
32 *General Fund, and the balance in the trust fund must be carried*  
33 *forward to the next fiscal year. Money in the trust fund must not*  
34 *be used for any purpose other than the purposes set forth in*  
35 *subsection 4.*

36 4. *Upon a determination by the Executive Director of the*  
37 *Office of Economic Development that the requirements for the*  
38 *partial abatement have been met, the money in the trust fund*  
39 *established pursuant to subsection 3, including any interest and*  
40 *income earned on the money during the time it was in the trust*  
41 *fund, must be returned to the lead participant. If the Executive*  
42 *Director determines that the requirements for the partial*  
43 *abatement have not been met:*

44 (a) *Except as otherwise provided in this subsection, the money*  
45 *in the trust fund established pursuant to subsection 3 must be*



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1 transferred to the entity that would have received the money if the  
2 Office had not approved the partial abatement, as determined by  
3 the Department.

4 (b) The interest and income earned on the money in the trust  
5 fund during the time it was in the trust fund must be distributed to  
6 an entity receiving a distribution pursuant to paragraph (a) in the  
7 proportion that the taxes distributed to the entity pursuant to this  
8 paragraph bears to the total taxes distributed pursuant to this  
9 subsection.

10 5. If the Office approves a partial abatement of local sales  
11 and use taxes, the Office shall issue to the lead participant in the  
12 qualified project a document certifying the partial abatement  
13 which can be presented to retailers at the time of sale. The  
14 document must clearly state the rate of sales and use taxes which  
15 the purchaser is required to pay in the county in which the  
16 abatement is effective.

17 **Sec. 16. 1.** The lead participant in a qualified project shall,  
18 upon the request of the Office of Economic Development, furnish  
19 the Office with copies of all records necessary to verify that the  
20 qualified project meets the eligibility requirements for any  
21 transferable tax credits issued pursuant to section 13 of this act  
22 and the partial abatement of any taxes pursuant to section 15 of  
23 this act.

24 2. The lead participant shall repay to the Department or the  
25 Nevada Gaming Control Board, as applicable, any portion of the  
26 transferable tax credits to which the lead participant is not entitled  
27 if:

28 (a) The participants in the qualified project collectively fail to  
29 make the investment in this State necessary to support the  
30 determination by the Executive Director of the Office of Economic  
31 Development that the project is a qualified project;

32 (b) The participants in the qualified project collectively fail to  
33 employ the number of qualified employees identified in the  
34 certificate of eligibility approved for the qualified project;

35 (c) The lead participant submits any false statement,  
36 representation or certification in any document submitted for the  
37 purpose of obtaining transferable tax credits; or

38 (d) The lead participant otherwise becomes ineligible for  
39 transferable tax credits after receiving the transferable tax credits  
40 pursuant to sections 2 to 18, inclusive, of this act.

41 3. Transferable tax credits purchased in good faith are not  
42 subject to forfeiture unless the transferee submitted fraudulent  
43 information in connection with the purchase.

44 4. Notwithstanding any provision of this chapter or chapter  
45 361 of NRS, if the lead participant in a qualified project for which



1 a partial abatement has been approved pursuant to section 15 of  
2 this act and is in effect:

3 (a) Fails to meet the requirements for eligibility pursuant to  
4 that section; or

5 (b) Ceases operation before the time specified in the agreement  
6 described in paragraph (e) of subsection 3 of section 11 of this act,  
7 ↪ the lead participant shall repay to the Department or, if the  
8 partial abatement is from the property tax imposed by chapter 361  
9 of NRS, to the appropriate county treasurer, the amount of the  
10 partial abatement that was allowed to the lead participant  
11 pursuant to section 15 of this act before the failure of the lead  
12 participant to meet the requirements for eligibility. Except as  
13 otherwise provided in NRS 360.232 and 360.320, the lead  
14 participant shall, in addition to the amount of the partial  
15 abatement required to be repaid by the lead participant pursuant  
16 to this subsection, pay interest on the amount due from the lead  
17 participant at the rate most recently established pursuant to NRS  
18 99.040 for each month, or portion thereof, from the last day of the  
19 month following the period for which the payment would have  
20 been made had the partial abatement not been approved until the  
21 date of payment of the tax.

22 5. The Secretary of State may, upon application by the  
23 Executive Director of the Office, revoke or suspend the state  
24 business registration of the lead participant in a qualified project  
25 which is required to repay any portion of transferable tax credits  
26 pursuant to subsection 2 or the amount of any partial abatement  
27 pursuant to subsection 4 and which the Office determines is not in  
28 compliance with the provisions of this section governing  
29 repayment. If the state business registration of the lead participant  
30 in a qualified project is suspended or revoked pursuant to this  
31 subsection, the Secretary of State shall provide written notice of  
32 the action to the lead participant. The Secretary of State shall not  
33 reinstate a state business registration suspended pursuant to this  
34 subsection or issue a new state business registration to the lead  
35 participant whose state business registration has been revoked  
36 pursuant to this subsection unless the Executive Director of the  
37 Office provides proof satisfactory to the Secretary of State that the  
38 lead participant is in compliance with the requirements of this  
39 section governing repayment.

40 **Sec. 17. 1.** The Office of Economic Development shall, on  
41 or before October 1 of each year, prepare and submit to the  
42 Governor and to the Director of the Legislative Counsel Bureau  
43 for transmittal to the Legislature an annual report which includes:

44 (a) For the immediately preceding fiscal year:



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1       (1) *The number of applications submitted pursuant to*  
2 *section 11 of this act;*

3       (2) *The number of qualified projects for which an*  
4 *application was approved;*

5       (3) *The amount of transferable tax credits approved;*

6       (4) *The amount of transferable tax credits used;*

7       (5) *The amount of transferable tax credits transferred;*

8       (6) *The amount of transferable tax credits taken against*  
9 *each allowable fee or tax, including the actual amount used and*  
10 *outstanding, in total and for each qualified project;*

11       (7) *The number of partial abatements approved;*

12       (8) *The dollar amount of the partial abatements;*

13       (9) *The number of employees engaged in construction of*  
14 *each qualified project who are residents of Nevada and the*  
15 *number of employees employed by each participant in a qualified*  
16 *project who are residents of Nevada;*

17       (10) *The number of qualified employees employed by each*  
18 *participant in a qualified project and the total amount of wages*  
19 *paid to those persons; and*

20       (11) *For each qualified project, an assessment of whether*  
21 *the participants in the qualified project are making satisfactory*  
22 *progress towards meeting the investment requirements necessary*  
23 *to support the determination by the Office that the project is a*  
24 *qualified project.*

25       (b) *For each partial abatement from taxation that the Office*  
26 *approved during the fiscal years which are 3 fiscal years, 6 fiscal*  
27 *years, 10 fiscal years and 15 fiscal years immediately preceding*  
28 *the submission of the report:*

29       (1) *The dollar amount of the partial abatement;*

30       (2) *The value of infrastructure included as an incentive for*  
31 *the qualified project;*

32       (3) *The economic sector in which each participant in the*  
33 *qualified project operates, the number of primary jobs related to*  
34 *the qualified project, the average wage paid to employees*  
35 *employed by the participants in the qualified project and the*  
36 *assessed values of personal property and real property of the*  
37 *qualified project; and*

38       (4) *Any other information that the Office determines to be*  
39 *useful.*

40       2. *In addition to the annual reports required to be prepared*  
41 *and submitted pursuant to subsection 1, for the period beginning*  
42 *on the effective date of this act and ending on July 1, 2017, the*  
43 *Office shall, not less frequently than every calendar quarter,*  
44 *prepare and submit to the Governor and the Director of the*  
45 *Legislative Counsel Bureau for transmittal to the Legislature a*



1 *report which includes, for the immediately preceding calendar*  
2 *quarter:*

3 *(a) The dollar amount of the partial abatements approved for*  
4 *the lead participant in each qualified project;*

5 *(b) The number of employees engaged in construction of each*  
6 *qualified project who are residents of Nevada and the number of*  
7 *employees employed by each participant in each qualified project*  
8 *who are residents of Nevada;*

9 *(c) The number of qualified employees employed by each*  
10 *participant in each qualified project and the total amount of wages*  
11 *paid to those persons;*

12 *(d) For each qualified project an assessment of whether the*  
13 *participants in the qualified project are making satisfactory*  
14 *progress towards meeting the investment requirements necessary*  
15 *to support the determination by the Office that the project is a*  
16 *qualified project; and*

17 *(e) Any other information requested by the Legislature.*

18 *3. In addition to the reports required to be prepared and*  
19 *submitted pursuant to subsections 1 and 2, the Office shall, upon*  
20 *request, make available to the Legislature any information*  
21 *concerning a qualified project or any participant in a qualified*  
22 *project. The Office shall make available any information*  
23 *requested pursuant to this subsection within the period specified in*  
24 *the request.*

25 *4. The Office shall provide to the Fiscal Analysis Division of*  
26 *the Legislative Counsel Bureau a copy of any agreement entered*  
27 *into by the Office and the lead participant not later than 30 days*  
28 *after the agreement is executed.*

29 *5. Notwithstanding the provisions of any other specific*  
30 *statute, the information requested by the Legislature pursuant to*  
31 *this section may include information considered confidential for*  
32 *other purposes. If such confidential information is requested, the*  
33 *Office shall make the information available to the Fiscal Analysis*  
34 *Division of the Legislative Counsel Bureau for confidential*  
35 *examination.*

36 **Sec. 18.** *1. For the purpose of encouraging local economic*  
37 *development, the governing body of a city or county in which a*  
38 *qualified project is located may grant to any participant in a*  
39 *qualified project an abatement of all or any percentage of the*  
40 *amount of any permitting fee or licensing fee which the local*  
41 *government is authorized to impose or charge pursuant to chapter*  
42 *244 or 268 of NRS.*

43 *2. Before granting any abatement pursuant to subsection 1,*  
44 *the governing body of the city or county must provide by*



1 ordinance for a pilot project for granting abatements to  
2 participants in a qualified project.

3 3. A governing body of a city or county that grants an  
4 abatement pursuant to subsection 1 shall, on or before October 1  
5 of each year in which such an abatement is granted, prepare and  
6 submit to the Governor and to the Director of the Legislative  
7 Counsel Bureau for transmittal to the Legislature an annual  
8 report which includes, for the immediately preceding fiscal year:

9 (a) The number of qualified projects located within the  
10 jurisdiction of the governing body for which a certificate of  
11 eligibility for transferable tax credits was approved;

12 (b) If applicable, the number and dollar amount of the  
13 abatements granted by the governing body pursuant to subsection  
14 1; and

15 (c) The number of persons within the jurisdiction of the  
16 governing body that were employed by each participant in a  
17 qualified project and the amount of wages paid to those persons.

18 **Sec. 19.** As used in sections 19 to 29, inclusive, of this act,  
19 unless the context otherwise requires, the words and terms defined  
20 in sections 20 to 26, inclusive, of this act have the meanings  
21 ascribed to them in those sections.

