

SENATE BILL NO. 345—SENATOR FARLEY

MARCH 20, 2017

Referred to Committee on Revenue and Economic Development

SUMMARY—Revises provisions relating to economic development. (BDR 18-500)

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 economic development; requiring an applicant for a partial abatement of certain taxes to create a statement of the fiscal impact of the abatement on each affected county, city or school district and obtain the recommendation of the board of county commissioners of the county in which the project will be located; requiring the State Plan for Economic Development to include a 5-year business plan for the State; requiring the Legislative Auditor, as directed by the Legislative Commission, to conduct an audit of certain recipients of economic development incentives; revising the requirement for the tax expenditure report submitted by the Executive Director of the Department of Taxation; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law authorizes the Office of Economic Development in the Office of
2 the Governor and the Director of the Office of Energy to approve applications for
3 partial abatements of certain taxes. (NRS 274.310, 274.320, 274.330, 360.750-
4 360.754, 360.889, 360.945, 701A.110, 701A.365) **Section 1** of this bill requires an
5 applicant for such a partial abatement with a projected value of \$250,000 or more to
6 create, in consultation with each affected county, city or school district, a statement
7 of the fiscal impact of the applicant’s project on the county, city or school district
8 and obtain the recommendation of the board of county commissioners of the county
9 in which the project will be located. **Sections 7-14** of this bill require an application
10 for a partial abatement of certain taxes to include the statement of fiscal impact and
11 recommendation of the board of county commissioners. **Section 6** of this bill
12 requires the Executive Director of the Department of Taxation to include the



13 statement of fiscal impact created pursuant to **section 1** in the biannual tax
14 expenditure report required by existing law to be submitted to the Governor and the
15 Legislature.

16 **Section 3** of this bill requires the Legislative Auditor, as directed by the
17 Legislative Commission, to conduct an audit of a person granted an economic
18 development incentive with a projected value of \$250,000 or more or a person
19 working on the construction of a project granted such an incentive. Under **section**
20 **3**, such an audit must determine whether the person is: (1) employing workers who
21 are not legally entitled to work and remain in the United States; and (2) in
22 compliance with the laws of this State and the United States governing labor and
23 the licensing of businesses or professions.

24 Existing law requires the Executive Director of the Office of Economic
25 Development to develop a State Plan for Economic Development. (NRS 231.053)
26 **Section 2** of this bill requires the State Plan to include a 5-year business plan for
27 the State and prescribes the contents of that plan.

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

1 **Section 1.** Chapter 231 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 *1. Notwithstanding any other provision of law, before a*
4 *person who intends to locate or expand a business in this State*
5 *may apply to the Office of Economic Development for a partial*
6 *abatement of taxes pursuant to NRS 274.310, 274.320, 274.330,*
7 *360.750, 360.752, 360.753, 360.754, 360.890 or 360.950 which has*
8 *a projected value of \$250,000 or more, or to the Director of the*
9 *Office of Energy for a partial abatement of taxes pursuant to NRS*
10 *701A.110 or 701A.360 which has a projected value of \$250,000 or*
11 *more, the person must, in consultation with each local government*
12 *that would be affected by the location or expansion of the business*
13 *or the partial abatement, create a statement of the fiscal impact of*
14 *the partial abatement on each affected local government. The*
15 *statement of fiscal impact must contain:*

16 *(a) A statement of the estimated impact of the location or*
17 *expansion of the business on the economy of the county,*
18 *including, without limitation, an estimate of the number of jobs*
19 *expected to be created by the business, a statement of the direct*
20 *economic impact of the business on the county, a statement of the*
21 *indirect economic impact of the business on the county based on a*
22 *projection of the amount of new spending by the employees of the*
23 *business, an estimate of the projected increase in tax revenue for*
24 *each affected local government and a statement of the effect of the*
25 *business on the need for housing in the county;*

26 *(b) A statement of the impact of the location or expansion of*
27 *the business on the services and infrastructure provided by each*
28 *affected local government, including, without limitation, a*



1 *description of any necessary creation or expansion of services or*
2 *infrastructure and the costs of such creation or expansion of*
3 *services or infrastructure;*

4 *(c) An estimate of the projected value of the partial abatement*
5 *for the business; and*

6 *(d) An estimate of the dollar amount of effect on each local*
7 *government of the location or expansion of the business and any*
8 *partial abatement for the business.*

9 *2. Upon completion of the statement of fiscal impact required*
10 *by subsection 1, the business must submit the statement of fiscal*
11 *impact to each affected local government. Not later than 30 days*
12 *after the statement of fiscal impact has been submitted to each*
13 *affected local government, the board of county commissioners of*
14 *the county in which the business will locate or expand must hold a*
15 *hearing on the statement of fiscal impact. A representative of the*
16 *business proposing to locate or expand in the county must be*
17 *present at the hearing. At the hearing, each affected local*
18 *government must be allowed to comment on the statement of fiscal*
19 *impact for the local government and whether to recommend the*
20 *approval of a partial abatement for the business. Not later than 14*
21 *days after the hearing, the board of county commissioners must*
22 *make a recommendation to the Executive Director of the Office of*
23 *Economic Development or the Director of the Office of Energy, as*
24 *applicable, concerning whether to approve or deny an application*
25 *for a partial abatement to be submitted by the business. If the*
26 *board of county commissioners does not make a recommendation*
27 *within 14 days after the hearing, the board of county*
28 *commissioners must be deemed to have not recommended*
29 *approval of a partial abatement for the business.*

30 *3. A statement of fiscal impact created pursuant to this*
31 *section and the recommendation of the board of county*
32 *commissioners pursuant to this section must be submitted to:*

33 *(a) The Office of Economic Development with an application*
34 *for a partial abatement of taxes pursuant to NRS 274.310,*
35 *274.320, 274.330, 360.750, 360.752, 360.753, 360.754, 360.890 or*
36 *360.950 which has a projected value of \$250,000 or more;*

37 *(b) The Director of the Office of Energy with an application*
38 *for a partial abatement of taxes pursuant to NRS 701A.110 or*
39 *701A.360 which has a projected value of \$250,000 or more; and*

40 *(c) The Department of Taxation.*

41 *4. As used in this section, "local government" means a*
42 *county, city or school district.*

43 **Sec. 2.** NRS 231.053 is hereby amended to read as follows:

44 231.053 After considering any advice and recommendations of
45 the Board, the Executive Director:



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

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

5 (a) Must include a statement of:

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

8 (2) The strengths and weaknesses of this State for business
9 incubation;

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

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

13 (5) A strategy to encourage the creation and expansion of
14 businesses in this State and the relocation of businesses to this State;
15 and

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

21 (b) *Must include a 5-year business plan for the State which*
22 *includes:*

23 (1) *The particular industries on which the Office will focus;*

24 (2) *The criteria used for selecting those industries;*

25 (3) *The benefits to the State of focusing on those industries;*

26 (4) *The costs to the State of focusing on those industries;*

27 (5) *The direct and indirect impact of the 5-year business*
28 *plan on local governments; and*

29 (6) *For any project receiving an abatement, partial*
30 *abatement or exemption from taxes with a projected value of*
31 *\$250,000 or more, or any other incentive for economic*
32 *development with a projected value of \$250,000 or more:*

33 (I) *The goals of the project and any protections for the*
34 *State if the participants fail to meet the goals;*

35 (II) *The costs and benefits to the State from the project;*
36 *and*

37 (III) *Evidence showing that the participants in the*
38 *project can achieve the goals of the project and the 5-year plan;*
39 *and*

40 (c) Must not include provisions for the granting of any
41 abatement, partial abatement or exemption from taxes or any other
42 incentive for economic development to a person who will locate or
43 expand a business in this State that is subject to the tax imposed
44 pursuant to NRS 362.130 or the gaming license fees imposed by the
45 provisions of NRS 463.370.



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

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

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

17 6. May apply for and accept any gift, donation, bequest, grant
18 or other source of money to carry out the provisions of NRS
19 231.020 to 231.139, inclusive, *and section 1 of this act*, and
20 231.1555 to 231.1597, inclusive.

