

SENATE BILL NO. 442—COMMITTEE ON REVENUE
AND ECONOMIC DEVELOPMENT

MARCH 27, 2017

Referred to Committee on Revenue and
Economic Development

SUMMARY—Revises provisions relating to economic
development. (BDR 32-1001)

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

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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; revising the requirements that a business must satisfy to obtain a partial abatement of certain taxes and certain transferable tax credits; providing for the partial abatement of certain taxes imposed on a project located at multiple sites in this State that satisfies certain capital investment and other requirements; creating the Legislative Committee on Tax Expenditures and Incentives for Economic Development; setting forth the composition and administration of the Committee; prescribing the powers and duties of the Committee; authorizing a municipality to create an improvement district to acquire, improve, equip, operate and maintain a rail project for a qualified project; revising provisions governing an improvement district created to finance certain infrastructure improvements for a qualified project; revising provisions governing the creation of a tax increment area by the governing body of a municipality; authorizing the governing body of a municipality that creates a tax increment area to enter into a contract for the payment of money in the tax increment account to a property owner to reimburse the property owner for certain costs paid by the property owner for an undertaking; and providing other matters properly relating thereto.



* S B 4 4 2 R 2 *

Legislative Counsel's Digest:

1 Existing law authorizes the Office of Economic Development to grant a partial
2 abatement of property taxes, business taxes and sales and use taxes to a business
3 that locates or expands in this State and meets certain qualifications for the
4 abatement. (NRS 274.310, 274.320, 360.750, 360.752, 360.753, 360.754,
5 701A.210) Under existing law, a business applying for certain types of partial
6 abatements may meet the requirements for the partial abatement if the business
7 satisfies certain criteria, even if the business pays its new employees less than the
8 average hourly wage in this State and does not provide health insurance to its
9 employees in this State. **Sections 1-3** of this bill revise the eligibility criteria for
10 these partial abatements so that to qualify for the partial abatement, a business is
11 required to pay the new employees hired by the business a wage that is at least
12 equal to the average statewide hourly wage and offer to all of its employees health
13 benefits that meet standards established by the Office. **Sections 1-3 and 22** of this
14 bill remove provisions authorizing the Office to make less stringent the
15 requirements related to the payment of wages and the offering of health benefits to
16 employees. However, **section 1** also: (1) maintains a provision of existing law that
17 authorizes the Office to approve a reduced partial abatement if the business pays
18 the new employees hired by the business a wage that is less than the average
19 statewide wage; and (2) revises the criteria under which the Office may approve a
20 reduced partial abatement under that provision. Finally, **sections 1, 11 and 22** of
21 this bill revise the eligibility criteria for certain partial abatements so that certain
22 criteria applicable to a business expanding or locating in a county whose population
23 is 100,000 or less (currently all counties other than Clark and Washoe Counties)
24 also apply to a business expanding or locating in an area of such a county that is
25 located: (1) within the geographic boundaries of an area that is designated as rural
26 by the United States Department of Agriculture; and (2) at least 20 miles outside of
27 the geographic boundaries of an area designated as urban by the United States
28 Department of Agriculture.

29 Under existing law, the eligibility criteria for certain partial abatements of taxes
30 and the issuance of certain transferable tax credits require at least 50 percent of the
31 employees engaged or anticipated to be engaged in the construction of the project
32 for which the partial abatement or tax credits are awarded to be residents of this
33 State. **Sections 4, 6 and 9** of this bill remove the term "anticipated to be engaged"
34 so that the eligibility criteria for the partial abatements and tax credits require at
35 least 50 percent of the employees engaged in the construction of the project to be
36 residents of this State.

37 Existing law authorizes the Office of Economic Development to approve
38 applications for partial abatements of certain taxes and the issuance of transferable
39 tax credits submitted by the lead participant engaged in a qualified project with
40 other participants for a common purpose or business endeavor and which is located
41 within the geographic boundaries of a single project site in this State. (NRS
42 360.880-360.980) **Sections 5-7** of this bill authorize the Office to approve an
43 application for partial abatements of certain taxes for qualified projects located on
44 multiple project sites if the capital investment by certain participants in the
45 qualified project will be at least \$1 billion and certain criteria are met. **Sections 5**
46 **and 8** of this bill revise the definition of a "project" so that: (1) the participants
47 must be engaged in a common business purpose or industry; and (2) such
48 participants must be deemed to be engaged in a common business purpose or
49 industry if the participants are in the same supply chain related to the common
50 business purpose or industry or provide components or services related to the
51 common business purpose or industry. **Sections 6 and 9** of this bill require the lead
52 participant in the qualified project to enter into an agreement with the governing
53 body of the city or county in which the qualified project is located, which requires:
54 (1) the lead participant to pay the cost of certain engineering and design work



55 necessary to determine the cost of infrastructure improvements required by the
56 qualified project; and (2) the governing body of the city or county to reimburse the
57 lead participant for those costs.