22 **Sec. 20.** "Economic development financing agreement"  
23 means an economic development financing proposal that is  
24 approved by the Executive Director pursuant to section 28 of this  
25 act.

26 **Sec. 21.** "Economic development financing proposal" means  
27 an economic development financing proposal submitted to the  
28 Office by the governing body of a local government pursuant to  
29 section 27 of this act.

30 **Sec. 22.** "Infrastructure project" includes, without  
31 limitation, a drainage project, an electrical project, a rail project, a  
32 sanitary sewer project, a transportation project, a fire protection  
33 project, a wastewater project and a water project.

34 **Sec. 23.** "Lead participant" means a lead participant as that  
35 term is defined in NRS 360.915 or section 5 of this act.

36 **Sec. 24.** "Local government" means a city or a county.

37 **Sec. 25.** "Office" means the Office of Economic  
38 Development created by NRS 231.043.

39 **Sec. 26.** "Qualified project" means a qualified project as that  
40 term is defined in NRS 360.940 or section 10 of this act.

41 **Sec. 27.** 1. If the governing body of a local government:

42 (a) Receives notice that a qualified project is or will be located  
43 within the jurisdiction of the local government; and



1 (b) *Determines that there is a need to finance infrastructure*  
2 *projects within the jurisdiction of the local government to support*  
3 *the development of the qualified project,*

4 *↳ the governing body may prepare and submit to the Office for*  
5 *approval an economic development financing proposal pursuant*  
6 *to which the infrastructure projects identified in the proposal*  
7 *would be financed from the proceeds of bonds, securities or other*  
8 *indebtedness issued by the State of Nevada.*

9 2. *An economic development financing proposal submitted*  
10 *pursuant to subsection 1:*

11 (a) *May include, without limitation, provisions for the*  
12 *financing of one or more infrastructure projects;*

13 (b) *Must include the creation of one or more districts or areas*  
14 *by the local government pursuant to chapters 271, 271A and 278C*  
15 *of NRS and the pledge of revenue from such districts or areas for*  
16 *the repayment of any bonds, securities or other indebtedness*  
17 *issued by the State of Nevada to finance the projects; and*

18 (c) *Must include such other provisions and information as*  
19 *may be required by the Office.*

20 **Sec. 28.** 1. *Upon receipt of an economic development*  
21 *financing proposal, the Office shall:*

22 (a) *Request from the State Treasurer a determination of the*  
23 *capacity available under the State's debt limit; and*

24 (b) *In consultation with any person or entity the Office*  
25 *determines is appropriate, review the proposal. The Office may*  
26 *request any additional information from the governing body as it*  
27 *determines is necessary to evaluate the proposal.*

28 2. *Except as otherwise provided in paragraph (c) of*  
29 *subsection 3, the Office shall approve, approve and modify, or*  
30 *reject any economic development financing proposal within 45*  
31 *days after receiving the completed proposal.*

32 3. *The Office may approve an economic development*  
33 *financing proposal only if:*

34 (a) *The proposal includes such provisions as the Executive*  
35 *Director of the Office determines are necessary to ensure that:*

36 (1) *The Office will enter into one or more agreements with*  
37 *the local government pursuant to which the Office will administer*  
38 *any districts or areas which are or may be created for the purpose*  
39 *of carrying out the infrastructure projects identified in the*  
40 *proposal, including, without limitation, any district or area created*  
41 *pursuant to chapters 271, 271A and 278C of NRS;*

42 (2) *The proceeds of any bonds, securities or other*  
43 *indebtedness issued pursuant to section 29 of this act will be*  
44 *allocated to the Office for the purpose of providing financing for*  
45 *the infrastructure projects identified in the proposal;*



1           (3) *The revenues from any districts or areas created for the*  
2 *purpose of financing the infrastructure projects identified in the*  
3 *proposal will be pledged for the repayment of any bonds, securities*  
4 *or other indebtedness issued pursuant to section 29 of this act; and*

5           (4) *Notwithstanding any other provision of law, if the*  
6 *revenues from any districts or areas created for the purpose of*  
7 *financing the infrastructure projects identified in the proposal*  
8 *which are pledged for the repayment of the general obligation*  
9 *bonds of the State issued pursuant to section 29 of this act are*  
10 *insufficient to pay any sums coming due on the bonds, before such*  
11 *sums are paid from the State General Fund, the local government*  
12 *that created the districts or areas shall promptly pay such sums to*  
13 *the extent of the money available in the uncommitted balance of*  
14 *the general fund of the local government. If the money available*  
15 *in the uncommitted balance of the general fund of the local*  
16 *government is insufficient to pay the sums coming due on the*  
17 *bonds, the remainder of such sums must be paid in accordance*  
18 *with the State Securities Law. The payment of any sums by a local*  
19 *government pursuant to this subparagraph is not secured by a*  
20 *pledge of the taxing power of the local government. For the*  
21 *purposes of this subparagraph the uncommitted balance of the*  
22 *general fund of a local government is the uncommitted balance as*  
23 *determined by the Department of Taxation.*

24           (b) *The Executive Director makes a finding, which shall be*  
25 *conclusive, that the revenues pledged as provided in subparagraph*  
26 *(3) of paragraph (a) will be sufficient, together with any*  
27 *capitalized interest, to fully repay any bonds, securities or other*  
28 *indebtedness issued pursuant to section 29 of this act.*

29           (c) *For a proposal submitted on or after July 1, 2017, the*  
30 *Office submits the proposal to and obtains the approval of the*  
31 *Legislature or the Interim Finance Committee if the Legislature is*  
32 *not in session.*

33           4. *In addition to the agreements described in subparagraph*  
34 *(1) of paragraph (a) of subsection 3, the Office may enter into one*  
35 *or more cooperative agreements with any state or local agency*  
36 *which the Office determines is necessary to carry out an economic*  
37 *development financing proposal approved pursuant to this section.*

38           5. *If the Office approves an economic development financing*  
39 *proposal, the Office shall provide notice and a copy of the decision*  
40 *approving the proposal to the governing body of the local*  
41 *government and the State Board of Finance.*

42           **Sec. 29. 1.** *As soon as practicable after receiving notice*  
43 *from the Office that it has approved an economic development*  
44 *financing agreement, the State Board of Finance shall issue*  
45 *general obligation bonds of the State of Nevada to finance the*



1 *infrastructure projects identified in the economic development*  
2 *financing agreement. The provisions of the State Securities Law*  
3 *contained in chapter 349 of NRS apply to the issuance of bonds*  
4 *pursuant to this section. The State Board of Finance shall issue*  
5 *the bonds in the amount set forth in the economic development*  
6 *financing agreement but shall not issue bonds in an amount that*  
7 *exceeds \$175,000,000 for each economic development financing*  
8 *agreement or have outstanding at any time bonds issued pursuant*  
9 *to this section in an amount that exceeds \$200,000,000. Before*  
10 *any bonds may be issued pursuant to this section, the lead*  
11 *participant in the qualified project must provide adequate security*  
12 *that the lead participant will carry out the qualified project. The*  
13 *security may consist of one or more performance bonds or similar*  
14 *documents, actual expenditures on the qualified project,*  
15 *commitments to make such expenditures, or other security deemed*  
16 *appropriate by the Executive Director of the Office. A commitment*  
17 *to make an expenditure may be conditioned upon the issuance of*  
18 *bonds pursuant to this section but may not be subject to any other*  
19 *conditions.*

20 **2. The proceeds of any bonds issued pursuant to subsection 1**  
21 **must be allocated to the Office in the manner prescribed by the**  
22 **economic development financing agreement.**

23 **Sec. 30.** NRS 360.225 is hereby amended to read as follows:

24 360.225 1. During the course of an investigation undertaken  
25 pursuant to NRS 360.130 of a person claiming:

26 (a) A partial abatement of property taxes pursuant to  
27 NRS 361.0687;

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

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

31 (d) An abatement of taxes on the gross receipts from the sale,  
32 storage, use or other consumption of eligible machinery or  
33 equipment pursuant to NRS 374.357;

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

36 (f) A partial abatement of taxes pursuant to NRS 360.754 on or  
37 before December 31, 2056; ~~for~~

38 (g) An abatement of taxes pursuant to NRS 360.950 on or before  
39 June 30, 2036 ~~H~~; or

40 **(h) A partial abatement of taxes pursuant to section 12 of this**  
41 **act,**

42 **↪** the Department shall investigate whether the person meets the  
43 eligibility requirements for the abatement, partial abatement,  
44 exemption or deferral that the person is claiming.



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

6 **Sec. 31.** NRS 360.755 is hereby amended to read as follows:

7 360.755 1. If the Office of Economic Development approves  
8 an application by a business for an abatement of taxes pursuant to  
9 NRS 360.950 or a partial abatement pursuant to NRS 360.750,  
10 360.752, 360.753 or 360.754, *or section 12 of this act*, the  
11 agreement with the Office must provide that the business:

12 (a) Agrees to allow the Department to conduct audits of the  
13 business to determine whether the business is in full compliance  
14 with the requirements for the abatement or partial abatement; and

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

17 2. If the Department conducts an audit of the business to  
18 determine whether the business is in full compliance with the  
19 requirements for the abatement or partial abatement, the Department  
20 shall, upon request, provide the audit report to the Office of  
21 Economic Development.

22 3. Until the business has exhausted all appeals to the  
23 Department and the Nevada Tax Commission relating to the audit,  
24 the information contained in the audit report provided to the Office  
25 of Economic Development:

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

27 (b) Is not a public record; and

28 (c) Must not be disclosed to any person who is not an officer or  
29 employee of the Office of Economic Development unless the  
30 business consents to the disclosure.

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

33 (a) The audit report provided to the Office of Economic  
34 Development is a public record; and

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

40 5. Before the Executive Director of the Office of Economic  
41 Development discloses the audit report to the public, the business  
42 may submit a request to the Executive Director to protect from  
43 disclosure any information in the audit report which, under  
44 generally accepted business practices, would be considered a trade  
45 secret or other confidential proprietary information of the business.



1 After consulting with the business, the Executive Director shall  
2 determine whether to protect the information from disclosure. The  
3 decision of the Executive Director is final and is not subject to  
4 judicial review. If the Executive Director determines to protect the  
5 information from disclosure, the protected information:

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

7 (b) Is not a public record;

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

10 (d) Must not be disclosed to any person who is not an officer or  
11 employee of the Office of Economic Development unless the  
12 business consents to the disclosure.

13 **Sec. 32.** NRS 218D.355 is hereby amended to read as follows:

14 218D.355 1. Except as otherwise provided in NRS 360.753,  
15 360.754 and 360.965, *and section 15 of this act*, any state  
16 legislation enacted on or after July 1, 2012, which authorizes or  
17 requires the Office of Economic Development to approve any  
18 abatement of taxes or increases the amount of any abatement of  
19 taxes which the Office is authorized or required to approve:

20 (a) Expires by limitation 10 years after the effective date of that  
21 legislation.