21 7. May adopt such regulations as may be necessary to carry out
22 the provisions of NRS 231.020 to 231.139, inclusive, *and section 1*
23 *of this act*, and 231.1555 to 231.1597, inclusive.

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

31 **Sec. 3.** Chapter 218G of NRS is hereby amended by adding
32 thereto a new section to read as follows:

33 *1. The Legislative Auditor, as directed by the Legislative*
34 *Commission pursuant to NRS 218G.120, shall conduct an audit of*
35 *a person granted an abatement, partial abatement or exemption*
36 *from taxes that has a projected value of \$250,000 or more, or any*
37 *other incentive for economic development that has a projected*
38 *value of \$250,000 or more, or a person performing work on the*
39 *construction of a project for which such an abatement, exemption*
40 *or incentive has been granted. Such an audit must include,*
41 *without limitation, an examination of whether such persons:*

42 *(a) Employ persons who are legally entitled to work and*
43 *remain in the United States; and*



1 ***(b) Comply with the laws of this State and the United States***
2 ***governing labor or the licensing or registration of businesses or***
3 ***professions.***

4 ***2. As a condition of the granting of an abatement, partial***
5 ***abatement or exemption from taxes that has a projected value of***
6 ***\$250,000 or more, or any other incentive for economic***
7 ***development that has a projected value of \$250,000 or more, the***
8 ***person granted the abatement, exemption or incentive must agree***
9 ***to make available to the Legislative Auditor all books, accounts,***
10 ***claims, reports, vouchers or other records of information,***
11 ***confidential or otherwise and irrespective of their form or***
12 ***location, that the Legislative Auditor determines to be necessary to***
13 ***conduct an audit pursuant to this section.***

14 **Sec. 4.** NRS 274.310 is hereby amended to read as follows:

15 274.310 1. A person who intends to locate a business in this
16 State within:

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

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

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

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

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

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

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

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

42 3. A person whose application has been endorsed by the
43 governing body of the county, city or town, as applicable, pursuant
44 to this section may submit the application to the Office of Economic



1 Development. The Office shall approve the application if the Office
2 makes the following determinations:

3 (a) The business is consistent with:

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

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

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

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

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

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

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

24 ➔ The agreement must bind successors in interest of the business
25 for the specified period.

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

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

38 *(e) If the partial abatement has a projected value to the*
39 *applicant of \$250,000 or more, the applicant complied with the*
40 *provisions of section 1 of this act.*

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

44 (a) The Department of Taxation;

45 (b) The Nevada Tax Commission; and



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

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

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

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

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

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

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

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

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

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

38 **Sec. 5.** NRS 274.320 is hereby amended to read as follows:

39 274.320 1. A person who intends to expand a business in this
40 State within:

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

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



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

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

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

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

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

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

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

27 (a) The business is consistent with:

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

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

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

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

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

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



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

3 ➔ The agreement must bind successors in interest of the business
4 for the specified period.

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

9 (d) The applicant invested or commits to invest a minimum of
10 \$250,000 in capital equipment that will be retained at the location of
11 the business in the historically underutilized business zone, as
12 defined in 15 U.S.C. § 632, redevelopment area created pursuant to
13 chapter 279 of NRS, area eligible for a community development
14 block grant pursuant to 24 C.F.R. Part 570 or enterprise community
15 established pursuant to 24 C.F.R. Part 597 until at least the date
16 which is 5 years after the date on which the abatement becomes
17 effective.

18 *(e) If the partial abatement has a projected value to the*
19 *applicant of \$250,000 or more, the applicant complied with the*
20 *provisions of section 1 of this act.*

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

24 (a) The Department of Taxation; and

25 (b) The Nevada Tax Commission.

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

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

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

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

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

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

40 ➔ the business shall repay to the Department of Taxation the
41 amount of the exemption that was allowed pursuant to this section
42 before the failure of the business to comply unless the Nevada Tax
43 Commission determines that the business has substantially complied
44 with the requirements of this section. Except as otherwise provided
45 in NRS 360.232 and 360.320, the business shall, in addition to the



1 amount of the exemption required to be paid pursuant to this
2 subsection, pay interest on the amount due at the rate most recently
3 established pursuant to NRS 99.040 for each month, or portion
4 thereof, from the last day of the month following the period for
5 which the payment would have been made had the partial abatement
6 not been approved until the date of payment of the tax.

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

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

13 **Sec. 6.** NRS 360.137 is hereby amended to read as follows:

14 360.137 1. On or before November 10 of each even-
15 numbered year, the Executive Director shall submit a tax
16 expenditure report to the Governor and the Director of the
17 Legislative Counsel Bureau for transmittal to the Legislature and the
18 appropriate interim committee or committees of the Legislature.

19 2. The report required by subsection 1 must *include any*
20 *statement of fiscal impact submitted to the Department pursuant to*
21 *section 1 of this act since the last report and* provide, for each tax
22 expenditure:

23 (a) A description of the tax expenditure;

24 (b) The year in which the tax expenditure was enacted;

25 (c) The purpose for which the tax expenditure was enacted;

26 (d) A summary of any amendments to the tax expenditure since
27 it was enacted;

28 (e) To the extent that pertinent information is available,
29 estimates of:

30 (1) The fiscal impact to this State and local governments of
31 the tax expenditure during each fiscal year of the biennium in which
32 the report is prepared;

33 (2) The number of taxpayers receiving benefit from the tax
34 expenditure; and

35 (3) The revenue that would result from repeal of the tax
36 expenditure; and

37 (f) A statement of:

38 (1) Any pertinent information which is not available to
39 prepare the estimates required by paragraph (e); and

40 (2) The reasons for the unavailability of that information.

41 3. Each agency, bureau, board, commission, department,
42 division, office and other governmental entity of the State of
43 Nevada, each county treasurer and county assessor and each entity
44 receiving the benefit of a tax expenditure, shall respond fully and
45 appropriately to any request for information made by the Executive



1 Director for use in the report required by this section not later than
2 30 days after such a request is made, to the extent that the requested
3 information is not confidential, privileged or otherwise protected
4 from disclosure by any provision of state or federal law.

5 4. As used in this section, "tax expenditure" means any law of
6 this State that exempts, in whole or in part, certain persons, income,
7 goods, services or property from the impact of established taxes,
8 including, without limitation, tax abatements, tax credits, tax
9 deductions, tax deferrals, tax exemptions, tax exclusions, tax
10 subtractions and preferential tax rates.

11 **Sec. 7.** NRS 360.750 is hereby amended to read as follows:

12 360.750 1. A person who intends to locate or expand a
13 business in this State may apply to the Office of Economic
14 Development pursuant to this section for a partial abatement of one
15 or more of the taxes imposed on the new or expanded business
16 pursuant to chapter 361, 363B or 374 of NRS.

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

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

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

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

26 (b) The applicant has executed an agreement with the Office
27 which must:

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

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

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

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

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

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

44 (d) Except as otherwise provided in NRS 361.0687, if the
45 business is a new business in a county whose population is 100,000



1 or more or a city whose population is 60,000 or more, the business
2 meets at least two of the following requirements:

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

9 (2) Establishing the business will require the business to
10 make, not later than the date which is 2 years after the date on which
11 the abatement becomes effective, a capital investment of at least
12 \$1,000,000 in this State in capital assets that will be retained at the
13 location of the business in that county or city until at least the date
14 which is 5 years after the date on which the abatement becomes
15 effective.

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

21 (I) The business will, by the eighth calendar quarter
22 following the calendar quarter in which the abatement becomes
23 effective, provide a health insurance plan for all employees that
24 includes an option for health insurance coverage for dependents of
25 the employees; and

26 (II) The health care benefits the business provides to its
27 employees in this State will meet the minimum requirements for
28 health care benefits established by the Office.

29 (e) Except as otherwise provided in NRS 361.0687, if the
30 business is a new business in a county whose population is less than
31 100,000 or a city whose population is less than 60,000, the business
32 meets at least two of the following requirements:

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

39 (2) Establishing the business will require the business to
40 make, not later than the date which is 2 years after the date on which
41 the abatement becomes effective, a capital investment of at least
42 \$250,000 in this State in capital assets that will be retained at the
43 location of the business in that county or city until at least the date
44 which is 5 years after the date on which the abatement becomes
45 effective.