58 Under existing law governing a partial abatement of certain taxes for a
59 qualified project that will make a capital investment in this State of at least \$1
60 billion, as a condition of the partial abatement, the lead participant is required to
61 pay all or a portion of the abated taxes into a trust fund in the State Treasury until
62 part or all of the requirements for the partial abatement have been met. If the
63 requirements for the partial abatement are met, the abated taxes paid into the trust
64 fund, including the interest and income earned on that money, must be returned to
65 the lead participant. If the requirements for the partial abatement are not met, the
66 money in the trust fund must be transferred to the entity that would have received
67 the money if the partial abatement had not been granted, as determined by the
68 Department of Taxation. (NRS 360.893) **Sections 7 and 9.5** of this bill provide that
69 if certain assessments, or installments thereof, used to pay bonds or other
70 obligations of this State or a local government in connection with the qualified
71 project are delinquent, the money in the trust fund must be used to repay any bonds
72 or other obligations issued by this State or a local government in connection with
73 the qualified project. **Section 14.5** of this bill provides that any money collected to
74 enforce the assessment, or installment thereof, including the proceeds of a sale of
75 property to collect or enforce the assessment, or installment thereof, must be used
76 to repay any amounts paid from the trust fund to repay such bonds or other
77 obligations.

78 Existing law establishes provisions pursuant to which a local government that
79 receives notice from the Office of Economic Development that a qualified project
80 will be located within the jurisdiction of the local government and that determines
81 there is a need to finance infrastructure projects to support the development of the
82 qualified project may submit to the Office an economic development financing
83 proposal pursuant to which the infrastructure projects would be financed from the
84 proceeds of bonds, securities or other indebtedness issued by the State of Nevada.
85 (NRS 360.981-360.992) Before the issuance of any bonds, securities or other
86 indebtedness of the State pursuant to such an economic development financing
87 proposal, the lead participant in the qualified project is required to provide adequate
88 security that the lead participant will carry out the qualified project. **Section 10** of
89 this bill provides that a lien for special assessments imposed on the qualified project
90 may constitute such adequate security.

91 Existing law requires a business applying to the Office for certain partial
92 abatements of property taxes to satisfy certain requirements, including, without
93 limitation, a requirement to make a minimum amount of capital investment in the
94 county in which the business is located. (NRS 361.0687) The minimum amount of
95 the capital investment is scheduled to increase on July 1, 2017. **Section 11** of this
96 bill permanently extends the current requirement for the minimum capital
97 investment.

98 **Section 11.5** of this bill creates the Legislative Committee on Tax Expenditures
99 and Incentives for Economic Development and prescribes the appointment of its
100 membership. **Section 11.6** of this bill sets forth requirements for meetings of the
101 Committee. Under **section 11.6**, members of the Committee must not receive
102 compensation or per diem or travel expenses.

103 Existing law requires the Board of Economic Development to review and
104 evaluate all programs of economic development in Nevada and to make
105 recommendations to the Legislature for legislation to improve the effectiveness of
106 those programs in implementing the State Plan for Economic Development. (NRS
107 231.037) **Section 11.7** of this bill requires the Legislative Committee on Tax
108 Expenditures and Incentives for Economic Development to identify and evaluate all
109 incentives for economic development in this State and provide the Legislature with



110 a report concerning its activities. **Section 11.8** of this bill authorizes the Committee
111 to evaluate, review and comment on tax expenditures and to make
112 recommendations for the addition, modification or elimination of a tax expenditure
113 or incentive for economic development.

114 Existing law authorizes the governing body of any county, city or
115 unincorporated town to create an improvement district for the acquisition, operation
116 and maintenance of certain improvement projects and to finance the cost of any
117 project through the issuance of bonds and the levy of assessments upon property in
118 the improvement district. (NRS 271.265, 271.270, 271.325) Existing law authorizes
119 a municipality in which a qualified project is located to create an improvement
120 district to acquire, improve, equip, operate and maintain an electrical project or a
121 fire protection project for the qualified project. (NRS 271.265) **Sections 12 and 14**
122 of this bill authorize such a municipality to create an improvement district to
123 acquire, improve, equip, operate and maintain a rail project for a qualified project.
124 **Section 16** of this bill amends provisions governing tax increment areas to enact the
125 same definition for "rail project" as is set forth in **section 12**.