22 (b) Does not apply to:

23 (1) Any taxes imposed pursuant to NRS 374.110 *and*  
24 *374.111* or *NRS* 374.190 ~~+~~ *and 374.191*; or

25 (2) Any entity that receives:

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

28 (II) Any real or personal property from a governmental  
29 entity at no cost or at a reduced cost.

30 (c) Requires each recipient of the abatement to submit to the  
31 Department of Taxation, on or before the last day of each even-  
32 numbered year, a report on whether the recipient is in compliance  
33 with the terms of the abatement. The Department of Taxation shall  
34 establish a form for the report and may adopt such regulations as it  
35 determines to be appropriate to carry out this paragraph. The report  
36 must include, without limitation:

37 (1) The date the recipient commenced operation in this State;

38 (2) The number of employees actually employed by the  
39 recipient and the average hourly wage of those employees;

40 (3) An accounting of any fees paid by the recipient to the  
41 State and to local governmental entities;

42 (4) An accounting of the property taxes paid by the recipient  
43 and the amount of those taxes that would have been due if not for  
44 the abatement;





1 (5) An accounting of the sales and use taxes paid by the  
2 recipient and the amount of those taxes that would have been due if  
3 not for the abatement;

4 (6) An accounting of the total capital investment made in  
5 connection with the project to which the abatement applies; and

6 (7) An accounting of the total investment in personal  
7 property made in connection with the project to which the  
8 abatement applies.

9 2. On or before January 15 of each odd-numbered year, the  
10 Department of Taxation shall:

11 (a) Based upon the information submitted to the Department of  
12 Taxation pursuant to paragraph (c) of subsection 1, prepare a written  
13 report of its findings regarding whether the costs of the abatement  
14 exceed the benefits of the abatement; and

15 (b) Submit the report to the Director for transmittal to the  
16 Legislature.

17 **Sec. 33.** NRS 218D.355 is hereby amended to read as follows:

18 218D.355 1. Except as otherwise provided in NRS 360.753,  
19 360.754 and 360.965, ~~and section 15 of this act,~~ any state  
20 legislation enacted on or after July 1, 2012, which authorizes or  
21 requires the Office of Economic Development to approve any  
22 abatement of taxes or increases the amount of any abatement of  
23 taxes which the Office is authorized or required to approve:

24 (a) Expires by limitation 10 years after the effective date of that  
25 legislation.

26 (b) Does not apply to:

27 (1) Any taxes imposed pursuant to NRS 374.110 and  
28 374.111 or NRS 374.190 and 374.191; or

29 (2) Any entity that receives:

30 (I) Any funding from a governmental entity, other than  
31 any private activity bonds as defined in 26 U.S.C. § 141; or

32 (II) Any real or personal property from a governmental  
33 entity at no cost or at a reduced cost.

34 (c) Requires each recipient of the abatement to submit to the  
35 Department of Taxation, on or before the last day of each even-  
36 numbered year, a report on whether the recipient is in compliance  
37 with the terms of the abatement. The Department of Taxation shall  
38 establish a form for the report and may adopt such regulations as it  
39 determines to be appropriate to carry out this paragraph. The report  
40 must include, without limitation:

41 (1) The date the recipient commenced operation in this State;

42 (2) The number of employees actually employed by the  
43 recipient and the average hourly wage of those employees;

44 (3) An accounting of any fees paid by the recipient to the  
45 State and to local governmental entities;



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1 (4) An accounting of the property taxes paid by the recipient  
2 and the amount of those taxes that would have been due if not for  
3 the abatement;

4 (5) An accounting of the sales and use taxes paid by the  
5 recipient and the amount of those taxes that would have been due if  
6 not for the abatement;

7 (6) An accounting of the total capital investment made in  
8 connection with the project to which the abatement applies; and

9 (7) An accounting of the total investment in personal  
10 property made in connection with the project to which the  
11 abatement applies.

12 2. On or before January 15 of each odd-numbered year, the  
13 Department of Taxation shall:

14 (a) Based upon the information submitted to the Department of  
15 Taxation pursuant to paragraph (c) of subsection 1, prepare a written  
16 report of its findings regarding whether the costs of the abatement  
17 exceed the benefits of the abatement; and

18 (b) Submit the report to the Director for transmittal to the  
19 Legislature.

20 **Sec. 33.5** NRS 231.053 is hereby amended to read as follows:

21 231.053 After considering any pertinent advice and  
22 recommendations of the Board, the Executive Director:

23 1. Shall direct and supervise the administrative and technical  
24 activities of the Office.

25 2. Shall develop and may periodically revise a State Plan for  
26 Economic Development, which ~~must~~:

27 ~~(a)~~ *Must* include a statement of:

28 ~~(a)~~ (1) New industries which have the potential to be  
29 developed in this State;

30 ~~(b)~~ (2) The strengths and weaknesses of this State for business  
31 incubation;

32 ~~(c)~~ (3) The competitive advantages and weaknesses of this  
33 State;

34 ~~(d)~~ (4) The manner in which this State can leverage its  
35 competitive advantages and address its competitive weaknesses;

36 ~~(e)~~ (5) A strategy to encourage the creation and expansion of  
37 businesses in this State and the relocation of businesses to this State;  
38 and

39 ~~(f)~~ (6) Potential partners for the implementation of the  
40 strategy, including, without limitation, the Federal Government,  
41 local governments, local and regional organizations for economic  
42 development, chambers of commerce, and private businesses,  
43 investors and nonprofit entities ~~;~~ *and*

44 *(b) Must not include provisions for the granting of any*  
45 *abatement, partial abatement or exemption from taxes or any*



1 *other incentive for economic development to a person who will*  
2 *locate or expand a business in this State that is subject to the tax*  
3 *imposed pursuant to NRS 362.130 or the gaming license fees*  
4 *imposed by the provisions of NRS 463.370.*

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

7 4. Shall designate as many regional development authorities  
8 for each region of this State as the Executive Director determines to  
9 be appropriate to implement the State Plan for Economic  
10 Development. In designating regional development authorities, the  
11 Executive Director must consult with local governmental entities  
12 affected by the designation. The Executive Director may, if he or  
13 she determines that such action would aid in the implementation of  
14 the State Plan for Economic Development, remove the designation  
15 of any regional development authority previously designated  
16 pursuant to this section and declare void any contract between the  
17 Office and that regional development authority.

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

21 6. May apply for and accept any gift, donation, bequest, grant  
22 or other source of money to carry out the provisions of NRS  
23 231.020 to 231.139, inclusive, and 231.1573 to 231.1597, inclusive.

24 7. May adopt such regulations as may be necessary to carry out  
25 the provisions of NRS 231.020 to 231.139, inclusive, and 231.1573  
26 to 231.1597, inclusive.

27 8. In a manner consistent with the laws of this State, may  
28 reorganize the programs of economic development in this State to  
29 further the State Plan for Economic Development. If, in the opinion  
30 of the Executive Director, changes to the laws of this State are  
31 necessary to implement the economic development strategy for this  
32 State, the Executive Director must recommend the changes to the  
33 Governor and the Legislature.

34 **Sec. 34.** NRS 231.069 is hereby amended to read as follows:

35 231.069 1. Except as otherwise provided in subsection 3 and  
36 NRS 239.0115 and 360.950, *and section 12 of this act*, the Office  
37 shall keep confidential any record or other document of a client  
38 which is in its possession if the client:

39 (a) Submits a request in writing that the record or other  
40 document be kept confidential by the Office; and

41 (b) Demonstrates to the satisfaction of the Office that the record  
42 or other document contains proprietary or confidential information.

43 2. If the Office determines that a record or other document of a  
44 client contains proprietary or confidential information, the



1 Executive Director shall attach to the file containing the record or  
2 document:

- 3 (a) A certificate signed by him or her stating that a request for  
4 confidentiality was made by the client and the date of the request;
- 5 (b) A copy of the written request submitted by the client;
- 6 (c) The documentation to support the request which was  
7 submitted by the client; and
- 8 (d) A copy of the decision of the Office determining that the  
9 record or other document contains proprietary or confidential  
10 information.

11 3. The Office may share the records and other documents that  
12 are confidential pursuant to this section with the nonprofit  
13 corporation formed by the Executive Director pursuant to section  
14 3.5 of ~~this act,~~ *Assembly Bill No. 17, chapter 158, Statutes of*  
15 *Nevada 2015, at page 701*, as deemed necessary by the Office to  
16 accomplish the purposes for which the nonprofit corporation was  
17 formed.

18 4. Records and documents that are confidential pursuant to this  
19 section:

- 20 (a) Are proprietary or confidential information of the business;
- 21 (b) Are not a public record; and
- 22 (c) Must not be disclosed to any person who is not an officer or  
23 employee of the Office unless the business consents to the  
24 disclosure.

25 5. As used in this section, “proprietary or confidential  
26 information” has the meaning ascribed to it in NRS 360.247.

27 **Sec. 35.** Chapter 271 of NRS is hereby amended by adding  
28 thereto the provisions set forth as sections 36 and 37 of this act.

29 **Sec. 36.** *“Fire protection project” means any facilities for a*  
30 *municipal fire protection system, including, without limitation, fire*  
31 *stations, pumper trucks, hook and ladder trucks, rescue trucks,*  
32 *fire engines, other motor vehicles, water works, hydrants, other*  
33 *water supply facilities, telegraphic fire signals, telephone,*  
34 *telegraph, radio and television service facilities, hooks, ladders,*  
35 *chutes, buckets, gauges, hoses, pumps, fire extinguishers, fans,*  
36 *artificial lights, respirators, rescue equipment and other fire*  
37 *protection and fire-fighting apparatus, or any combination*  
38 *thereof, and other buildings, structures, furnishings and*  
39 *equipment therefor.*

40 **Sec. 37. 1.** *Notwithstanding any provision of this chapter to*  
41 *the contrary, if the governing body submits to the Office of*  
42 *Economic Development an economic development financing*  
43 *proposal described in section 27 of this act and the Office*  
44 *approves the proposal and an economic development financing*  
45 *agreement pursuant to section 28 of this act, any improvement*



1 *district which is or may be created for the purpose of carrying out*  
2 *the projects identified in the proposal must be administered as*  
3 *provided in the agreement.*

4 *2. The economic development financing agreement may*  
5 *provide, without limitation, that:*

6 *(a) The Office of Economic Development, the Executive*  
7 *Director of the Office or any designee of either is authorized or*  
8 *required to perform any function or duty that under the provisions*  
9 *of this chapter would otherwise be performed by the municipality,*  
10 *the governing body or any officer or employee of the municipality.*

11 *(b) Any assessments or other money collected pursuant to this*  
12 *chapter must be paid, collected, deposited, distributed or remitted*  
13 *as provided in the agreement, notwithstanding any provision of*  
14 *this chapter to the contrary.*

15 *(c) It may be modified at any time by the Executive Director of*  
16 *the Office of Economic Development, in the exercise of his or her*  
17 *discretion and upon approval of the Board of Economic*  
18 *Development.*

19 **Sec. 38.** NRS 271.030 is hereby amended to read as follows:

20 271.030 As used in this chapter, unless the context otherwise  
21 requires, the words and terms defined in NRS 271.035 to 271.253,  
22 inclusive, *and section 36 of this act*, have the meanings ascribed to  
23 them in those sections.