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

7 (I) The business will, by the eighth calendar quarter
8 following the calendar quarter in which the abatement becomes
9 effective, provide a health insurance plan for all employees that
10 includes an option for health insurance coverage for dependents of
11 the employees; and

12 (II) The health care benefits the business provides to its
13 employees in this State will meet the minimum requirements for
14 health care benefits established by the Office.

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

17 (1) For a business in:

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

29 (II) A county whose population is less than 100,000 or a
30 city whose population is less than 60,000, the business will, by the
31 eighth calendar quarter following the calendar quarter in which the
32 abatement becomes effective, increase the number of employees on
33 its payroll in that county or city by 10 percent more than it
34 employed in the fiscal year immediately preceding the fiscal year in
35 which the abatement becomes effective or by six employees,
36 whichever is greater, who will be employed at the location of the
37 business in that county or city until at least the date which is 5 years
38 after the date on which the abatement becomes effective.

39 (2) The business will expand by making a capital investment
40 in this State, not later than the date which is 2 years after the date on
41 which the abatement becomes effective, in an amount equal to at
42 least 20 percent of the value of the tangible property possessed by
43 the business in the fiscal year immediately preceding the fiscal year
44 in which the abatement becomes effective, and the capital
45 investment will be in capital assets that will be retained at the



1 location of the business in that county or city until at least the date
2 which is 5 years after the date on which the abatement becomes
3 effective. The determination of the value of the tangible property
4 possessed by the business in the immediately preceding fiscal year
5 must be made by the:

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

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

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

14 (I) The business will, by the eighth calendar quarter
15 following the calendar quarter in which the abatement becomes
16 effective, provide a health insurance plan for all new employees that
17 includes an option for health insurance coverage for dependents of
18 the employees; and

19 (II) The health care benefits the business provides to its
20 new employees in this State will meet the minimum requirements
21 for health care benefits established by the Office.

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

27 *(h) If the partial abatement has a projected value to the*
28 *applicant of \$250,000 or more, the applicant complied with the*
29 *provisions of section 1 of this act.*

30 3. Notwithstanding the provisions of subsection 2, the Office
31 of Economic Development:

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

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

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

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

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



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

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

6 (a) The applicant intends to locate or expand in a county in
7 which the rate of unemployment is 6 percent or more and the
8 average hourly wage that will be paid by the applicant to its new
9 employees in this State is less than 65 percent of the average
10 statewide hourly wage, as established by the Employment Security
11 Division of the Department of Employment, Training and
12 Rehabilitation on July 1 of each fiscal year.

13 (b) The applicant intends to locate or expand in a county in
14 which the rate of unemployment is less than 6 percent and the
15 average hourly wage that will be paid by the applicant to its new
16 employees in this State is less than 80 percent of the average
17 statewide hourly wage, as established by the Employment Security
18 Division of the Department of Employment, Training and
19 Rehabilitation on July 1 of each fiscal year.

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

25 (a) If the new or expanded business is located in a county in
26 which the rate of unemployment is 6 percent or more and the
27 average hourly wage that will be paid by the business to its new
28 employees in this State is less than 80 percent of the average
29 statewide hourly wage, as established by the Employment Security
30 Division of the Department of Employment, Training and
31 Rehabilitation on July 1 of each fiscal year, the Office shall not:

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

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

38 (b) If the new or expanded business is located in a county in
39 which the rate of unemployment is less than 6 percent and the
40 average hourly wage that will be paid by the business to its new
41 employees in this State is less than 100 percent of the average
42 statewide hourly wage, as established by the Employment Security
43 Division of the Department of Employment, Training and
44 Rehabilitation on July 1 of each fiscal year, the Office shall not:



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

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

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

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

19 (a) The Department;

20 (b) The Nevada Tax Commission; and

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

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

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

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

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

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



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

3 9. A county treasurer:

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

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

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

14 11. The Nevada Tax Commission:

15 (a) Shall adopt regulations regarding:

16 (1) The capital investment that a new business must make to
17 meet the requirement set forth in paragraph (d) or (e) of subsection
18 2; and

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

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

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

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

32 **Sec. 8.** NRS 360.752 is hereby amended to read as follows:

33 360.752 1. A person who intends to locate or expand a
34 business in this State may apply to the Office of Economic
35 Development pursuant to this section for a partial abatement of the
36 tax imposed on the new or expanded business pursuant to chapter
37 361 of NRS.

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

41 (a) The business is in one or more of the industry sectors for
42 economic development promoted, identified or otherwise approved
43 by the Governor’s Workforce Investment Board described in
44 NRS 232.935.

45 (b) The business is consistent with:



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

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

6 (c) The applicant has executed an agreement with the Office
7 which must:

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

9 (2) Require the business to submit to the Department the
10 reports required by paragraph (c) of subsection 1 of NRS 218D.355;

11 (3) State the agreed terms of the partial abatement, which
12 must comply with the requirements of subsection 4;

13 (4) State the date on which the abatement becomes effective,
14 as agreed to by the applicant and the Office, which must not be
15 earlier than the date on which the Office received the application;

16 (5) State that the business will, after the date on which a
17 certificate of eligibility for the abatement is issued pursuant to
18 subsection 5, continue in operation in this State for a period
19 specified by the Office, which must be at least 5 years, and will
20 continue to meet the eligibility requirements set forth in this
21 subsection; and

22 (6) Bind the successors in interest of the business for the
23 specified period.

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

28 (e) The business does not receive:

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

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

33 (f) The business meets the following requirements:

34 (1) The business makes a capital investment of at least
35 \$1,000,000 in a program of the University of Nevada, Reno, the
36 University of Nevada, Las Vegas, or the Desert Research Institute to
37 be used in support of research, development or training related to
38 the field of endeavor of the business.

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

41 (3) The business will employ two or more graduate students
42 from the program in which the capital investment is made on a part-
43 time basis during years 2 through 5, inclusive, of the abatement.

44 (4) The average hourly wage that will be paid by the business
45 to its new employees in this State is at least 100 percent of the



1 average statewide hourly wage or the average countywide hourly
2 wage, whichever is less, as established by the Employment Security
3 Division of the Department of Employment, Training and
4 Rehabilitation on July 1 of each fiscal year and:

5 (I) The business will provide a health insurance plan for
6 all full-time employees that includes an option for health insurance
7 coverage for dependents of those employees, or will abide by all
8 applicable provisions of the Patient Protection and Affordable Care
9 Act, Public Law 111-148, or both; and

10 (II) The benefits the business provides to its employees in
11 this State will meet the minimum requirements for benefits
12 established by the Office.

13 (5) The business submits with its application for a partial
14 abatement:

15 (I) A letter of support from the institution in which the
16 capital investment is made, which is signed by the chief
17 administrative officer of the institution and the director or chair of
18 the program or the appropriate department, and which includes,
19 without limitation, a summary of the financial and other resources
20 the business will provide to the program and an agreement that the
21 institution will provide to the Office periodic reports, at such times
22 and containing such information as the Office may require,
23 regarding the use of those resources; and

24 (II) A letter of support which is signed by the chair of the
25 board of directors of the regional economic development authority
26 within whose jurisdiction the institution is located and which
27 includes, without limitation, a summary of the role the business will
28 play in diversifying the economy and, if applicable, in achieving the
29 broader goals of the regional economic development authority for
30 economic development and diversification.

31 (g) In lieu of meeting the requirements of paragraph (f), the
32 business meets the following requirements:

33 (1) The business makes a capital investment of at least
34 \$500,000 in the Nevada State College or an institution of the
35 Nevada System of Higher Education other than those set forth in
36 subparagraph (1) of paragraph (f), to be used in support of college
37 certification or in support of research or training related to the field
38 of endeavor of the business.

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

41 (3) The business will employ two or more students from the
42 college or institution in which the capital investment is made on a
43 full-time basis during years 2 through 5, inclusive, of the abatement.