126 Existing law authorizes the governing body of a municipality to designate a tax
127 increment area for the purpose of creating a special account for the payment of
128 bonds or other securities issued to defray the cost of certain undertakings. The
129 designation of a tax increment area by the governing body provides for the
130 allocation of a portion of the taxes levied upon taxable property in the tax
131 increment area each year to pay the bond requirements of loans, money advanced to
132 or indebtedness incurred by the municipality to finance or refinance the
133 undertaking. In addition to such property taxes, a portion of the sales and use taxes
134 imposed within the tax increment area and the excise tax imposed on financial
135 institutions and employers (the "modified business tax") located in the tax
136 increment area may be allocated to pay the debt incurred by the municipality to
137 finance or refinance the undertaking if the undertaking is a rail project in relation to
138 a qualified project or a natural resources project. (Chapter 278C of NRS) **Sections**
139 **17 and 18** of this bill authorize the governing body of a municipality to enter into
140 an agreement with a property owner in a tax increment area under which the
141 municipality is required to pay the property owner money from the tax increment
142 account for costs incurred by the property owner in connection with an undertaking.
143 **Section 15** of this bill enacts a definition of "bond requirements" for the purpose of
144 enabling a municipality to pay a property owner money from the tax increment
145 account in accordance with an agreement entered into pursuant to **sections 17 and**
146 **18**.

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

- 1 **Section 1.** NRS 360.750 is hereby amended to read as follows:
2 360.750 1. A person who intends to locate or expand a
3 business in this State may apply to the Office of Economic
4 Development pursuant to this section for a partial abatement of one
5 or more of the taxes imposed on the new or expanded business
6 pursuant to chapter 361, 363B or 374 of NRS.
7 2. The Office of Economic Development shall approve an
8 application for a partial abatement pursuant to this section if the
9 Office makes the following determinations:
10 (a) The business offers primary jobs and 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 (b) The applicant has executed an agreement with the Office
7 which must:

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

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

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

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

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

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

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

30 (e) *The business will, by the eighth calendar quarter following*
31 *the calendar quarter in which the abatement becomes effective,*
32 *offer a health insurance plan for all employees that includes an*
33 *option for health insurance coverage for dependents of the*
34 *employees, and the health care benefits the business offers to its*
35 *employees in this State will meet the minimum requirements for*
36 *health care benefits established by the Office.*

37 (f) Except as otherwise provided in *this subsection and* NRS
38 361.0687, if the business is a new business in a county whose
39 population is 100,000 or more or a city whose population is 60,000
40 or more, the business meets at least ~~two~~ *one* of the following
41 requirements:

42 (1) The business will have 50 or more full-time employees
43 on the payroll of the business by the eighth calendar quarter
44 following the calendar quarter in which the abatement becomes
45 effective who will be employed at the location of the business in



1 that county or city until at least the date which is 5 years after the
2 date on which the abatement becomes effective.

3 (2) Establishing the business will require the business to
4 make, not later than the date which is 2 years after the date on which
5 the abatement becomes effective, a capital investment of at least
6 \$1,000,000 in this State in capital assets that will be retained at the
7 location of the business in that county or city until at least the date
8 which is 5 years after the date on which the abatement becomes
9 effective.

10 ~~13) The average hourly wage that will be paid by the new
11 business to its new employees in this State is at least 100 percent of
12 the average statewide hourly wage as established by the
13 Employment Security Division of the Department of Employment,
14 Training and Rehabilitation on July 1 of each fiscal year and:~~

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

20 ~~———— (H) The health care benefits the business provides to its
21 employees in this State will meet the minimum requirements for
22 health care benefits established by the Office.~~

23 ~~— (e) (g)~~ Except as otherwise provided in NRS 361.0687, if the
24 business is a new business in a county whose population is less than
25 100,000 , *in an area of a county whose population is 100,000 or
26 more that is located within the geographic boundaries of an area
27 that is designated as rural by the United States Department of
28 Agriculture and at least 20 miles outside of the geographic
29 boundaries of an area designated as urban by the United States
30 Department of Agriculture, or in a city whose population is less
31 than 60,000, the business meets at least ~~two~~ one of the following
32 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) (h) If the business is an existing business, the business~~
16 ~~meets at least ~~{two}~~ *one* of the following requirements:~~

17 (1) For a business in:

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

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



1 (2) The business will expand by making a capital investment
2 in this State, not later than the date which is 2 years after the date on
3 which the abatement becomes effective, in an amount equal to at
4 least 20 percent of the value of the tangible property possessed by
5 the business in the fiscal year immediately preceding the fiscal year
6 in which the abatement becomes effective, and the capital
7 investment will be in capital assets that will be retained at the
8 location of the business in that county or city until at least the date
9 which is 5 years after the date on which the abatement becomes
10 effective. The determination of the value of the tangible property
11 possessed by the business in the immediately preceding fiscal year
12 must be made by the:

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

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

16 ~~{(3) The average hourly wage that will be paid by the~~
17 ~~existing business to its new employees in this State is at least the~~
18 ~~amount of the average hourly wage required to be paid by~~
19 ~~businesses pursuant to subparagraph (2) of either paragraph (a) or~~
20 ~~(b) of subsection 2 of NRS 361.0687, whichever is applicable, 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 new 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 ~~new employees in this State will meet the minimum requirements~~
28 ~~for health care benefits established by the Office.~~

29 ~~—(g) (i) The applicant has provided in the application an~~
30 ~~estimate of the total number of new employees which the business~~
31 ~~anticipates hiring in this State by the eighth calendar quarter~~
32 ~~following the calendar quarter in which the abatement becomes~~
33 ~~effective if the Office approves the application.~~

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

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

40 (b) Shall consider the level of health care benefits provided by
41 the business to its employees, the projected economic impact of the
42 business and the projected tax revenue of the business after
43 deducting projected revenue from the abated taxes.

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



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

4 (2) Make **any of** the requirements set forth in ~~+(paragraph (d),~~
5 ~~(e) or (f))~~ **paragraphs (d) to (h), inclusive,** of subsection 2 more
6 stringent; or

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

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

12 (a) The applicant intends to locate or expand in a county in
13 which the rate of unemployment is ~~+6+~~ 7 percent or more and the
14 average hourly wage that will be paid by the applicant to its new
15 employees in this State is less than ~~+65+~~ 70 percent of the average
16 statewide hourly wage, as established by the Employment Security
17 Division of the Department of Employment, Training and
18 Rehabilitation on July 1 of each fiscal year.

19 (b) The applicant intends to locate or expand in a county in
20 which the rate of unemployment is less than ~~+6+~~ 7 percent and the
21 average hourly wage that will be paid by the applicant to its new
22 employees in this State is less than ~~+80+~~ 85 percent of the average
23 statewide hourly wage, as established by the Employment Security
24 Division of the Department of Employment, Training and
25 Rehabilitation on July 1 of each fiscal year.

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

31 (a) If the new or expanded business is located in a county in
32 which the rate of unemployment is ~~+6+~~ 7 percent or more and the
33 average hourly wage that will be paid by the business to its new
34 employees in this State is less than ~~+80+~~ 85 percent of the average
35 statewide hourly wage, as established by the Employment Security
36 Division of the Department of Employment, Training and
37 Rehabilitation on July 1 of each fiscal year, the Office shall not:

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

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

44 (b) If the new or expanded business is located in a county in
45 which the rate of unemployment is less than ~~+6+~~ 7 percent and the



1 average hourly wage that will be paid by the business to its new
2 employees in this State is less than 100 percent of the average
3 statewide hourly wage, as established by the Employment Security
4 Division of the Department of Employment, Training and
5 Rehabilitation on July 1 of each fiscal year, the Office shall not:

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

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

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

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

24 (a) The Department;

25 (b) The Nevada Tax Commission; and

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

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

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

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

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

39 ↪ the business shall repay to the Department or, if the partial
40 abatement was from the property tax imposed pursuant to chapter
41 361 of NRS, to the county treasurer, the amount of the exemption
42 that was allowed pursuant to this section before the failure of the
43 business to comply unless the Nevada Tax Commission determines
44 that the business has substantially complied with the requirements of
45 this section. Except as otherwise provided in NRS 360.232 and



1 360.320, the business shall, in addition to the amount of the
2 exemption required to be paid pursuant to this subsection, pay
3 interest on the amount due at the rate most recently established
4 pursuant to NRS 99.040 for each month, or portion thereof, from the
5 last day of the month following the period for which the payment
6 would have been made had the partial abatement not been approved
7 until the date of payment of the tax.

8 9. A county treasurer:

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

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

15 10. The Office of Economic Development may adopt such
16 regulations as the Office of Economic Development determines to
17 be necessary to carry out the provisions of this section and
18 NRS 360.755.

19 11. The Nevada Tax Commission:

20 (a) Shall adopt regulations regarding:

21 (1) The capital investment that a new business must make to
22 meet the requirement set forth in paragraph ~~(d)~~ (f) or ~~(e)~~ (g) of
23 subsection 2; and

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

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

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

33 13. For the purposes of this section, an employee is a "full-time
34 employee" if he or she is in a permanent position of employment
35 and works an average of 30 hours per week during the applicable
36 period set forth in subsection 2.

37 **Sec. 2.** NRS 360.752 is hereby amended to read as follows:

38 360.752 1. A person who intends to locate or expand a
39 business in this State may apply to the Office of Economic
40 Development pursuant to this section for a partial abatement of the
41 tax imposed on the new or expanded business pursuant to chapter
42 361 of NRS.