24 **Sec. 39.** NRS 271.265 is hereby amended to read as follows:

25 271.265 1. The governing body of a county, city or town,  
26 upon behalf of the municipality and in its name, without any  
27 election, may from time to time acquire, improve, equip, operate  
28 and maintain, within or without the municipality, or both within and  
29 without the municipality:

- 30 (a) A curb and gutter project;  
31 (b) A drainage project;  
32 (c) An energy efficiency improvement project;  
33 (d) A neighborhood improvement project;  
34 (e) An off-street parking project;  
35 (f) An overpass project;  
36 (g) A park project;  
37 (h) A public safety project;  
38 (i) A renewable energy project;  
39 (j) A sanitary sewer project;  
40 (k) A security wall;  
41 (l) A sidewalk project;  
42 (m) A storm sewer project;  
43 (n) A street project;  
44 (o) A street beautification project;  
45 (p) A transportation project;



- 1 (q) An underpass project;
- 2 (r) A water project;
- 3 (s) A waterfront project; and
- 4 (t) Any combination of such projects.

5 2. In addition to the power specified in subsection 1, the  
6 governing body of a city having a commission form of government  
7 as defined in NRS 267.010, upon behalf of the municipality and in  
8 its name, without any election, may from time to time acquire,  
9 improve, equip, operate and maintain, within or without the  
10 municipality, or both within and without the municipality:

- 11 (a) An electrical project;
- 12 (b) A telephone project;
- 13 (c) A combination of an electrical project and a telephone  
14 project;
- 15 (d) A combination of an electrical project or a telephone project  
16 with any of the projects, or any combination thereof, specified in  
17 subsection 1; and
- 18 (e) A combination of an electrical project and a telephone  
19 project with any of the projects, or any combination thereof,  
20 specified in subsection 1.

21 3. In addition to the power specified in subsections 1 and 2, the  
22 governing body of a municipality, on behalf of the municipality and  
23 in its name, without an election, may finance an underground  
24 conversion project with the approval of each service provider that  
25 owns the overhead service facilities to be converted.

26 4. In addition to the power specified in subsections 1, 2 and 3,  
27 if the governing body of a municipality in a county whose  
28 population is less than 700,000 complies with the provisions of NRS  
29 271.650, the governing body of the municipality, on behalf of the  
30 municipality and in its name, without any election, may from time to  
31 time acquire, improve, equip, operate and maintain, within or  
32 without the municipality, or both within and without the  
33 municipality:

- 34 (a) An art project; and
- 35 (b) A tourism and entertainment project.

36 *5. In addition to the power specified in this section, if a*  
37 *qualified project is located within the jurisdiction of the*  
38 *municipality, the governing body of the municipality, on behalf of*  
39 *the municipality and in its name, without any election, may from*  
40 *time to time acquire, improve, equip, operate and maintain, within*  
41 *or without the municipality, or both within and without the*  
42 *municipality, an electrical project for the qualified project or a fire*  
43 *protection project for the qualified project.*

44 6. As used in this section, "qualified project" has the  
45 meaning ascribed to it in NRS 360.940 or section 10 of this act.



1       **Sec. 40.** Chapter 271A of NRS is hereby amended by adding  
2 thereto a new section to read as follows:

3       1. *Notwithstanding any provision of this chapter to the*  
4 *contrary, if the governing body submits to the Office of Economic*  
5 *Development an economic development financing proposal*  
6 *described in section 27 of this act and the Office approves the*  
7 *proposal and an economic development financing agreement*  
8 *pursuant to section 28 of this act, any district which is or may be*  
9 *created for the purpose of carrying out the projects identified in*  
10 *the proposal must be administered as provided in the agreement.*

11       2. *The economic development financing agreement may*  
12 *provide, without limitation, that:*

13       (a) *The Office of Economic Development, the Executive*  
14 *Director of the Office or any designee of either is authorized or*  
15 *required to perform any function or duty that under the provisions*  
16 *of this chapter would otherwise be performed by the municipality,*  
17 *the governing body or any officer or employee of the municipality.*

18       (b) *Any money collected pursuant to this chapter must be paid,*  
19 *collected, deposited, distributed or remitted as provided in the*  
20 *agreement, notwithstanding any provision of this chapter to the*  
21 *contrary.*

22       (c) *It may be modified at any time by the Executive Director of*  
23 *the Office of Economic Development, in the exercise of his or her*  
24 *discretion and upon approval of the Board of Economic*  
25 *Development.*

26       **Sec. 41.** Chapter 271B of NRS is hereby amended by adding  
27 thereto a new section to read as follows:

28       1. *For the purposes of subsection 3 of NRS 704.9925, the*  
29 *activity of a public utility which purchases natural gas for resale*  
30 *relating to the expansion of its infrastructure necessary to provide*  
31 *natural gas to the legal boundary of a district constitutes a*  
32 *program of economic development. The public utility shall expand*  
33 *its infrastructure in accordance with the provisions of that section.*

34       2. *A public utility which expands its infrastructure as*  
35 *described in subsection 1 shall file an application with the Public*  
36 *Utilities Commission of Nevada in accordance with the*  
37 *regulations adopted pursuant to NRS 704.9925 to establish rates to*  
38 *recover all prudent and reasonable costs associated with the*  
39 *expansion in accordance with the provisions of that section.*

40       3. *As used in this section, "public utility" has the meaning*  
41 *ascribed to it in NRS 704.020.*

42       **Sec. 42.** NRS 271B.030 is hereby amended to read as follows:  
43       271B.030 "Lead participant" has the meaning ascribed to it in  
44 NRS 360.915 **H** or section 5 of this act.



1       **Sec. 43.** NRS 271B.050 is hereby amended to read as follows:  
2       271B.050 “Participant” has the meaning ascribed to it in NRS  
3 360.925 **H or section 7 of this act.**

4       **Sec. 44.** NRS 271B.060 is hereby amended to read as follows:  
5       271B.060 “Qualified project” has the meaning ascribed to it in  
6 NRS 360.940 **H or section 10 of this act.**

7       **Sec. 45.** NRS 271B.070 is hereby amended to read as follows:  
8       271B.070 1. Except as otherwise provided in this section, if a  
9 qualified project is located within the jurisdiction of a municipality,  
10 the governing body of the municipality may:

11       (a) Create an economic diversification district for the purposes  
12 of carrying out this chapter by adopting an ordinance describing the  
13 boundaries of the district, which must be the geographic boundaries  
14 of the qualified project, and generally describing the purposes  
15 within the district for which money pledged pursuant to this chapter  
16 may be used; and

17       (b) For the purposes of carrying out paragraph (a), include in an  
18 ordinance adopted pursuant to that paragraph the pledge of an  
19 amount equal to the proceeds of all sales and use taxes imposed on  
20 or owed by each participant in the qualified project with regard to  
21 tangible personal property purchased in the municipality for use in  
22 the district, or stored, used or otherwise consumed in the district by  
23 the participant, during a fiscal year other than the amount of any  
24 local sales and use taxes for which the lead participant has received  
25 an abatement pursuant to an application approved by the Office of  
26 Economic Development pursuant to NRS 360.950.

27       2. The governing body of a municipality may not include in an  
28 ordinance adopted to create a district pursuant to paragraph (a) of  
29 subsection 1 on or after September 11, 2014, the pledge of any  
30 proceeds of the taxes imposed pursuant to NRS 374.110 **or 374.111**  
31 **and NRS 374.190 or 374.191** with regard to tangible personal  
32 property sold at retail, or stored, used or otherwise consumed, if the  
33 governing body obtains an opinion from independent bond counsel  
34 stating that the applicability of this provision would impair an  
35 existing contract for the sale of bonds which were issued before  
36 September 11, 2014.

37       3. **If:**

38       **(a) The qualified project is a qualified project described in**  
39 **section 10 of this act;**

40       **(b) The governing body of the municipality includes in the**  
41 **ordinance adopted pursuant to paragraph (a) of subsection 1 a**  
42 **pledge of money pursuant to paragraph (b) of subsection 1; and**

43       **(c) The Executive Director of the Office of Economic**  
44 **Development has required the lead participant to make payments**





1 *to a trust fund in the State Treasury pursuant to subsection 3 of*  
2 *section 15 of this act,*

3 *↳ the governing body must include in the ordinance a provision*  
4 *providing that the pledge of that money is conditioned upon the*  
5 *lead participant qualifying for a return of the money paid into the*  
6 *trust fund pursuant to subsection 4 of section 15 of this act.*

7 4. A district created pursuant to this section by:

8 (a) A city must be located entirely within the boundaries of that  
9 city.

10 (b) A county must be located entirely within the boundaries of  
11 that county and, when the district is created, entirely outside of the  
12 boundaries of any city.

13 **Sec. 45.5.** NRS 271B.070 is hereby amended to read as  
14 follows:

15 271B.070 1. Except as otherwise provided in this section, if a  
16 qualified project is located within the jurisdiction of a municipality,  
17 the governing body of the municipality may:

18 (a) Create an economic diversification district for the purposes  
19 of carrying out this chapter by adopting an ordinance describing the  
20 boundaries of the district, which must be the geographic boundaries  
21 of the qualified project, and generally describing the purposes  
22 within the district for which money pledged pursuant to this chapter  
23 may be used; and

24 (b) For the purposes of carrying out paragraph (a), include in an  
25 ordinance adopted pursuant to that paragraph the pledge of an  
26 amount equal to the proceeds of all sales and use taxes imposed on  
27 or owed by each participant in the qualified project with regard to  
28 tangible personal property purchased in the municipality for use in  
29 the district, or stored, used or otherwise consumed in the district by  
30 the participant, during a fiscal year other than the amount of any  
31 local sales and use taxes for which the lead participant has received  
32 an abatement pursuant to an application approved by the Office of  
33 Economic Development pursuant to NRS 360.950.

34 2. The governing body of a municipality may not include in an  
35 ordinance adopted to create a district pursuant to paragraph (a) of  
36 subsection 1 on or after September 11, 2014, the pledge of any  
37 proceeds of the taxes imposed pursuant to NRS 374.110 or 374.111  
38 and NRS 374.190 or 374.191 with regard to tangible personal  
39 property sold at retail, or stored, used or otherwise consumed, if the  
40 governing body obtains an opinion from independent bond counsel  
41 stating that the applicability of this provision would impair an  
42 existing contract for the sale of bonds which were issued before  
43 September 11, 2014.