44 (4) The average hourly wage that will be paid by the business
45 to its new employees in this State is at least 100 percent of the



1 average statewide hourly wage or the average countywide hourly
2 wage, whichever is less, as established by the Employment Security
3 Division of the Department of Employment, Training and
4 Rehabilitation on July 1 of each fiscal year and:

5 (I) The business will provide a health insurance plan for
6 all full-time employees that includes an option for health insurance
7 coverage for dependents of those employees, or will abide by all
8 applicable provisions of the Patient Protection and Affordable Care
9 Act, Public Law 111-148, or both; and

10 (II) The benefits the business provides to its employees in
11 this State will meet the minimum requirements for benefits
12 established by the Office.

13 (5) The business submits with its application for a partial
14 abatement:

15 (I) A letter of support from the college or institution in
16 which the capital investment is made, which is signed by the chief
17 administrative officer of the college or institution and which
18 includes, without limitation, a summary of the financial and other
19 resources the business will provide to the program and an agreement
20 that the college or institution will provide to the Office periodic
21 reports, at such times and containing such information as the Office
22 may require, regarding the use of those resources; and

23 (II) A letter of support which is signed by the chair of the
24 board of directors of the regional economic development authority
25 within whose jurisdiction the college or institution is located and
26 which includes, without limitation, a summary of the role the
27 business will play in diversifying the economy and, if applicable, in
28 achieving the broader goals of the regional economic development
29 authority for economic development and diversification.

30 *(h) If the partial abatement has a projected value to the*
31 *applicant of \$250,000 or more, the applicant complied with the*
32 *provisions of section 1 of this act.*

33 3. Notwithstanding the provisions of subsection 2, the Office
34 of Economic Development:

35 (a) Shall furnish to the board of county commissioners of each
36 affected county a copy of each application for a partial abatement
37 pursuant to this section.

38 (b) Shall not consider an application for a partial abatement
39 pursuant to this section unless the Office has requested a letter of
40 acknowledgment of the request for the abatement from any affected
41 county, school district, city or town.

42 (c) Shall not approve an application for a partial abatement
43 pursuant to this section unless the abatement is approved or deemed
44 approved as described in this paragraph. The board of county
45 commissioners of each affected county must approve or deny the



1 application not later than 30 days after the board of county
2 commissioners receives a copy of the application as described in
3 paragraph (a). If the board of county commissioners does not
4 approve or deny the application within 30 days after the board of
5 county commissioners receives a copy of the application, the
6 application shall be deemed approved.

7 (d) May, if the Office determines that such action is necessary
8 add additional requirements that a business must meet to qualify for
9 a partial abatement pursuant to this section.

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

12 (a) The total amount of the abatement must not exceed;

13 (1) Fifty percent of the amount of the taxes imposed on the
14 personal property of the business pursuant to chapter 361 of NRS
15 during the period of the abatement; or

16 (2) Fifty percent of the amount of the capital investment by
17 the business,

18 ↪ whichever amount is less;

19 (b) The duration of the abatement must be for 5 years; and

20 (c) The abatement applies only to the business for which the
21 abatement was approved pursuant to this section and the property
22 used in connection with that business.

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

27 (a) The Department;

28 (b) The Nevada Tax Commission; and

29 (c) If the partial abatement is from the property tax imposed
30 pursuant to chapter 361 of NRS, the county treasurer of the county
31 in which the business will be located.

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

38 7. If a business whose partial abatement has been approved
39 pursuant to this section and is in effect ceases to meet the
40 requirements set forth in subsection 2 or ceases operation before the
41 time specified in the agreement described in paragraph (c) of
42 subsection 2:

43 (a) The business shall repay to the county treasurer the amount
44 of the exemption that was allowed pursuant to this section before the
45 failure of the business to comply unless the Nevada Tax



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

10 (b) The applicable institution of higher education is entitled to
11 keep the entire capital investment made by the business in that
12 institution.

13 8. A county treasurer:

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

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

20 9. The Office of Economic Development:

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

24 (b) May adopt such regulations as the Office determines to be
25 necessary to carry out the provisions of this section.

26 10. The Nevada Tax Commission:

27 (a) Shall adopt regulations regarding any security that a business
28 is required to post to qualify for a partial abatement pursuant to this
29 section; and

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

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

37 12. Except as otherwise provided in this subsection, as used in
38 this section, "capital investment" includes, without limitation, an
39 investment of real or personal property, money or other assets by a
40 business in an institution of the Nevada System of Higher
41 Education. The Office of Economic Development may, by
42 regulation, specify the types of real or personal property or assets
43 that are included within the definition of "capital investment."



1 **Sec. 9.** NRS 360.753 is hereby amended to read as follows:

2 360.753 1. An owner of a business or a person who intends
3 to locate or expand a business in this State may apply to the Office
4 of Economic Development pursuant to this section for a partial
5 abatement of one or more of:

6 (a) The personal property taxes imposed on an aircraft and the
7 personal property used to own, operate, manufacture, service,
8 maintain, test, repair, overhaul or assemble an aircraft or any
9 component of an aircraft; and

10 (b) The local sales and use taxes imposed on the purchase of
11 tangible personal property used to operate, manufacture, service,
12 maintain, test, repair, overhaul or assemble an aircraft or any
13 component of an aircraft.

14 2. Notwithstanding the provisions of any law to the contrary
15 and except as otherwise provided in subsections 3 and 4, the Office
16 of Economic Development shall approve an application for a partial
17 abatement if the Office makes the following determinations:

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

20 (1) Complies with the requirements of NRS 360.755;

21 (2) States the date on which the abatement becomes
22 effective, as agreed to by the applicant and the Office, which must
23 not be earlier than the date on which the Office received the
24 application;

25 (3) States that the business will, after the date on which a
26 certificate of eligibility for the partial abatement is issued pursuant
27 to subsection 5, continue in operation in this State for a period
28 specified by the Office, which must be not less than 5 years, and
29 will continue to meet the eligibility requirements set forth in this
30 subsection; and

31 (4) Binds any successor in interest of the applicant for the
32 specified period;

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

37 (c) The business owns, operates, manufactures, services,
38 maintains, tests, repairs, overhauls or assembles an aircraft or any
39 component of an aircraft;

40 (d) If the business is:

41 (1) A new business, that it will have five or more full-time
42 employees on the payroll of the business within 1 year after
43 receiving its certificate of eligibility for a partial abatement; or

44 (2) An existing business, that it will increase its number of
45 full-time employees on the payroll of the business in this State by 3



1 percent or three employees, whichever is greater, within 1 year after
2 receiving its certificate of eligibility for a partial abatement; and

3 (e) The business meets at least one of the following
4 requirements:

5 (1) The business will make a new capital investment of at
6 least \$250,000 in this State within 1 year after receiving its
7 certificate of eligibility for a partial abatement.

8 (2) The business will maintain and possess in this State
9 tangible personal property having a value of not less than
10 \$5,000,000 during the period of partial abatement.

11 (3) The average hourly wage that will be paid by the business
12 to its employees in this State during the period of partial abatement
13 is not less than 100 percent of the average statewide hourly wage as
14 established by the Employment Security Division of the Department
15 of Employment, Training and Rehabilitation on July 1 of each fiscal
16 year.

17 (4) The business develops, refines or owns a patent or other
18 intellectual property, or has been issued a type certificate by the
19 Federal Aviation Administration pursuant to 14 C.F.R. Part 21.

20 *(f) If the partial abatement has a projected value to the*
21 *applicant of \$250,000 or more, the applicant complied with the*
22 *provisions of section 1 of this act.*

23 3. The Office of Economic Development:

24 (a) Shall approve or deny an application submitted pursuant to
25 this section and notify the applicant of its decision not later than 45
26 days after receiving the application.

27 (b) Must not:

28 (1) Consider an application for a partial abatement unless the
29 Office has requested a letter of acknowledgment of the request for
30 the partial abatement from any affected county, school district, city
31 or town and has complied with the requirements of NRS 360.757; or

32 (2) Approve a partial abatement for any applicant for a
33 period of more than 20 years.

34 4. The Office of Economic Development must not approve a
35 partial abatement of personal property taxes for a business whose
36 physical property is collectively valued and centrally assessed
37 pursuant to NRS 361.320 and 361.3205 unless the business is
38 regulated under 14 C.F.R. Part 125 or 135.