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



1 (a) The business is in one or more of the industry sectors for
2 economic development promoted, identified or otherwise approved
3 by the Governor's Workforce Investment Board described in
4 NRS 232.935.

5 (b) The business is consistent with:

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

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

11 (c) The applicant has executed an agreement with the Office
12 which must:

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

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

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

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

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

27 (6) Bind the successors in interest of the business for the
28 specified period.

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

33 (e) The business does not receive:

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

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

38 (f) *The average hourly wage that will be paid by the business*
39 *to its new employees in this State is at least 100 percent of the*
40 *average statewide hourly wage or the average countywide hourly*
41 *wage, whichever is less, as established by the Employment*
42 *Security Division of the Department of Employment, Training and*
43 *Rehabilitation on July 1 of each fiscal year.*

44 (g) *The business will offer a health insurance plan for all full-*
45 *time employees that includes an option for health insurance*



1 *coverage for dependents of those employees, or will abide by all*
2 *applicable provisions of the Patient Protection and Affordable*
3 *Care Act, Public Law 111-148, or both, and the benefits the*
4 *business offers to its employees in this State will meet the*
5 *minimum requirements for benefits established by the Office.*

6 (h) The business meets the following requirements:

7 (1) The business makes a capital investment of at least
8 \$1,000,000 in a program of the University of Nevada, Reno, the
9 University of Nevada, Las Vegas, or the Desert Research Institute to
10 be used in support of research, development or training related to
11 the field of endeavor of the business.

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

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

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

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

28 ~~(II) The benefits the business provides to its employees in~~
29 ~~this State will meet the minimum requirements for benefits~~
30 ~~established by the Office.~~

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

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

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



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

4 ~~(g)~~ (i) In lieu of meeting the requirements of paragraph ~~(f)~~
5 (h), the business meets the following requirements:

6 (1) The business makes a capital investment of at least
7 \$500,000 in the Nevada State College or an institution of the
8 Nevada System of Higher Education other than those set forth in
9 subparagraph (1) of paragraph ~~(f)~~ (h), to be used in support of
10 college certification or in support of research or training related to
11 the field of endeavor of the business.

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

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

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

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

28 ~~(II) The benefits the business provides to its employees in~~
29 ~~this State will meet the minimum requirements for benefits~~
30 ~~established by the Office.~~

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

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

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



1 achieving the broader goals of the regional economic development
2 authority for economic development and diversification.

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

5 (a) Shall furnish to the board of county commissioners of each
6 affected county a copy of each application for a partial abatement
7 pursuant to this section.

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

12 (c) Shall not approve an application for a partial abatement
13 pursuant to this section unless the abatement is approved or deemed
14 approved as described in this paragraph. The board of county
15 commissioners of each affected county must approve or deny the
16 application not later than 30 days after the board of county
17 commissioners receives a copy of the application as described in
18 paragraph (a). If the board of county commissioners does not
19 approve or deny the application within 30 days after the board of
20 county commissioners receives a copy of the application, the
21 application shall be deemed approved.

22 (d) May, if the Office determines that such action is necessary
23 add additional requirements that a business must meet to qualify for
24 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:

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

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

31 (2) Fifty percent of the amount of the capital investment by
32 the business,

33 ↪ whichever amount is less;

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

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

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

42 (a) The Department;

43 (b) The Nevada Tax Commission; and



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

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

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

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

27 (b) The applicable institution of higher education is entitled to
28 keep the entire capital investment made by the business in that
29 institution.

30 8. A county treasurer:

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

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

37 9. The Office of Economic Development:

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

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

43 10. The Nevada Tax Commission:



* S B 4 4 2 R 2 *

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

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

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

11 12. Except as otherwise provided in this subsection, as used in
12 this section, "capital investment" includes, without limitation, an
13 investment of real or personal property, money or other assets by a
14 business in an institution of the Nevada System of Higher
15 Education. The Office of Economic Development may, by
16 regulation, specify the types of real or personal property or assets
17 that are included within the definition of "capital investment."

18 **Sec. 3.** NRS 360.753 is hereby amended to read as follows:

19 360.753 1. An owner of a business or a person who intends
20 to locate or expand a business in this State may apply to the Office
21 of Economic Development pursuant to this section for a partial
22 abatement of one or more of:

23 (a) The personal property taxes imposed on an aircraft and the
24 personal property used to own, operate, manufacture, service,
25 maintain, test, repair, overhaul or assemble an aircraft or any
26 component of an aircraft; and

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

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

35 (a) The applicant has executed an agreement with the Office
36 which:

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

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

42 (3) States that the business will, after the date on which a
43 certificate of eligibility for the partial abatement is issued pursuant
44 to subsection 5, continue in operation in this State for a period
45 specified by the Office, which must be not less than 5 years, and