44 3. ~~HF~~



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1 ~~—(a) The qualified project is a qualified project described in~~  
2 ~~section 10 of this act;~~

3 ~~—(b) The governing body of the municipality includes in the~~  
4 ~~ordinance adopted pursuant to paragraph (a) of subsection 1 a~~  
5 ~~pledge of money pursuant to paragraph (b) of subsection 1; and~~

6 ~~—(c) The Executive Director of the Office of Economic~~  
7 ~~Development has required the lead participant to make payments to~~  
8 ~~a trust fund in the State Treasury pursuant to subsection 3 of section~~  
9 ~~15 of this act;~~

10 ~~→ the governing body must include in the ordinance a provision~~  
11 ~~providing that the pledge of that money is conditioned upon the lead~~  
12 ~~participant qualifying for a return of the money paid into the trust~~  
13 ~~fund pursuant to subsection 4 of section 15 of this act.~~

14 ~~—4.1~~ A district created pursuant to this section by:

15 (a) A city must be located entirely within the boundaries of that  
16 city.

17 (b) A county must be located entirely within the boundaries of  
18 that county and, when the district is created, entirely outside of the  
19 boundaries of any city.

20 **Sec. 46.** NRS 271B.080 is hereby amended to read as follows:

21 271B.080 **1.** After the adoption of an ordinance pursuant to  
22 NRS 271B.070 ~~1, the~~:

23 (a) *The* governing body of the municipality and the Department  
24 of Taxation shall enter into an agreement specifying the dates and  
25 procedure for distribution to the municipality of any money pledged  
26 pursuant to NRS 271B.070. ~~The~~

27 (b) *If the qualified project is a qualified project described in*  
28 *section 10 of this act and the Executive Director of the Office of*  
29 *Economic Development has required the lead participant to make*  
30 *payments to a trust fund in the State Treasury pursuant to*  
31 *subsection 3 of section 15 of this act, the Department of Taxation*  
32 *shall deposit in that trust fund the proceeds of any taxes*  
33 *conditionally pledged pursuant to subsection 3 of NRS 271B.070*  
34 *until:*

35 (1) *The lead participant qualifies for a return of the money*  
36 *paid into the trust fund pursuant to subsection 4 of section 15 of*  
37 *this act, in which case the taxes conditionally pledged, including*  
38 *any interest and income earned on those taxes, must be distributed*  
39 *pursuant to the agreement described in paragraph (a); or*

40 (2) *The Executive Director determines that the*  
41 *requirements for the partial abatement set forth in section 15 of*  
42 *this act have not been met, in which case any taxes conditionally*  
43 *pledged and deposited in the trust fund must be transferred to the*  
44 *entity that would have received those taxes if the taxes had not*  
45 *been conditionally pledged, as determined by the Department of*



1 *Taxation. The interest and income earned on those taxes during*  
2 *the time the taxes were in the trust fund must be distributed to an*  
3 *entity receiving a distribution pursuant to this subparagraph in the*  
4 *proportion that the taxes distributed to the entity pursuant to this*  
5 *subparagraph bears to the total taxes distributed pursuant to this*  
6 *subparagraph.*

7 *2. If the qualified project is a qualified project described in*  
8 *NRS 360.940, the distributions pursuant to the agreement*  
9 *described in paragraph (a) of subsection 1 must:*

10 ~~1-1~~ (a) Be made not less frequently than monthly; and

11 ~~1-2~~ (b) Cease at the end of the fiscal year in which the 20th  
12 anniversary of the adoption of the ordinance creating the district  
13 occurs.

14 *3. If the qualified project is a qualified project described in*  
15 *section 10 of this act, the distributions pursuant to the agreement*  
16 *described in paragraph (a) of subsection 1 must:*

17 (a) *Be made not less frequently than monthly;*

18 (b) *Cease at the end of the fiscal year in which the 15th*  
19 *anniversary of the adoption of the ordinance creating the district*  
20 *occurs; and*

21 (c) *If the Executive Director of the Office of Economic*  
22 *Development has required the lead participant to make payments*  
23 *to a trust fund in the State Treasury pursuant to subsection 3 of*  
24 *section 15 of this act, not commence until the lead participant*  
25 *qualifies for a return of the money paid into the trust fund*  
26 *pursuant to subsection 4 of section 15 of this act.*

27 **Sec. 47.** Chapter 277A of NRS is hereby amended by adding  
28 thereto a new section to read as follows:

29 *1. In a county in which a qualified project is located, the*  
30 *commission may acquire, construct, improve, maintain and*  
31 *operate or contract for the construction or operation of a project*  
32 *to provide freight rail service in relation to the qualified project.*

33 *2. To carry out a project described in subsection 1, the*  
34 *commission may:*

35 (a) *Enter into agreements with an agency of any state or*  
36 *political subdivision thereof, or the Federal Government;*

37 (b) *Receive and disburse funds from an agency of this State or*  
38 *any other source;*

39 (c) *In addition to the agreements authorized by paragraph (a),*  
40 *enter into rail access agreements, construction contracts,*  
41 *maintenance agreements and other similar agreements with any*  
42 *person authorizing or regulating use, operation, construction and*  
43 *maintenance of the freight rail service, including, without*  
44 *limitation, any arrangements for payment of fees or costs related*  
45 *to such use, operation and maintenance;*



1 (d) *Acquire real and personal property by purchase, lease,*  
2 *easement or other means appropriate to a freight rail service; and*  
3 (e) *Adopt regulations governing the use, operation and*  
4 *maintenance of the freight rail service.*

5 3. *As used in this section, "qualified project" has the*  
6 *meaning ascribed to it in NRS 360.940 or section 10 of this act.*

7 **Sec. 48.** (Deleted by amendment.)

8 **Sec. 49.** Chapter 278C of NRS is hereby amended by adding  
9 thereto the provisions set forth as sections 50, 51 and 52 of this act.

10 **Sec. 50.** *"Natural resources project" means:*

11 1. *A drainage and flood control project;*

12 2. *A sewerage project;*

13 3. *A wastewater project; or*

14 4. *A water project.*

15 **Sec. 51.** *"Rail project" means any railroad, railroad tracks,*  
16 *rail spurs and any structures or facilities necessary for a rail port,*  
17 *and all appurtenances and incidentals, or any combination*  
18 *thereof, including real and other property therefor.*

19 **Sec. 52.** 1. *Notwithstanding any provision of this chapter to*  
20 *the contrary, if the governing body submits to the Office of*  
21 *Economic Development an economic development financing*  
22 *proposal described in section 27 of this act and the Office*  
23 *approves the proposal and an economic development financing*  
24 *agreement pursuant to section 28 of this act, any tax increment*  
25 *area which is or may be created for the purpose of carrying out*  
26 *the undertakings identified in the proposal must be administered*  
27 *as provided in the agreement.*

28 2. *The economic development financing agreement may*  
29 *provide, without limitation, that:*

30 (a) *The Office of Economic Development, the Executive*  
31 *Director of the Office or any designee of either is authorized or*  
32 *required to perform any function or duty that under the provisions*  
33 *of this chapter would otherwise be performed by the municipality,*  
34 *the governing body or any officer or employee of the municipality.*

35 (b) *Any money collected pursuant to this chapter must be paid,*  
36 *collected, deposited, distributed or remitted as provided in the*  
37 *agreement, notwithstanding any provision of this chapter to the*  
38 *contrary.*

39 (c) *It may be modified at any time by the Executive Director of*  
40 *the Office of Economic Development, in the exercise of his or her*  
41 *discretion and upon approval of the Board of Economic*  
42 *Development.*

43 **Sec. 53.** NRS 278C.130 is hereby amended to read as follows:  
44 278C.130 "Tax increment area" means the area:



1 1. Whose boundaries are coterminous with those of a specially  
2 benefited zone established as provided in NRS 278C.150;

3 2. Specially benefited by an undertaking under this chapter;

4 3. Designated by ordinance as provided in NRS 278C.220; and

5 4. In which is located:

6 (a) The taxable property the assessed valuation of which is the  
7 basis for the allocation of tax proceeds to the tax increment account  
8 pursuant to paragraph (a) of subsection 1 of NRS 278C.250; and

9 (b) If the undertaking is a ~~water project~~ *natural resources*  
10 *project or a rail project* for which the municipality has received  
11 approval from the Interim Finance Committee pursuant to  
12 NRS 278C.157:

13 (1) The persons from which the tax on the sale or use of  
14 tangible personal property is the basis for the allocation of tax  
15 proceeds to the tax increment account pursuant to paragraph (b) of  
16 subsection 1 of NRS 278C.250; and

17 (2) The employers from which the tax imposed pursuant to  
18 NRS 363A.130 and 363B.110 is the basis for the allocation of tax  
19 proceeds to the tax increment account pursuant to paragraph (c) of  
20 subsection 1 of NRS 278C.250.

21 **Sec. 54.** NRS 278C.140 is hereby amended to read as follows:  
22 278C.140 "Undertaking" means any enterprise to acquire,  
23 improve or equip, or any combination thereof:

24 1. In the case of counties:

25 (a) A drainage and flood control project, as defined in  
26 NRS 244A.027;

27 (b) An overpass project, as defined in NRS 244A.037;

28 (c) A sewerage project, as defined in NRS 244A.0505;

29 (d) A street project, as defined in NRS 244A.053;

30 (e) An underpass project, as defined in NRS 244A.055; or

31 (f) A water project, as defined in NRS 244A.056.

32 2. In the case of cities:

33 (a) A drainage project or flood control project, as defined in  
34 NRS 268.682;

35 (b) An overpass project, as defined in NRS 268.700;

36 (c) A sewerage project, as defined in NRS 268.714;

37 (d) A street project, as defined in NRS 268.722;

38 (e) An underpass project, as defined in NRS 268.726; or

39 (f) A water project, as defined in NRS 268.728.

40 3. In the case of a city with respect to any tax increment area  
41 created pursuant to a cooperative agreement between the city and  
42 the Nevada System of Higher Education pursuant to NRS 278C.155,  
43 in addition to the projects described in subsection 2:



1 (a) A project for any other infrastructure necessary or desirable  
2 for the principal campus of the Nevada State College that is  
3 approved by the Board of Regents of the University of Nevada; or

4 (b) An educational facility or other capital project for the  
5 principal campus of the Nevada State College that is owned by the  
6 Nevada System of Higher Education and approved by the Board of  
7 Regents of the University of Nevada.

8 **4. *In the case of a county or city with respect to any tax***  
9 ***increment area created by an ordinance adopted pursuant to NRS***  
10 ***278C.157, in addition to the projects described in subsections 1***  
11 ***and 2:***

12 ***(a) A natural resources project; or***

13 ***(b) A rail project.***

14 **Sec. 55.** NRS 278C.157 is hereby amended to read as follows:

15 278C.157 1. A municipality may adopt an ordinance ordering  
16 an undertaking and creating the tax increment area and the tax  
17 increment account pertaining thereto pursuant to NRS 278C.220  
18 which includes provisions for:

19 (a) The allocation of the proceeds of any tax on the sale or use  
20 of tangible personal property to the tax increment account of the  
21 proposed tax increment area pursuant to paragraph (b) of subsection  
22 1 of NRS 278C.250;

23 (b) The allocation of the proceeds of any tax imposed pursuant  
24 to NRS 363A.130 and 363B.110 to the tax increment account of the  
25 proposed tax increment area pursuant to paragraph (c) of subsection  
26 1 of NRS 278C.250; or

27 (c) The issuance of municipal securities and revenue securities  
28 described in paragraph (f) of subsection 1 of NRS 278C.280,

29 ~~only for an undertaking that is a water project, the estimated cost~~  
30 ~~of which exceeds \$50,000,000,~~ ***rail project in relation to a***  
31 ***qualified project or a natural resources project,*** and only after  
32 approval by the Interim Finance Committee of a written request  
33 submitted by the municipality.