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

43 (a) The Department;

44 (b) The Nevada Tax Commission; and



1 (c) If the partial abatement is from personal property taxes, the
2 appropriate county treasurer.

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

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

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

13 (b) Operation before the time specified in the agreement
14 described in paragraph (a) of subsection 2,

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

29 8. The Office of Economic Development may adopt such
30 regulations as the Office determines to be necessary to carry out the
31 provisions of this section.

32 9. The Nevada Tax Commission may adopt such regulations as
33 the Commission determines are necessary to carry out the provisions
34 of this section.

35 10. An applicant for a partial abatement who is aggrieved by a
36 final decision of the Office of Economic Development may petition
37 a court of competent jurisdiction to review the decision in the
38 manner provided in chapter 233B of NRS.

39 11. If the Office of Economic Development approves an
40 application for a partial abatement of local sales and use taxes
41 pursuant to this section, the Department shall issue to the business a
42 document certifying the partial abatement which can be presented to
43 retailers and customers of the business at the time of sale. The
44 document must clearly state that the purchaser is only required to
45 pay sales and use taxes imposed in this State at the rate of 2 percent.



1 12. As used in this section:

2 (a) "Aircraft" means any fixed-wing, rotary-wing or unmanned
3 aerial vehicle.

4 (b) "Component of an aircraft" means any:

5 (1) Element that makes up the physical structure of an
6 aircraft, or is affixed thereto;

7 (2) Mechanical, electrical or other system of an aircraft,
8 including, without limitation, any component thereof; and

9 (3) Raw material or processed material, part, machinery,
10 tool, chemical, gas or equipment used to operate, manufacture,
11 service, maintain, test, repair, overhaul or assemble an aircraft or
12 component of an aircraft.

13 (c) "Full-time employee" means a person who is in a permanent
14 position of employment and works an average of 30 hours per week
15 during the applicable period set forth in subparagraph (3) of
16 paragraph (a) of subsection 2.

17 (d) "Local sales and use taxes" means any taxes imposed on the
18 gross receipts of any retailer from the sale of tangible personal
19 property sold at retail, or stored, used or otherwise consumed, in any
20 political subdivision of this State, except the taxes imposed by the
21 Sales and Use Tax Act.

22 (e) "Personal property taxes" means any taxes levied on
23 personal property by the State or a local government pursuant to
24 chapter 361 of NRS.

25 **Sec. 10.** NRS 360.754 is hereby amended to read as follows:

26 360.754 1. A person who intends to locate or expand a data
27 center in this State may apply to the Office of Economic
28 Development pursuant to this section for a partial abatement of one
29 or more of the taxes imposed on the new or expanded data center
30 pursuant to chapter 361 or 374 of NRS.

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

34 (a) The application is consistent with the State Plan for
35 Economic Development developed by the Executive Director of the
36 Office of Economic Development pursuant to subsection 2 of NRS
37 231.053 and any guidelines adopted by the Executive Director of the
38 Office to implement the State Plan for Economic Development.

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

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

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



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

6 (4) Bind the successors in interest of the applicant for the
7 specified period.

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

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

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

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

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

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

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

43 (4) At least 50 percent of the employees engaged or
44 anticipated to be engaged in the construction of the data center are
45 residents of Nevada, unless waived by the Executive Director of the



1 Office of Economic Development upon proof satisfactory to the
2 Executive Director of the Office of Economic Development that
3 there is an insufficient number of residents of Nevada available and
4 qualified for such employment.

5 (e) If the applicant is seeking a partial abatement for a period of
6 10 years or more but not more than 20 years, the applicant meets the
7 following requirements:

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

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

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

27 (I) The data center will, by not later than the date which is
28 2 years after the date on which the abatement becomes effective,
29 provide a health insurance plan for all employees employed at the
30 data center that includes an option for health insurance coverage for
31 dependents of the employees; and

32 (II) The health care benefits provided to employees
33 employed at the data center will meet the minimum requirements for
34 health care benefits established by the Office of Economic
35 Development by regulation pursuant to subsection 12.

36 (4) At least 50 percent of the employees engaged or
37 anticipated to be engaged in the construction of the data center are
38 residents of Nevada, unless waived by the Executive Director of the
39 Office of Economic Development upon proof satisfactory to the
40 Executive Director of the Office of Economic Development that
41 there is an insufficient number of residents of Nevada available and
42 qualified for such employment.

43 (f) The applicant has provided in the application an estimate of
44 the total number of new employees which the data center anticipates



1 hiring in this State if the Office of Economic Development approves
2 the application.

3 *(g) If the partial abatement has a projected value to the*
4 *applicant of \$250,000 or more, the applicant complied with the*
5 *provisions of section 1 of this act.*

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

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

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

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

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

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

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

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

29 (a) The Department;

30 (b) The Nevada Tax Commission; and

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

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



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

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

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

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

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



1 8. A county treasurer:

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

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

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

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

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

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

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

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

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

36 12. The Office of Economic Development:

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

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

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



1 13. The Nevada Tax Commission:

2 (a) Shall adopt regulations regarding:

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

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

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

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

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

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

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

29 **Sec. 11.** NRS 360.889 is hereby amended to read as follows:

30 360.889 1. On behalf of a project, the lead participant in the
31 project may apply to the Office of Economic Development for:

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

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

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

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

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

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

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



1 of the taxes described in paragraph (b) of subsection 1, the lead
2 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 the
19 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 plan
33 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 that
38 each employee employed at the project by each participant is
39 offered coverage under the plan of health insurance provided by his
40 or her employer;

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



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

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

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

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

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

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

15 (m) Pay the cost of the audit required by paragraph (l); ~~and~~

16 (n) *For a partial abatement of the taxes described in*
17 *paragraph (b) of subsection 1 with a projected value to the lead*
18 *participant of \$250,000 or more, comply with the provisions of*
19 *section 1 of this act; and*

20 (o) Meet any other requirements prescribed by the Office.

21 3. An application submitted pursuant to subsection 2 must
22 include:

23 (a) A detailed description of the project, including a description
24 of the common purpose or business endeavor in which the
25 participants in the project are engaged;

26 (b) A detailed description of the location of the project,
27 including a precise description of the geographic boundaries of the
28 project site;

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

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

36 (e) If the application includes one or more partial abatements, an
37 agreement executed by the Office with the lead participant in the
38 project which:

39 (1) Complies with the requirements of NRS 360.755;

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

44 (3) States that the project will, after the date on which a
45 certificate of eligibility for the partial abatement is approved



1 pursuant to NRS 360.893, continue in operation in this State for a
2 period specified by the Office; and

3 (4) Binds successors in interest of the lead participant for the
4 specified period; ~~and~~

5 (f) *If the application includes one or more partial abatements*
6 *with a combined projected value of \$250,000 or more, the*
7 *statement of fiscal impact and recommendation of the board of*
8 *county commissioners as required by section 1 of this act; and*

9 (g) Any other information required by the Office.

10 4. For an employee to be considered a resident of Nevada for
11 the purposes of this section, each participant in the project must
12 maintain the following documents in the personnel file of the
13 employee:

14 (a) A copy of the:

15 (1) Current and valid Nevada driver's license of the
16 employee originally issued by the Department of Motor Vehicles
17 more than 60 days before the hiring of the employee or a current and
18 valid identification card for the employee originally issued by the
19 Department of Motor Vehicles more than 60 days before the hiring
20 of the employee; or

21 (2) If the employee is a veteran of the Armed Forces of the
22 United States, a current and valid Nevada driver's license of the
23 employee or a current and valid identification card for the employee
24 issued by the Department of Motor Vehicles;

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

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

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

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

39 6. The Executive Director of the Office shall make available to
40 the public and post on the Internet website of the Office:

41 (a) Any request for a waiver of the requirements set forth in
42 paragraph (k) of subsection 2; and

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



1 7. The Executive Director of the Office shall post a request for
2 a waiver of the requirements set forth in paragraph (k) of subsection
3 2 on the Internet website of the Office within 3 days after receiving
4 the request and shall keep the request posted on the Internet website
5 for not less than 5 days. The Executive Director of the Office shall
6 ensure that the Internet website allows members of the public to post
7 comments regarding the request.