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

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

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

9 (c) The business owns, operates, manufactures, services,
10 maintains, tests, repairs, overhauls or assembles an aircraft or any
11 component of an aircraft;

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

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

25 (f) If the business is:

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

29 (2) An existing business, that it will increase its number of
30 full-time employees on the payroll of the business in this State by 3
31 percent or three employees, whichever is greater, within 1 year after
32 receiving its certificate of eligibility for a partial abatement; and

33 ~~(e)~~ (g) The business meets at least one of the following
34 requirements:

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

38 (2) The business will maintain and possess in this State
39 tangible personal property having a value of not less than
40 \$5,000,000 during the period of partial abatement.

41 ~~(3) The average hourly wage that will be paid by the~~
42 ~~business to its employees in this State during the period of partial~~
43 ~~abatement is not less than 100 percent of the average statewide~~
44 ~~hourly wage as established by the Employment Security Division of~~



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

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

3. The Office of Economic Development:

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

(b) Must not:

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

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

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

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

(a) The Department;

(b) The Nevada Tax Commission; and

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

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

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

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

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

the business shall repay to the Department or, if the partial abatement was from personal property taxes, to the appropriate county treasurer, the amount of the partial abatement that was allowed pursuant to this section before the failure of the business to



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

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

14 9. The Nevada Tax Commission may adopt such regulations as
15 the Commission determines are necessary to carry out the provisions
16 of this section.

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

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

28 12. As used in this section:

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

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

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

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

36 (3) Raw material or processed material, part, machinery,
37 tool, chemical, gas or equipment used to operate, manufacture,
38 service, maintain, test, repair, overhaul or assemble an aircraft or
39 component of an aircraft.

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

44 (d) "Local sales and use taxes" means any taxes imposed on the
45 gross receipts of any retailer from the sale of tangible personal



1 property sold at retail, or stored, used or otherwise consumed, in any
2 political subdivision of this State, except the taxes imposed by the
3 Sales and Use Tax Act.

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

7 **Sec. 4.** NRS 360.754 is hereby amended to read as follows:

8 360.754 1. A person who intends to locate or expand a data
9 center in this State may apply to the Office of Economic
10 Development pursuant to this section for a partial abatement of one
11 or more of the taxes imposed on the new or expanded data center
12 pursuant to chapter 361 or 374 of NRS.

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

16 (a) The application is consistent with the State Plan for
17 Economic Development developed by the Executive Director of the
18 Office of Economic Development pursuant to subsection 2 of NRS
19 231.053 and any guidelines adopted by the Executive Director of the
20 Office to implement the State Plan for Economic Development.

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

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

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

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

33 (4) Bind the successors in interest of the applicant for the
34 specified period.

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

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

42 (1) The data center will, by not later than the date that is 5
43 years after the date on which the abatement becomes effective, have
44 or have added 10 or more full-time employees who are residents of
45 Nevada and who will be employed at the data center and will



1 continue to employ 10 or more full-time employees who are
2 residents of Nevada at the data center until at least the date which is
3 10 years after the date on which the abatement becomes effective.

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

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

16 (I) The data center will, by not later than the date which is
17 2 years after the date on which the abatement becomes effective,
18 provide a health insurance plan for all employees employed at the
19 data center that includes an option for health insurance coverage for
20 dependents of the employees; and

21 (II) The health care benefits provided to employees
22 employed at the data center will meet the minimum requirements for
23 health care benefits established by the Office of Economic
24 Development by regulation pursuant to subsection 12.

25 (4) At least 50 percent of the employees engaged ~~for~~
26 ~~anticipated to be engaged~~ in the construction of the data center are
27 residents of Nevada, unless waived by the Executive Director of the
28 Office of Economic Development upon proof satisfactory to the
29 Executive Director of the Office of Economic Development that
30 there is an insufficient number of residents of Nevada available and
31 qualified for such employment.

32 (e) If the applicant is seeking a partial abatement for a period of
33 10 years or more but not more than 20 years, the applicant meets the
34 following requirements:

35 (1) The data center will, by not later than the date that is 5
36 years after the date on which the abatement becomes effective, have
37 or have added 50 or more full-time employees who are residents of
38 Nevada and who will be employed at the data center and will
39 continue to employ 50 or more full-time employees who are
40 residents of Nevada at the data center until at least the date which is
41 20 years after the date on which the abatement becomes effective.

42 (2) Establishing or expanding the data center will require the
43 data center or any combination of the data center and one or more
44 colocated businesses to make in each county in this State in which
45 the data center is located, by not later than the date which is 5 years



1 after the date on which the abatement becomes effective, a
2 cumulative capital investment of at least \$100,000,000 in capital
3 assets that will be used or located at the data center.