34 2. The Interim Finance Committee may approve a request  
35 submitted pursuant to this section only if the Interim Finance  
36 Committee determines that approval of the request:

37 (a) Will not impede the ability of the Legislature to carry out its  
38 duty to provide for an annual tax sufficient to defray the estimated  
39 expenses of the State for each fiscal year as set forth in Article 9,  
40 Section 2 of the Nevada Constitution; and

41 (b) Will not threaten the protection and preservation of the  
42 property and natural resources of the State of Nevada.

43 3. A request submitted pursuant to this section must include  
44 any information required by the Interim Finance Committee.



1 **4. As used in this section, "qualified project" has the**  
2 **meaning ascribed to it in NRS 360.940 or section 10 of this act.**

3 **Sec. 56.** NRS 278C.160 is hereby amended to read as follows:

4 278C.160 1. Whenever the governing body of a municipality  
5 is of the opinion that the interests of the municipality and the public  
6 require an undertaking, the governing body, by resolution, shall  
7 direct the engineer to prepare:

8 (a) Preliminary plans and a preliminary estimate of the cost of  
9 the undertaking, including, without limitation, all estimated  
10 financing costs to be capitalized with the proceeds of the securities  
11 issued by the municipality and all other estimated incidental costs  
12 relating to the undertaking;

13 (b) A statement of the proposed tax increment area pertaining  
14 thereto, including:

15 (1) The last finalized amount of the assessed valuation of the  
16 taxable property in such area, and the amount of taxes, including in  
17 such amount the sum of any unpaid taxes, whether or not  
18 delinquent, resulting from the last taxation of the property, based  
19 upon the records of the county assessor and the county treasurer;  
20 and

21 (2) If the undertaking is a ~~water project~~ **natural resources**  
22 **project or a rail project** for which the municipality has received  
23 approval from the Interim Finance Committee pursuant to  
24 NRS 278C.157:

25 (I) The total amount of taxes imposed on the sale or use  
26 of tangible personal property in such area in the immediately  
27 preceding fiscal year, based upon the records of the Department of  
28 Taxation; and

29 (II) The total amount of taxes imposed pursuant to NRS  
30 363A.130 and 363B.110 on employers in such area in the  
31 immediately preceding fiscal year, based upon the records of the  
32 Department of Taxation; and

33 (c) A statement of the estimated amount of the tax proceeds to  
34 be credited annually to the tax increment account during the term of  
35 the proposed securities payable therefrom.

36 2. The resolution must describe the undertaking in general  
37 terms and must state:

38 (a) What portion of the expense of the undertaking will be paid  
39 with the proceeds of securities or other allowable borrowing  
40 instruments issued by the municipality in anticipation of tax  
41 proceeds to be credited to the tax increment account and payable  
42 wholly or in part therefrom;

43 (b) How the remaining portion of the expense of the  
44 undertaking, if any, is to be financed; and



1 (c) The basic security and any additional security for the  
2 payment of securities or other allowable borrowing instruments of  
3 the municipality pertaining to the undertaking.

4 3. The resolution must designate the tax increment area or its  
5 location, so that the various tracts of taxable real property, any  
6 taxable personal property and the locations of any retailers and  
7 employers can be identified and determined to be within or without  
8 the proposed tax increment area, but need not describe in minute  
9 detail each tract of real property proposed to be included within the  
10 tax increment area.

11 4. The engineer shall file with the clerk the preliminary plans,  
12 estimate of costs and statements.

13 5. Upon the filing of the preliminary plans, estimate of costs  
14 and statements with the clerk, the governing body shall examine the  
15 preliminary plans, estimate of costs and statements, and if the  
16 governing body approves of the preliminary plans, estimate of costs  
17 and statements, it shall by resolution provisionally order the  
18 undertaking.

19 **Sec. 57.** NRS 278C.170 is hereby amended to read as follows:

20 278C.170 1. In the resolution making the provisional order,  
21 the governing body shall set a time and place for a meeting to  
22 consider the ordering of the undertaking and hear all complaints,  
23 protests, objections and other relevant comments concerning the  
24 undertaking that are made in accordance with subsection 2. The time  
25 for the meeting must be at least 20 days after the date the governing  
26 body adopts the resolution that provisionally orders the undertaking.

27 2. The Federal Government, the State, any public body, any  
28 natural person who resides in the municipality or owns taxable  
29 personal or real property in the municipality, any retailer or  
30 employer, if applicable, that is located within the proposed tax  
31 increment area pertaining to the undertaking, or any representative  
32 of any such natural person or entity, may submit a complaint,  
33 protest, objection or other comment about the undertaking before  
34 the governing body. If such an entity or person desires to submit a  
35 complaint, protest, objection or other comment about the  
36 undertaking for consideration by the governing body, the entity or  
37 person must:

38 (a) File a written complaint, protest, objection or other comment  
39 about the undertaking with the clerk at least 3 days before the date  
40 of the meeting described in subsection 1;

41 (b) Present an oral complaint, protest, objection or other  
42 comment about the undertaking to the governing body at the  
43 meeting described in subsection 1; or

44 (c) Present the complaint, protest, objection or other comment in  
45 the manner required pursuant to paragraphs (a) and (b).





1 3. Notice of the meeting described in subsection 1 must be  
2 given:

3 (a) To all persons on the list established pursuant to NRS  
4 278C.180, by mailing;

5 (b) By posting; and

6 (c) By publication.

7 4. The notice must:

8 (a) Describe the undertaking and the project or projects relating  
9 thereto without mentioning minor details or incidentals;

10 (b) State the preliminary estimate of the cost of the undertaking,  
11 including all incidental costs, as stated in the preliminary plans,  
12 estimate of costs and statements of the engineer filed with the clerk  
13 pursuant to NRS 278C.160;

14 (c) Describe the proposed tax increment area pertaining to the  
15 undertaking, including:

16 (1) The last finalized amount of the assessed valuation of the  
17 taxable property in the area, and the amount of taxes, including in  
18 such amount the sum of any unpaid taxes, whether or not  
19 delinquent, resulting from the last taxation of the property, based  
20 upon the records of the county assessor and the county treasurer;  
21 and

22 (2) If the undertaking is a ~~water project~~ *natural resources*  
23 *project or a rail project* for which the municipality has received  
24 approval from the Interim Finance Committee pursuant to  
25 NRS 278C.157:

26 (I) The total amount of taxes imposed on the sale or use  
27 of tangible personal property in the area in the immediately  
28 preceding fiscal year, based upon the records of the Department of  
29 Taxation; and

30 (II) The total amount of taxes imposed pursuant to NRS  
31 363A.130 and 363B.110 on employers in the area in the  
32 immediately preceding fiscal year, based upon the records of the  
33 Department of Taxation;

34 (d) State what portion of the expense of the undertaking will be  
35 paid with the proceeds of securities or other allowable borrowing  
36 instruments issued by the municipality in anticipation of tax  
37 proceeds to be credited to the tax increment account and payable  
38 wholly or in part therefrom, and state the basic security and any  
39 additional security for the payment of securities or other allowable  
40 borrowing instruments of the municipality pertaining to the  
41 undertaking;

42 (e) State how the remaining portion of the expense, if any, is to  
43 be financed;

44 (f) State the estimated amount of the tax proceeds to be credited  
45 annually to the tax increment account pertaining to the undertaking



1 during the term of the proposed securities or other allowable  
2 borrowing instruments payable from such proceeds, and the  
3 estimated amount of any net revenues derived annually from the  
4 operation of the project or projects pertaining to the undertaking and  
5 pledged for the payment of those securities or other allowable  
6 borrowing instruments;

7 (g) State the estimated aggregate principal amount to be  
8 borrowed by the issuance of the securities or other allowable  
9 borrowing instruments, excluding proceeds thereof to fund or refund  
10 outstanding securities, and the estimated total bond requirements of  
11 the securities or other allowable borrowing instruments;

12 (h) Find, determine and declare that the estimated tax proceeds  
13 to be credited to the tax increment account and any such net pledged  
14 revenues will be fully sufficient to pay the bond requirements of the  
15 securities or other allowable borrowing instruments as they become  
16 due; and

17 (i) State the date, time and place of the meeting described in  
18 subsection 1.

19 5. All proceedings may be modified or rescinded wholly or in  
20 part by resolution adopted by the governing body at any time before  
21 the governing body passes the ordinance ordering the undertaking  
22 and creating the tax increment area and the tax increment account  
23 pertaining thereto pursuant to NRS 278C.220.

24 6. Except as otherwise provided in this section, a public body  
25 shall not make a substantial change in the undertaking, the  
26 preliminary estimates, the proposed tax increment area or other  
27 statements relating thereto after the first publication or posting of  
28 notice or after the first mailing of notice to the property owners,  
29 whichever occurs first, without additional notice and a hearing  
30 pursuant to this section. A public body may delete a portion of the  
31 undertaking and property from the proposed tax increment area  
32 without notice and a hearing pursuant to this section. A subsequent  
33 final determination of the amount of assessed valuation of taxable  
34 property in the tax increment area or a subsequent levy or  
35 imposition of taxes does not adversely affect proceedings taken  
36 pursuant to this chapter.

37 7. The engineer may make minor changes in and develop the  
38 undertaking as to the time, plans and materials entering into the  
39 undertaking at any time before its completion. Any minor changes  
40 authorized by this subsection must be made a matter of public  
41 record at a public meeting of the governing body.

42 **Sec. 58.** NRS 278C.180 is hereby amended to read as follows:

43 278C.180 1. The governing body shall cause to be created a  
44 list of the names and addresses of all:



1 (a) Persons who reside within a proposed tax increment area and  
2 who own taxable property within a proposed tax increment area; and

3 (b) If the undertaking is a ~~water project~~ *natural resources*  
4 *project or a rail project* for which the municipality has received  
5 approval from the Interim Finance Committee pursuant to  
6 NRS 278C.157:

7 (1) Retailers located within a proposed tax increment area;  
8 and

9 (2) Employers located within a proposed tax increment area.

10 ➔ The names and addresses for the list may be obtained from the  
11 records of the county assessor, the Department of Taxation or from  
12 such other sources as the clerk or the engineer deems available. A  
13 list of such names and addresses pertaining to any tax increment  
14 area may be revised from time to time, but must be revised at least  
15 once every 12 months if the list is needed for a period longer than  
16 12 months.

17 2. If notice is required to be mailed pursuant to this chapter, the  
18 notice must be sent by prepaid, first-class mail, to the last known  
19 address of the person to whom the notice is being sent.