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

17 **Sec. 12.** NRS 360.945 is hereby amended to read as follows:

18 360.945 1. On behalf of a project, the lead participant in the
19 project may apply to the Office of Economic Development for:

20 (a) A certificate of eligibility for transferable tax credits which
21 may be applied to:

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

23 (2) The gaming license fees imposed by the provisions of
24 NRS 463.370;

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

26 (4) Any combination of the fees and taxes described in
27 subparagraphs (1), (2) and (3).

28 (b) An abatement of property taxes, employer excise taxes or
29 local sales and use taxes, or any combination of any of those taxes.

30 2. For a project to be eligible for the transferable tax credits
31 described in paragraph (a) of subsection 1 and abatement of the
32 taxes described in paragraph (b) of subsection 1, the lead participant
33 in the project must, on behalf of the project:

34 (a) Submit an application that meets the requirements of
35 subsection 3;

36 (b) Provide documentation satisfactory to the Office that
37 approval of the application would promote the economic
38 development of this State and aid the implementation of the State
39 Plan for Economic Development developed by the Executive
40 Director of the Office pursuant to subsection 2 of NRS 231.053;

41 (c) Provide documentation satisfactory to the Office that the
42 participants in the project collectively will make a total new capital
43 investment of at least \$3.5 billion in this State within the 10-year
44 period immediately following approval of the application;



- 1 (d) Provide documentation satisfactory to the Office that the
2 participants in the project are engaged in a common purpose or
3 business endeavor;
- 4 (e) Provide documentation satisfactory to the Office that the
5 place of business of each participant is or will be located within the
6 geographic boundaries of the project site;
- 7 (f) Provide documentation satisfactory to the Office that each
8 participant in the project is registered pursuant to the laws of this
9 State or commits to obtaining a valid business license and all other
10 permits required by the county, city or town in which the project
11 operates;
- 12 (g) Provide documentation satisfactory to the Office of the
13 number of employees engaged or anticipated to be engaged in the
14 construction of the project;
- 15 (h) Provide documentation satisfactory to the Office of the
16 number of qualified employees employed or anticipated to be
17 employed at the project by the participants;
- 18 (i) Provide documentation satisfactory to the Office that each
19 employer engaged in the construction of the project provides a plan
20 of health insurance and that each employee engaged in the
21 construction of the project is offered coverage under the plan of
22 health insurance provided by his or her employer;
- 23 (j) Provide documentation satisfactory to the Office that each
24 participant in the project provides a plan of health insurance and that
25 each employee employed at the project by each participant is
26 offered coverage under the plan of health insurance provided by his
27 or her employer;
- 28 (k) Provide documentation satisfactory to the Office that at least
29 50 percent of the employees engaged or anticipated to be engaged in
30 construction of the project and 50 percent of the employees
31 employed at the project are residents of Nevada, unless waived by
32 the Executive Director of the Office upon proof satisfactory to the
33 Executive Director of the Office that there is an insufficient number
34 of Nevada residents available and qualified for such employment;
- 35 (l) Agree to provide the Office with a full compliance audit of
36 the participants in the project at the end of each fiscal year which:
- 37 (1) Shows the amount of money invested in this State by
38 each participant in the project;
- 39 (2) Shows the number of employees engaged in the
40 construction of the project and the number of those employees who
41 are residents of Nevada;
- 42 (3) Shows the number of employees employed at the project
43 by each participant and the number of those employees who are
44 residents of Nevada; and



1 (4) Is certified by an independent certified public accountant
2 in this State who is approved by the Office;

3 (m) Pay the cost of the audit required by paragraph (l); ~~and~~

4 (n) *For a partial abatement of the taxes described in*
5 *paragraph (b) of subsection 1, with a projected value to the lead*
6 *participant of \$250,000 or more, comply with the provisions of*
7 *section 1 of this act; and*

8 (o) Meet any other requirements prescribed by the Office.

9 3. An application submitted pursuant to subsection 2 must
10 include:

11 (a) A detailed description of the project, including a description
12 of the common purpose or business endeavor in which the
13 participants in the project are engaged;

14 (b) A detailed description of the location of the project,
15 including a precise description of the geographic boundaries of the
16 project site;

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

19 (d) A detailed description of the plan by which the participants
20 in the project intend to comply with the requirement that the
21 participants collectively make a total new capital investment of at
22 least \$3.5 billion in this State in the 10-year period immediately
23 following approval of the application;

24 (e) If the application includes one or more abatements, an
25 agreement executed by the Office with the lead participant in the
26 project which:

27 (1) Complies with the requirements of NRS 360.755;

28 (2) States that the project will, after the date on which a
29 certificate of eligibility for the abatement is approved pursuant to
30 NRS 360.965, continue in operation in this State for a period
31 specified by the Office; and

32 (3) Binds successors in interest of the lead participant for the
33 specified period; ~~and~~

34 (f) *If the application includes one or more partial abatements*
35 *with a combined projected value of \$250,000 or more, the*
36 *statement of fiscal impact and recommendation of the board of*
37 *county commissioners as required by section 1 of this act; and*

38 (g) Any other information required by the Office.

39 4. For an employee to be considered a resident of Nevada for
40 the purposes of this section, each participant in the project must
41 maintain the following documents in the personnel file of the
42 employee:

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



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

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

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

8 5. For the purpose of obtaining from the Executive Director of
9 the Office any waiver of the requirement set forth in paragraph (k)
10 of subsection 2, the lead participant in the project must submit to the
11 Executive Director of the Office written documentation of the
12 efforts to meet the requirement and documented proof that an
13 insufficient number of Nevada residents is available and qualified
14 for employment.

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

17 (a) Any request for a waiver of the requirements set forth in
18 paragraph (k) of subsection 2; and

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

21 7. The Executive Director of the Office shall post a request for
22 a waiver of the requirements set forth in paragraph (k) of subsection
23 2 on the Internet website of the Office within 3 days after receiving
24 the request and shall keep the request posted on the Internet website
25 for not less than 5 days. The Executive Director of the Office shall
26 ensure that the Internet website allows members of the public to post
27 comments regarding the request.

28 8. The Executive Director of the Office shall consider any
29 comments posted on the Internet website concerning any request for
30 a waiver of the requirements set forth in paragraph (k) of subsection
31 2 before making a decision regarding whether to approve the
32 request. If the Executive Director of the Office approves the request
33 for a waiver, the Executive Director of the Office must post the
34 approval on the Internet website of the Office within 3 days and
35 ensure that the Internet website allows members of the public to post
36 comments regarding the approval.

37 **Sec. 13.** NRS 701A.110 is hereby amended to read as follows:

38 701A.110 1. Except as otherwise provided in this section, the
39 Director, in consultation with the Office of Economic Development,
40 shall grant a partial abatement from the portion of the taxes imposed
41 pursuant to chapter 361 of NRS, other than any taxes imposed for
42 public education, on a building or other structure that is determined
43 to meet the equivalent of the silver level or higher by an
44 independent contractor authorized to make that determination in



1 accordance with the Green Building Rating System adopted by the
2 Director pursuant to NRS 701A.100, if:

3 (a) No funding is provided by any governmental entity in this
4 State for the acquisition, design, construction or renovation of the
5 building or other structure or for the acquisition of any land therefor.
6 For the purposes of this paragraph:

7 (1) Private activity bonds must not be considered funding
8 provided by a governmental entity.

9 (2) The term "private activity bond" has the meaning
10 ascribed to it in 26 U.S.C. § 141.

11 (b) The owner of the property:

12 (1) Submits an application for the partial abatement to the
13 Director. If such an application is submitted for a project that has
14 not been completed on the date of that submission and there is a
15 significant change in the scope of the project after that date, the
16 application must be amended to include the change or changes. *If*
17 *such an application is submitted for a partial abatement with a*
18 *projected value of \$250,000 or more, the application must include*
19 *the statement of fiscal impact and recommendation of the board of*
20 *county commissioners as required by section 1 of this act.*

21 (2) Except as otherwise provided in this subparagraph,
22 provides to the Director, within 48 months after applying for the
23 partial abatement, proof that the building or other structure meets
24 the equivalent of the silver level or higher, as determined by an
25 independent contractor authorized to make that determination in
26 accordance with the Green Building Rating System adopted by the
27 Director pursuant to NRS 701A.100. The Director may, for good
28 cause shown, extend the period for providing such proof.