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

9 (I) The data center will, by not later than the date which is
10 2 years after the date on which the abatement becomes effective,
11 provide a health insurance plan for all employees employed at the
12 data center that includes an option for health insurance coverage for
13 dependents of the employees; and

14 (II) The health care benefits provided to employees
15 employed at the data center will meet the minimum requirements for
16 health care benefits established by the Office of Economic
17 Development by regulation pursuant to subsection 12.

18 (4) At least 50 percent of the employees engaged ~~for~~
19 ~~anticipated to be engaged~~ in the construction of the data center are
20 residents of Nevada, unless waived by the Executive Director of the
21 Office of Economic Development upon proof satisfactory to the
22 Executive Director of the Office of Economic Development that
23 there is an insufficient number of residents of Nevada available and
24 qualified for such employment.

25 (f) The applicant has provided in the application an estimate of
26 the total number of new employees which the data center anticipates
27 hiring in this State if the Office of Economic Development approves
28 the application.

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

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

35 (b) Shall consider the level of health care benefits provided to
36 employees employed at the data center, the projected economic
37 impact of the data center and the projected tax revenue of the data
38 center after deducting projected revenue from the abated taxes.

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

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

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



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

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

7 (a) The Department;

8 (b) The Nevada Tax Commission; and

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

12 5. If the Office of Economic Development approves an
13 application for a partial abatement pursuant to this section, the
14 Office may also approve a partial abatement of taxes for each
15 colocated business that enters into a contract to use or occupy, for a
16 period of at least 2 years, all or a portion of the new or expanded
17 data center. Each such colocated business shall obtain a state
18 business registration issued by the Secretary of State. The
19 percentage amount of a partial abatement approved for a colocated
20 business pursuant to this subsection must not exceed the percentage
21 amount of the partial abatement approved for the data center. The
22 duration of a partial abatement approved for a colocated business
23 pursuant to this subsection must not exceed the duration of the
24 contract or contracts entered into between the colocated business
25 and the data center, including the duration of any contract or
26 contracts extended or renewed by the parties. If a colocated business
27 ceases to meet the requirements set forth in this subsection, the
28 colocated business shall repay the amount of the abatement that was
29 allowed in the same manner in which a data center is required by
30 subsection 7 to repay the Department or a county treasurer. If a data
31 center ceases to meet the requirements of subsection 2 or ceases
32 operation before the time specified in the agreement described in
33 paragraph (b) of subsection 2, any partial abatement approved for a
34 colocated business ceases to be in effect, but the colocated business
35 is not required to repay the amount of the abatement that was
36 allowed before the date on which the abatement ceases to be in
37 effect. A data center shall provide the Executive Director of the
38 Office and the Department with a list of the colocated businesses
39 that are qualified to receive a partial abatement pursuant to this
40 subsection and shall notify the Executive Director within 30 days
41 after any change to the list. The Executive Director shall provide the
42 list and any updates to the list to the Department and the county
43 treasurer of each affected county.

44 6. An applicant for a partial abatement pursuant to this section
45 or a data center whose partial abatement is in effect shall, upon the



1 request of the Executive Director of the Office of Economic
2 Development, furnish the Executive Director with copies of all
3 records necessary to verify that the applicant meets the requirements
4 of subsection 2.

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

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

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

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

24 8. A county treasurer:

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

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

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

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

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

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

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



1 (d) Proof that the employee is covered by the health insurance
2 plan which the data center is required to provide pursuant to sub-
3 subparagraph (I) of subparagraph (3) of paragraph (d) of subsection
4 2 or sub-subparagraph (I) of subparagraph (3) of paragraph (e) of
5 subsection 2.

6 11. For the purpose of obtaining from the Executive Director
7 of the Office of Economic Development any waiver of the
8 requirements set forth in subparagraph (4) of paragraph (d) of
9 subsection 2 or subparagraph (4) of paragraph (e) of subsection 2, a
10 data center must submit to the Executive Director of the Office of
11 Economic Development written documentation of the efforts to
12 meet the requirements and documented proof that an insufficient
13 number of Nevada residents is available and qualified for
14 employment.

15 12. The Office of Economic Development:

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

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

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

25 13. The Nevada Tax Commission:

26 (a) Shall adopt regulations regarding:

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

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

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

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

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

40 (b) "Data center" means one or more buildings located at one or
41 more physical locations in this State which house a group of
42 networked server computers for the purpose of centralizing the
43 storage, management and dissemination of data and information
44 pertaining to one or more businesses and includes any modular or
45 preassembled components, associated telecommunications and



1 storage systems and, if the data center includes more than one
2 building or physical location, any network or connection between
3 such buildings or physical locations.