20 3. The mailing of any notice required in this chapter must be  
21 verified by the affidavit or certificate of the engineer, clerk, deputy  
22 or other person mailing the notice. Each verification of mailing must  
23 be filed with the clerk and be retained in the records of the  
24 municipality at least until all bonds and any other securities  
25 pertaining to a tax increment account have been paid in full, or any  
26 claim is barred by a statute of limitations.

27 4. A verification of mailing is prima facie evidence of the  
28 mailing of the notice in accordance with the requirements of this  
29 section.

30 **Sec. 59.** NRS 278C.250 is hereby amended to read as follows:

31 278C.250 1. After the effective date of the ordinance adopted  
32 pursuant to NRS 278C.220:

33 (a) Any taxes levied upon taxable property in the tax increment  
34 area each year by or for the benefit of the State, the municipality and  
35 any public body must be divided as follows:

36 (1) That portion of the taxes that would be produced by the  
37 rate upon which the tax is levied each year by or for each of those  
38 taxing agencies upon the total sum of the assessed value of the  
39 taxable property in the tax increment area as shown upon the last  
40 equalized assessment roll used in connection with the taxation of the  
41 property by the taxing agency, must be allocated to and when  
42 collected must be paid into the funds of the respective taxing  
43 agencies as taxes by or for the taxing agencies on all other property  
44 are paid.



1 (2) Except as otherwise provided in this section, the portion  
2 of the taxes levied each year in excess of the amount determined  
3 pursuant to subparagraph (1) must be allocated to, and when  
4 collected must be paid into, the tax increment account pertaining to  
5 the undertaking to pay the bond requirements of loans, money  
6 advanced to, or indebtedness, whether funded, refunded, assumed or  
7 otherwise, incurred by the municipality to finance or refinance, in  
8 whole or in part, the undertaking. Unless the total assessed valuation  
9 of the taxable property in the tax increment area exceeds the total  
10 assessed value of the taxable property in the area as shown by the  
11 last equalized assessment roll referred to in this subsection, all of the  
12 taxes levied and collected upon the taxable property in the area must  
13 be paid into the funds of the respective taxing agencies. When the  
14 loans, advances and indebtedness, if any, and interest thereon, have  
15 been paid, all money thereafter received from taxes upon the taxable  
16 property in the tax increment area must be paid into the funds of the  
17 respective taxing agencies as taxes on all other property are paid.

18 (b) If the undertaking is a ~~water project~~ *natural resources*  
19 *project or a rail project* for which the municipality has received  
20 approval from the Interim Finance Committee pursuant to NRS  
21 278C.157, any taxes levied upon the sale or use of tangible personal  
22 property in the tax increment area each year by or for the benefit of  
23 the State, the municipality and any public body must be divided as  
24 follows:

25 (1) That portion of the taxes that would be produced by the  
26 rate upon which the tax is levied each year by or for each of those  
27 taxing agencies upon the total sum of the sales and use of tangible  
28 personal property in the tax increment area in the fiscal year  
29 immediately preceding the effective date of the ordinance adopted  
30 pursuant to NRS 278C.220, must be allocated to and when collected  
31 must be paid into the funds of the respective taxing agencies as  
32 taxes by or for the taxing agencies on all other sales of tangible  
33 personal property are paid.

34 (2) Except as otherwise provided in this section, of the  
35 portion of the taxes levied each year in excess of the amount  
36 determined pursuant to subparagraph (1), 50 percent of that amount  
37 must be allocated to, and when collected must be paid into the tax  
38 increment account pertaining to the undertaking to pay the bond  
39 requirements of loans, money advanced to, or indebtedness, whether  
40 funded, refunded, assumed or otherwise, incurred by the  
41 municipality to finance or refinance, in whole or in part, the  
42 undertaking. The remaining 50 percent of that amount must be  
43 allocated to and when collected must be paid into the funds of the  
44 respective taxing agencies as taxes by or for the taxing agencies on  
45 all other sales of tangible personal property are paid. Unless the total



1 amount of the taxes imposed on the sale and use of tangible personal  
2 property in the tax increment area exceeds the total amount of the  
3 taxes imposed on the sale and use of tangible personal property in  
4 the tax increment area in the fiscal year immediately preceding the  
5 effective date of the ordinance adopted pursuant to NRS 278C.220,  
6 all of the taxes levied and collected upon the sale or use of tangible  
7 personal property in the tax increment area must be paid into the  
8 funds of the respective taxing agencies. When the loans, advances  
9 and indebtedness, if any, and interest thereon, have been paid, all  
10 money thereafter received from taxes upon the sale or use of  
11 tangible personal property in the tax increment area must be paid  
12 into the funds of the respective taxing agencies as taxes on all other  
13 taxes on the sale or use of tangible personal property are paid.

14 (c) If the undertaking is a ~~water project~~ **natural resources**  
15 **project or a rail project** for which the municipality has received  
16 approval from the Interim Finance Committee pursuant to NRS  
17 278C.157, any taxes imposed pursuant to NRS 363A.130 or  
18 363B.110 on employers located in the tax increment area must be  
19 divided as follows:

20 (1) That portion of the taxes that would be produced by the  
21 rate upon which the tax is imposed each year by the Department of  
22 Taxation in the fiscal year immediately preceding the effective date  
23 of the ordinance adopted pursuant to NRS 278C.220, must be  
24 allocated to and when collected must be paid to the Department of  
25 Taxation as all other taxes imposed pursuant to NRS 363A.130 and  
26 363B.110 are paid.

27 (2) Except as otherwise provided in this section, of the  
28 portion of the taxes imposed each year in excess of the amount  
29 determined pursuant to subparagraph (1), 50 percent of that amount  
30 must be allocated to, and when collected must be paid into, the tax  
31 increment account pertaining to the undertaking to pay the bond  
32 requirements of loans, money advanced to, or indebtedness, whether  
33 funded, refunded, assumed or otherwise, incurred by the  
34 municipality to finance or refinance, in whole or in part, the  
35 undertaking. The remaining 50 percent of that amount must be  
36 allocated to and when collected must be paid to the Department of  
37 Taxation as all other taxes imposed pursuant to NRS 363A.130 and  
38 363B.110 are paid. Unless the total amount of the taxes imposed  
39 pursuant to NRS 363A.130 and 363B.110 on employers located in  
40 the tax increment area exceeds the total amount of the taxes imposed  
41 on employers located in the tax increment area in the fiscal year  
42 immediately preceding the effective date of the ordinance adopted  
43 pursuant to NRS 278C.220, all of the taxes imposed on employers  
44 located in the tax increment area must be paid to the Department of  
45 Taxation. When the loans, advances and indebtedness, if any, and



1 interest thereon, have been paid, all money thereafter received from  
2 taxes imposed pursuant to NRS 363A.130 or 363B.110 on  
3 employers located in the tax increment area must be paid to the  
4 Department of Taxation as all other taxes imposed pursuant to NRS  
5 363A.130 and 363B.110 are paid.

6 2. ~~The~~ *Except as otherwise provided in subsection 2 of*  
7 *section 29 of this act, the* amount of the taxes levied each year  
8 which are paid into the tax increment account pursuant to  
9 subparagraph (2) of paragraph (a) of subsection 1, subparagraph  
10 (2) of paragraph (b) of subsection 1 and subparagraph (2) of  
11 paragraph (c) of subsection 1 must be limited by the governing body  
12 to an amount not to exceed the combined total amount required for  
13 annual debt service of or any outstanding advances of money or  
14 unfunded costs associated with the project or projects acquired,  
15 improved or equipped, or any combination thereof, as part of the  
16 undertaking.

17 3. Any revenues generated within the tax increment area in  
18 excess of the amount referenced in subsection 2, if any, will be paid  
19 into the funds of the respective taxing agencies in the same  
20 proportion as their base amount was distributed.

21 4. Except as otherwise provided in this subsection, in any fiscal  
22 year, the total revenue paid to a tax increment area pursuant to  
23 subparagraph (2) of paragraph (a) of subsection 1 in combination  
24 with the total revenue paid to any other tax increment areas and any  
25 redevelopment agencies of a municipality, other than any revenues  
26 paid to any other tax increment areas pursuant to subparagraph (2)  
27 of paragraph (b) of subsection 1 and subparagraph (2) of paragraph  
28 (c) of subsection 1, must not exceed:

29 (a) In a county whose population is 100,000 or more or a city  
30 whose population is 150,000 or more, an amount equal to the  
31 combined tax rates of the taxing agencies for that fiscal year  
32 multiplied by 10 percent of the total assessed valuation of the  
33 municipality.

34 (b) In a county whose population is less than 100,000 or a city  
35 whose population is less than 150,000, an amount equal to the  
36 combined tax rates of the taxing agencies for that fiscal year  
37 multiplied by 15 percent of the total assessed valuation of the  
38 municipality.

39 ↪ Notwithstanding the provisions of this subsection, if a county has  
40 a population of less than 100,000 or if a city has a population of less  
41 than 150,000 at the time the municipality issues securities for a tax  
42 increment area pursuant to NRS 278C.280, the revenue limitation  
43 set forth in paragraph (b) must remain the revenue limitation for the  
44 tax increment area until such time as the securities issued for that  
45 tax increment area pursuant to NRS 278C.280 have been paid in



1 full, including any securities issued to refund those securities,  
2 regardless of whether the population of the municipality reaches or  
3 exceeds 100,000 after the issuance of those securities.

4 5. If the revenue paid to a tax increment area must be limited  
5 pursuant to paragraph (a) or (b) of subsection 4 and the municipality  
6 has more than one redevelopment agency or tax increment area, or  
7 one of each, the municipality shall determine the allocation to each  
8 agency and area. Any revenue that would be allocated to a tax  
9 increment area but for the provisions of this section must be paid  
10 into the funds of the respective taxing agencies.

11 6. The portion of the taxes levied each year in excess of the  
12 amount determined pursuant to subparagraph (1) of paragraph (a) of  
13 subsection 1 which is attributable to any tax rate levied by a taxing  
14 agency:

15 (a) To produce revenue in an amount sufficient to make annual  
16 repayments of the principal of, and the interest on, any bonded  
17 indebtedness that was approved by a majority of the registered  
18 voters within the area of the taxing agency voting upon the question,  
19 must be allocated to, and when collected must be paid into, the debt  
20 service fund of that taxing agency.

21 (b) In excess of any tax rate of that taxing agency applicable to  
22 the last taxation of the property before the effective date of the  
23 ordinance, if that additional rate was approved by a majority of the  
24 registered voters within the area of the taxing agency voting upon  
25 the question, must be allocated to, and when collected must be paid  
26 into, the appropriate fund of that taxing agency.

27 (c) Pursuant to NRS 387.3285 or 387.3287, if that rate was  
28 approved by a majority of the registered voters within the area of the  
29 taxing agency voting upon the question, must be allocated to, and  
30 when collected must be paid into, the appropriate fund of that taxing  
31 agency.

32 (d) For the support of the public schools within a county school  
33 district pursuant to NRS 387.195, must be allocated to, and when  
34 collected must be paid into, the appropriate fund of that taxing  
35 agency.