29 (3) Files a copy of each application and amended application
30 submitted to the Director pursuant to subparagraph (1) with the:

- 31 (I) Chief of the Budget Division of the Office of Finance;
32 (II) Department of Taxation;
33 (III) County assessor;
34 (IV) County treasurer;
35 (V) Office of Economic Development;
36 (VI) Board of county commissioners; and
37 (VII) City manager and city council, if any.

38 (c) The abatement is consistent with the State Plan for Economic
39 Development developed by the Executive Director of the Office of
40 Economic Development pursuant to subsection 2 of NRS 231.053.

41 2. The Director shall not approve an application for a partial
42 abatement of the taxes imposed pursuant to chapter 361 of NRS
43 submitted pursuant to this section by the owner of the property
44 unless the application is approved or deemed approved by the board
45 of county commissioners pursuant to this subsection. The board of



1 county commissioners of a county must provide notice to the
2 Director that the board intends to consider an application and, if
3 such notice is given, must approve or deny the application not later
4 than 30 days after the board receives a copy of the application. The
5 board of county commissioners:

6 (a) Shall, in considering an application pursuant to this
7 subsection, make a recommendation to the Director regarding the
8 application;

9 (b) May, in considering an application pursuant to this
10 subsection, deny an application only if the board of county
11 commissioners determines, based on relevant information, that:

12 (1) The projected cost of the services that the local
13 government is required to provide to the building or other structure
14 for which the abatement is received will exceed the amount of tax
15 revenue that the local government is projected to receive as a result
16 of the abatement; or

17 (2) The projected financial benefits that will result to the
18 county from any employment resulting from the use of the building
19 or other structure and from capital investments by the owner of the
20 building or other structure in the county will not exceed the
21 projected loss of tax revenue that will result from the abatement; and

22 (c) May, without regard to whether the board has provided
23 notice to the Director of its intent to consider the application, make a
24 recommendation to the Director regarding the application.

25 ➔ If the board of county commissioners does not approve or deny
26 the application pursuant to this subsection within 30 days after the
27 board receives a copy of the application, the application shall be
28 deemed approved.

29 3. As soon as practicable after the Director receives the
30 application and proof required by subsection 1, the Director, in
31 consultation with the Office of Economic Development, shall
32 determine whether the building or other structure is eligible for the
33 abatement and, if so, forward a certificate of eligibility for the
34 abatement to the:

35 (a) Department of Taxation;

36 (b) County assessor;

37 (c) County treasurer; and

38 (d) Office of Economic Development.

39 4. The Director may, with the assistance of the Chief of the
40 Budget Division and the Department of Taxation, publish a fiscal
41 note that indicates an estimate of the fiscal impact of the partial
42 abatement on the State and on each affected local government. If the
43 Director publishes a fiscal note that estimates the fiscal impact of
44 the partial abatement on local government, the Director shall
45 forward a copy of the fiscal note to each affected local government.



1 As soon as practicable after receiving a copy of a certificate of
2 eligibility pursuant to subsection 3, the Department of Taxation
3 shall forward a copy of the certificate to each affected local
4 government.

5 5. The partial abatement for:

6 (a) A building or other structure must, except as otherwise
7 provided in paragraph (b), be for a duration of not more than 10
8 years and in an annual amount that equals, for a building or other
9 structure that meets the equivalent of:

10 (1) The silver level, 25 percent of the portion of the taxes
11 imposed pursuant to chapter 361 of NRS, other than any taxes
12 imposed for public education, that would otherwise be owed for the
13 building or other structure, excluding the associated land;

14 (2) The gold level, 30 percent of the portion of the taxes
15 imposed pursuant to chapter 361 of NRS, other than any taxes
16 imposed for public education, that would otherwise be owed for the
17 building or other structure, excluding the associated land; or

18 (3) The platinum level, 35 percent of the portion of the taxes
19 imposed pursuant to chapter 361 of NRS, other than any taxes
20 imposed for public education, that would otherwise be owed for the
21 building or other structure, excluding the associated land.

22 (b) A building or other structure that qualifies for an abatement
23 under the Leadership in Energy and Environmental Design
24 "Existing Buildings: Operations and Maintenance" rating system, or
25 its equivalent, must be for a duration of not more than 5 years and in
26 an annual amount that equals, except as otherwise provided in
27 subsection 6, for a building or other structure that meets the
28 equivalent of:

29 (1) The silver level, 25 percent of the portion of the taxes
30 imposed pursuant to chapter 361 of NRS, other than any taxes
31 imposed for public education, that would otherwise be owed for the
32 building or other structure, excluding the associated land;

33 (2) The gold level, 30 percent of the portion of the taxes
34 imposed pursuant to chapter 361 of NRS, other than any taxes
35 imposed for public education, that would otherwise be owed for the
36 building or other structure, excluding the associated land; or

37 (3) The platinum level, 35 percent of the portion of the taxes
38 imposed pursuant to chapter 361 of NRS, other than any taxes
39 imposed for public education, that would otherwise be owed for the
40 building or other structure, excluding the associated land.

41 6. The Director shall not grant a partial abatement of more than
42 \$100,000 in any year for a building or other structure that qualifies
43 for an abatement pursuant to paragraph (b) of subsection 5.

44 7. A partial abatement granted pursuant to this section:



1 (a) Does not apply during any period in which the owner of the
2 building or other structure is receiving another abatement or
3 exemption pursuant to this chapter or NRS 361.045 to 361.159,
4 inclusive, from the taxes imposed pursuant to chapter 361 of NRS.

5 (b) Terminates upon any determination by the Director that the
6 building or other structure has ceased to meet the equivalent of the
7 silver level or higher. The Director shall provide notice and a
8 reasonable opportunity to cure any noncompliance issues before
9 making a determination that the building or other structure has
10 ceased to meet that standard. The Director shall immediately
11 provide notice of each determination of termination to the:

12 (1) Department of Taxation, who shall immediately notify
13 each affected local government of the determination;

14 (2) County assessor;

15 (3) County treasurer; and

16 (4) Office of Economic Development.

17 8. If a partial abatement terminates pursuant to paragraph (b) of
18 subsection 7, the owner of the property to which the partial
19 abatement applied shall repay to the county treasurer the amount of
20 the exemption that was allowed pursuant to this section before the
21 date of that termination. The owner shall, in addition to the amount
22 of the exemption required to be paid pursuant to this subsection, pay
23 interest on the amount due at the rate most recently established
24 pursuant to NRS 99.040 for each month, or portion thereof, from the
25 last day of the month following the period for which the payment
26 would have been made had the partial abatement not been approved
27 until the date of payment of the tax.

28 9. The Director, in consultation with the Office of Economic
29 Development, shall adopt regulations:

30 (a) Establishing the qualifications and methods to determine
31 eligibility for and the duration of the abatement;

32 (b) Prescribing such forms as will ensure that all information
33 and other documentation necessary to make an appropriate
34 determination is filed with the Director; and

35 (c) Prescribing the criteria for determining when there is a
36 significant change in the scope of a project for the purposes of
37 subparagraph (1) of paragraph (b) of subsection 1,

38 and the Department of Taxation shall adopt such additional
39 regulations as it determines to be appropriate to carry out the
40 provisions of this section.

41 10. The Director shall:

42 (a) Cooperate with the Office of Economic Development in
43 carrying out the provisions of this section; and

44 (b) Submit to the Office of Economic Development an annual
45 report, at such a time and containing such information as the Office



1 may require, regarding the partial abatements granted pursuant to
2 this section.

3 11. The Director may charge and collect a fee from each
4 applicant who submits an application for a partial abatement
5 pursuant to this section. The amount of the fee must not exceed the
6 actual cost to the Director for processing the application and
7 evaluating the proof submitted by the applicant pursuant to
8 subsection 1 and making the determination concerning eligibility for
9 the partial abatement required by subsection 3.

10 12. As used in this section:

11 (a) "Building or other structure" does not include any building
12 or other structure for which the principal use is as a residential
13 dwelling for not more than four families.

14 (b) "Director" means the Director of the Office of Energy
15 appointed pursuant to NRS 701.150.

16 (c) "Taxes imposed for public education" means:

17 (1) Any ad valorem tax authorized or required by chapter
18 387 of NRS;

19 (2) Any ad valorem tax authorized or required by chapter
20 350 of NRS for the obligations of a school district, including,
21 without limitation, any ad valorem tax necessary to carry out the
22 provisions of subsection 5 of NRS 350.020; and

23 (3) Any other ad valorem tax for which the proceeds thereof
24 are dedicated to the public education of pupils in kindergarten
25 through grade 12.

26 **Sec. 14.** NRS 701A.365 is hereby amended to read as follows:

27 701A.365 1. The Director, in consultation with the Office of
28 Economic Development, shall approve an application for a partial
29 abatement pursuant to NRS 701A.300 to 701A.390, inclusive, if the
30 Director, in consultation with the Office of Economic Development,
31 makes the following determinations:

32 (a) The applicant has executed an agreement with the Director
33 which must:

34 (1) State that the facility will, after the date on which the
35 abatement becomes effective, continue in operation in this State for
36 a period specified by the Director, which must be at least 10 years,
37 and will continue to meet the eligibility requirements for the
38 abatement; and

39 (2) Bind the successors in interest in the facility for the
40 specified period.

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



1 (c) No funding is or will be provided by any governmental
2 entity in this State for the acquisition, design or construction of the
3 facility or for the acquisition of any land therefor, except any private
4 activity bonds as defined in 26 U.S.C. § 141.

5 (d) If the facility will be located in a county whose population is
6 100,000 or more or a city whose population is 60,000 or more, the
7 facility meets the following requirements:

8 (1) There will be 75 or more full-time employees working on
9 the construction of the facility during the second quarter of
10 construction, including, unless waived by the Director for good
11 cause, at least 50 percent who are residents of Nevada;

12 (2) Establishing the facility will require the facility to make a
13 capital investment of at least \$10,000,000 in this State in capital
14 assets that will be retained at the location of the facility until at least
15 the date which is 5 years after the date on which the abatement
16 becomes effective;

17 (3) The average hourly wage that will be paid by the facility
18 to its employees in this State is at least 110 percent of the average
19 statewide hourly wage, excluding management and administrative
20 employees, as established by the Employment Security Division of
21 the Department of Employment, Training and Rehabilitation on
22 July 1 of each fiscal year; and

23 (4) Except as otherwise provided in subsection 6, the average
24 hourly wage of the employees working on the construction of the
25 facility will be at least 175 percent of the average statewide hourly
26 wage, excluding management and administrative employees, as
27 established by the Employment Security Division of the Department
28 of Employment, Training and Rehabilitation on July 1 of each fiscal
29 year and:

30 (I) The employees working on the construction of the
31 facility must be provided a health insurance plan that is provided by
32 a third-party administrator and includes health insurance coverage
33 for dependents of the employees; and

34 (II) The cost of the benefits provided to the employees
35 working on the construction of the facility will meet the minimum
36 requirements for benefits established by the Director by regulation
37 pursuant to NRS 701A.390.

38 (e) If the facility will be located in a county whose population is
39 less than 100,000 or a city whose population is less than 60,000, the
40 facility meets the following requirements:

41 (1) There will be 50 or more full-time employees working on
42 the construction of the facility during the second quarter of
43 construction, including, unless waived by the Director for good
44 cause, at least 50 percent who are residents of Nevada;



1 (2) Establishing the facility will require the facility to make a
2 capital investment of at least \$3,000,000 in this State in capital
3 assets that will be retained at the location of the facility until at least
4 the date which is 5 years after the date on which the abatement
5 becomes effective;

6 (3) The average hourly wage that will be paid by the facility
7 to its employees in this State is at least 110 percent of the average
8 statewide hourly wage, excluding management and administrative
9 employees, as established by the Employment Security Division of
10 the Department of Employment, Training and Rehabilitation on
11 July 1 of each fiscal year; and

12 (4) Except as otherwise provided in subsection 6, the average
13 hourly wage of the employees working on the construction of the
14 facility will be at least 175 percent of the average statewide hourly
15 wage, excluding management and administrative employees, as
16 established by the Employment Security Division of the Department
17 of Employment, Training and Rehabilitation on July 1 of each fiscal
18 year and:

19 (I) The employees working on the construction of the
20 facility must be provided a health insurance plan that is provided by
21 a third-party administrator and includes health insurance coverage
22 for dependents of the employees; and

23 (II) The cost of the benefits provided to the employees
24 working on the construction of the facility will meet the minimum
25 requirements for benefits established by the Director by regulation
26 pursuant to NRS 701A.390.

27 (f) The financial benefits that will result to this State from the
28 employment by the facility of the residents of this State and from
29 capital investments by the facility in this State will exceed the loss
30 of tax revenue that will result from the abatement.

31 (g) The facility is consistent with the State Plan for Economic
32 Development developed by the Executive Director of the Office of
33 Economic Development pursuant to subsection 2 of NRS 231.053.

34 *(h) If the partial abatement has a projected value of \$250,000*
35 *or more, the applicant complied with the provisions of section 1 of*
36 *this act.*

37 2. The Director shall not approve an application for a partial
38 abatement of the taxes imposed pursuant to chapter 361 of NRS
39 submitted pursuant to NRS 701A.360 by a facility for the generation
40 of process heat from solar renewable energy or a wholesale facility
41 for the generation of electricity from renewable energy unless the
42 application is approved or deemed approved pursuant to this
43 subsection. The board of county commissioners of a county must
44 provide notice to the Director that the board intends to consider an
45 application and, if such notice is given, must approve or deny the



1 application not later than 30 days after the board receives a copy of
2 the application. The board of county commissioners:

3 (a) Shall, in considering an application pursuant to this
4 subsection, make a recommendation to the Director regarding the
5 application;

6 (b) May, in considering an application pursuant to this
7 subsection, deny an application only if the board of county
8 commissioners determines, based on relevant information, that:

9 (1) The projected cost of the services that the local
10 government is required to provide to the facility will exceed the
11 amount of tax revenue that the local government is projected to
12 receive as a result of the abatement; or

13 (2) The projected financial benefits that will result to the
14 county from the employment by the facility of the residents of this
15 State and from capital investments by the facility in the county will
16 not exceed the projected loss of tax revenue that will result from the
17 abatement;

18 (c) Must not condition the approval of the application on a
19 requirement that the facility agree to purchase, lease or otherwise
20 acquire in its own name or on behalf of the county any
21 infrastructure, equipment, facilities or other property in the county
22 that is not directly related to or otherwise necessary for the
23 construction and operation of the facility; and

24 (d) May, without regard to whether the board has provided
25 notice to the Director of its intent to consider the application, make a
26 recommendation to the Director regarding the application.

27 ➤ If the board of county commissioners does not approve or deny
28 the application within 30 days after the board receives from the
29 Director a copy of the application, the application shall be deemed
30 approved.

31 3. Notwithstanding the provisions of subsection 1, the Director,
32 in consultation with the Office of Economic Development, may, if
33 the Director, in consultation with the Office, determines that such
34 action is necessary:

35 (a) Approve an application for a partial abatement for a facility
36 that does not meet the requirements set forth in paragraph (d) or (e)
37 of subsection 1; or

38 (b) Add additional requirements that a facility must meet to
39 qualify for a partial abatement.

40 4. The Director shall cooperate with the Office of Economic
41 Development in carrying out the provisions of this section.

42 5. The Director shall submit to the Office of Economic
43 Development an annual report, at such a time and containing such
44 information as the Office may require, regarding the partial
45 abatements granted pursuant to this section.



1 6. The provisions of subparagraph (4) of paragraph (d) of
2 subsection 1 and subparagraph (4) of paragraph (e) of subsection 1
3 concerning the average hourly wage of the employees working on
4 the construction of a facility do not apply to the wages of an
5 apprentice as that term is defined in NRS 610.010.

6 7. As used in this section, “wage” or “wages” has the meaning
7 ascribed to it in NRS 338.010.

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

11 **Sec. 16.** This act becomes effective on July 1, 2017.