36 7. The provisions of paragraph (a) of subsection 6 include,  
37 without limitation, a tax rate approved for bonds of a county school  
38 district issued pursuant to NRS 350.020, including, without  
39 limitation, amounts necessary for a reserve account in the debt  
40 service fund.

41 8. As used in this section, the term "last equalized assessment  
42 roll" means the assessment roll in existence on the 15th day of  
43 March immediately preceding the effective date of the ordinance.



\* S B 1 R 1 \*

1       **Sec. 60.** NRS 278C.280 is hereby amended to read as follows:  
2       278C.280 1. To defray in whole or in part the cost of any  
3 undertaking, a municipality may issue the following securities:

- 4       (a) Notes;
- 5       (b) Warrants;
- 6       (c) Interim debentures;
- 7       (d) Bonds;
- 8       (e) Temporary bonds; and
- 9       (f) Upon the approval of the Interim Finance Committee  
10 pursuant to NRS 278C.157 **+** *for a purpose related to natural*  
11 *resources, as defined in NRS 350A.090*, municipal securities and  
12 revenue securities purchased by the State Treasurer in accordance  
13 with the provisions of chapter 350A of NRS.

14       2. Any net revenues derived from the operation of a project  
15 acquired, improved or equipped, or any combination thereof, as part  
16 of the undertaking must be pledged for the payment of any securities  
17 issued pursuant to this section. The securities must be made payable  
18 from any such net pledged revenues as the bond requirements  
19 become due from time to time by the bond ordinance, trust  
20 indenture or other proceedings that authorize the issuance of the  
21 securities or otherwise pertain to their issuance.

22       3. Securities issued pursuant to this section:

23       (a) Must be made payable from tax proceeds accounted for in  
24 the tax increment account; and

25       (b) May, at the option of the municipality and if otherwise so  
26 authorized by law, be made payable from the taxes levied by the  
27 municipality against all taxable property within the municipality.

28       ➤ The municipality may also issue general obligation securities  
29 other than the ones authorized by this chapter that are made payable  
30 from taxes without also making the securities payable from any net  
31 pledged revenues or tax proceeds accounted for in a tax increment  
32 account, or from both of those sources of revenue.

33       4. Any securities payable only in the manner provided in either  
34 paragraph (a) of subsection 3 or both subsection 2 and paragraph (a)  
35 of subsection 3:

36       (a) Are special obligations of the municipality and are not in  
37 their issuance subject to any debt limitation imposed by law;

38       (b) While they are outstanding, do not exhaust the debt incurring  
39 power of the municipality; and

40       (c) May be issued under the provisions of the Local Government  
41 Securities Law, except as otherwise provided in this chapter,  
42 without any compliance with the provisions of NRS 350.020 to  
43 350.070, inclusive, except as otherwise provided in the Local  
44 Government Securities Law, only after the issuance of municipal





1 bonds is approved under the provisions of NRS 350.011 to  
2 350.0165, inclusive.

3 5. Any securities payable from taxes in the manner provided in  
4 paragraph (b) of subsection 3, regardless of whether they are also  
5 payable in the manner provided in paragraph (a) of subsection 3 or  
6 in both subsection 2 and paragraph (a) of subsection 3:

7 (a) Are general obligations of the municipality and are in their  
8 issuance subject to such debt limitation;

9 (b) While they are outstanding, do exhaust the power of the  
10 municipality to incur debt; and

11 (c) May be issued under the provisions of the Local Government  
12 Securities Law only after the issuance of municipal bonds is  
13 approved under the provisions of:

14 (1) NRS 350.011 to 350.0165, inclusive; or

15 (2) NRS 350.020 to 350.070, inclusive,

16 ↪ except for the issuance of notes or warrants under the Local  
17 Government Securities Law that are payable out of the revenues for  
18 the current year and are not to be funded with the proceeds of  
19 interim debentures or bonds in the absence of such bond approval  
20 under the two acts designated in subparagraphs (1) and (2).

21 6. In the proceedings for the advancement of money, or the  
22 making of loans, or the incurrance of any indebtedness, whether  
23 funded, refunded, assumed or otherwise, by the municipality to  
24 finance or refinance, in whole or in part, the undertaking, the portion  
25 of taxes mentioned in subsection 4 of NRS 278C.250 must be  
26 irrevocably pledged for the payment of the bond requirements of the  
27 loans, advances or indebtedness. The provisions in the Local  
28 Government Securities Law pertaining to net pledged revenues are  
29 applicable to such a pledge to secure the payment of tax increment  
30 bonds.

31 **Sec. 60.5.** NRS 350A.070 is hereby amended to read as  
32 follows:

33 350A.070 "Municipal securities" means notes, warrants,  
34 interim debentures, bonds and temporary bonds validly issued as  
35 obligations for a purpose related to natural resources which are  
36 payable:

37 1. From taxes whether or not additionally secured by any  
38 municipal revenues available therefor;

39 2. For bonds issued by an irrigation district, from assessments  
40 against real property;

41 3. For bonds issued by a water authority organized as a  
42 political subdivision created by cooperative agreement, from  
43 revenues of the water system of the water authority or one or more  
44 of the water purveyors who are members of the water authority or  
45 any combination thereof;



1 4. For bonds issued by a wastewater authority, from revenues  
2 of the water reclamation system of the wastewater authority or one  
3 or more of the municipalities that are members of the wastewater  
4 authority, or any combination thereof; ~~for~~

5 5. For bonds issued by a flood management authority, from  
6 revenues of the flood management authority or one or more of the  
7 municipalities that are members of the flood management authority,  
8 or any combination thereof ~~H~~; or

9 **6. For assessment bonds issued by a municipality under**  
10 **chapter 271 of NRS.**

11 **Sec. 61.** NRS 350A.090 is hereby amended to read as follows:

12 350A.090 "Purpose related to natural resources" means a  
13 purpose necessary, expedient or advisable for the protection and  
14 preservation of any property or natural resources of the State, or for  
15 obtaining the benefits thereof, including without limitation water  
16 projects, sewer projects, **projects to protect and preserve the**  
17 **natural resources and property of the State from floods** and park  
18 projects which preserve natural landscape or wildlife habitat or both.

19 **Sec. 62.** NRS 350A.160 is hereby amended to read as follows:

20 350A.160 **1.** The Board shall not become obligated with  
21 respect to a particular lending project unless ~~it has~~ **the Board:**

22 **(a) Has determined that the lending project is for a purpose**  
23 **related to natural resources and that the obligation to be incurred**  
24 **for the lending project will be exempt from the limitation on state**  
25 **debt set forth in Section 3 of Article 9 of the Nevada Constitution;**  
26 **or**

27 **(b) Has** obtained judicial confirmation, in a proceeding pursuant  
28 to chapter 43 of NRS or another proceeding, that the obligation to be  
29 incurred for that project will be exempt from the State's debt limit.  
30 If an appeal is taken or the confirmation is otherwise reviewed, the  
31 obligation must not be incurred unless the exemption is affirmed by  
32 the court of last resort.

33 **2. The Legislature hereby finds that obligations issued as**  
34 **state securities which are general obligations, for which a Board**  
35 **determination has been made pursuant to paragraph (a) of**  
36 **subsection 1 or a judicial confirmation has been obtained**  
37 **pursuant to paragraph (b) of subsection 1, are necessary for the**  
38 **protection and preservation of the property and natural resources**  
39 **of this State and for the purpose of obtaining the benefits thereof,**  
40 **and the issuance of those securities constitutes an exercise of the**  
41 **authority conferred by the second paragraph of Section 3 of**  
42 **Article 9 of the Nevada Constitution.**

43 **Sec. 63.** NRS 353.207 is hereby amended to read as follows:

44 353.207 **1.** The Chief shall:



1 (a) Require the Office of Economic Development and the Office  
2 of Energy each periodically to conduct an analysis of the relative  
3 costs and benefits of each incentive for economic development  
4 previously approved by the respective office and in effect during the  
5 immediately preceding 2 fiscal years, including, without limitation,  
6 any abatement of taxes approved by the Office of Economic  
7 Development pursuant to NRS 274.310, 274.320, 274.330, 360.750,  
8 360.752, 360.753, 360.754, 360.950, 361.0687, 374.357 or  
9 701A.210, *or section 12 of this act*, to assist the Governor and the  
10 Legislature in determining whether the economic benefits of the  
11 incentive have accomplished the purposes of the statute pursuant to  
12 which the incentive was approved and warrant additional incentives  
13 of that kind;

14 (b) Require each office to report in writing to the Chief the  
15 results of the analysis conducted by the office pursuant to paragraph  
16 (a); and

17 (c) Establish a schedule for performing and reporting the results  
18 of the analysis required by paragraph (a) which ensures that the  
19 results of the analysis reported by each office are included in the  
20 proposed budget prepared pursuant to NRS 353.205, as required by  
21 that section.

22 2. Each report prepared for the Chief pursuant to this section is  
23 a public record and is open to inspection pursuant to the provisions  
24 of NRS 239.010.

25 **Sec. 64.** (Deleted by amendment.)

26 **Sec. 65.** The Legislature hereby finds that general obligation  
27 bonds issued under this act which are issued for a purpose  
28 necessary, expedient or advisable for the protection and preservation  
29 of the property or natural resources of the State, or for obtaining the  
30 benefits thereof, including, without limitation, state general  
31 obligation bonds issued for water projects, sewer projects, and  
32 projects to preserve and protect the natural resources and property of  
33 the State from floods, are obligations necessary for the protection  
34 and preservation of the property and natural resources of this State  
35 and for the purpose of obtaining the benefits thereof, and the  
36 issuance of those state general obligation bonds constitutes an  
37 exercise of the authority conferred by the second paragraph of  
38 Section 3 of Article 9 of the Nevada Constitution.

39 **Sec. 66.** Notwithstanding the provisions of NRS 231.0695, for  
40 the purpose of any partial abatement of taxes authorized by section  
41 11 of this act, the Office of Economic Development shall be deemed  
42 to have approved the partial abatement pursuant to section 12 of this  
43 act upon approval by the Executive Director of the Office of  
44 Economic Development.



1     **Sec. 67.** The Legislature hereby finds that each partial  
2 abatement provided by sections 2 to 18, inclusive, of this act from  
3 any ad valorem tax on property or excise tax on the sale, storage,  
4 use or other consumption of tangible personal property sold at retail:

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

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

14     **Sec. 68.** The provisions of subsection 1 of NRS 218D.380 do  
15 not apply to any provision of this act which adds or revises a  
16 requirement to submit a report to the Legislature.

17     **Sec. 69.** 1. This section and sections 1 to 32, inclusive, 33.5,  
18 34 to 45, inclusive, and 46 to 68, inclusive, of this act become  
19 effective upon passage and approval.

20    2. Sections 1 to 18, inclusive, of this act expire by limitation on  
21 June 30, 2032.

22    3. The amendatory provisions of sections 30, 31, 34, 41 to 44,  
23 inclusive, 46 and 63 of this act expire by limitation on June 30,  
24 2032.

25    4. Sections 33 and 45.5 of this act become effective on July 1,  
26 2032.