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

8 **Sec. 5.** NRS 360.886 is hereby amended to read as follows:

9 360.886 "Project" means a project undertaken by a business or
10 group of businesses:

11 1. Located within the geographic boundaries of a single project
12 site *or sites* in this State; and

13 2. Engaged in a common *business* purpose or ~~business~~
14 ~~endeavor~~ *industry. A business or group of businesses must be*
15 *deemed to be engaged in a common business purpose or industry*
16 *if the business or group of businesses are in a supply chain related*
17 *to the common business purpose or industry or provide*
18 *components or services related to the common business purpose or*
19 *industry.*

20 **Sec. 5.5.** NRS 360.888 is hereby amended to read as follows:

21 360.888 "Qualified project" means a project which the Office
22 of Economic Development determines meets all the requirements
23 set forth in subsections 2, ~~3 and~~ 4 *and 5* of NRS 360.889.

24 **Sec. 6.** NRS 360.889 is hereby amended to read as follows:

25 360.889 1. On behalf of a project, the lead participant in the
26 project may apply to the Office of Economic Development for:

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

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

30 (2) The gaming license fees imposed by the provisions of
31 NRS 463.370;

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

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

35 (b) A partial abatement of property taxes, employer excise taxes
36 or local sales and use taxes, or any combination of any of those
37 taxes.

38 2. For a project to be eligible for the transferable tax credits
39 described in paragraph (a) of subsection 1 and the partial abatement
40 of the taxes described in paragraph (b) of subsection 1, the lead
41 participant in the project must, on behalf of the project:

42 (a) Submit an application that meets the requirements of
43 subsection ~~3~~ 4;

44 (b) Provide documentation satisfactory to the Office that
45 approval of the application would promote the economic



1 development of this State and aid the implementation of the State
2 Plan for Economic Development developed by the Executive
3 Director of the Office pursuant to subsection 2 of NRS 231.053;

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

8 (d) Provide documentation satisfactory to the Office that the
9 participants in the project are engaged in a common *business*
10 purpose or ~~{business endeavor;}~~ *industry;*

11 (e) Provide documentation satisfactory to the Office that the
12 place of business of each participant is or will be located within the
13 geographic boundaries of the project site ~~{}~~ *or sites;*

14 (f) Provide documentation satisfactory to the Office that each
15 participant in the project is registered pursuant to the laws of this
16 State or commits to obtaining a valid business license and all other
17 permits required by the county, city or town in which the project
18 operates;

19 (g) Provide documentation satisfactory to the Office of the
20 number of employees engaged ~~{or anticipated to be engaged}~~ in the
21 construction of the project;

22 (h) Provide documentation satisfactory to the Office of the
23 number of qualified employees employed or anticipated to be
24 employed at the project by the participants;

25 (i) Provide documentation satisfactory to the Office that each
26 employer engaged in the construction of the project provides a plan
27 of health insurance and that each employee engaged in the
28 construction of the project is offered coverage under the plan of
29 health insurance provided by his or her employer;

30 (j) Provide documentation satisfactory to the Office that each
31 participant in the project provides a plan of health insurance and that
32 each employee employed at the project by each participant is
33 offered coverage under the plan of health insurance provided by his
34 or her employer;

35 (k) Provide documentation satisfactory to the Office that at least
36 50 percent of the employees engaged ~~{or anticipated to be engaged}~~
37 in construction of the project and 50 percent of the employees
38 employed at the project are residents of Nevada, unless waived by
39 the Executive Director of the Office upon proof satisfactory to the
40 Executive Director of the Office that there is an insufficient number
41 of Nevada residents available and qualified for such employment;

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

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



1 (2) Shows the number of employees engaged in the
2 construction of the project and the number of those employees who
3 are residents of Nevada;

4 (3) Shows the number of employees employed at the project
5 by each participant and the number of those employees who are
6 residents of Nevada; and

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

9 (m) Pay the cost of the audit required by paragraph (l); ~~land~~

10 (n) *Enter into an agreement with governing body of the city or*
11 *county in which the qualified project is located that:*

12 *(1) Requires the lead participant to pay the cost of any*
13 *engineering or design work necessary to determine the cost of*
14 *infrastructure improvements required to be made by the governing*
15 *body pursuant to an economic development financing proposal*
16 *approved pursuant to NRS 360.990; and*

17 *(2) Requires the lead participant to seek reimbursement for*
18 *any costs paid by the lead participant pursuant to subparagraph*
19 *(1) from the proceeds of bonds issued pursuant to NRS 360.991;*
20 *and*

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

22 3. *In addition to meeting the requirements set forth in*
23 *subsection 2, for a project located on more than one site in this*
24 *State to be eligible for the partial abatement of the taxes described*
25 *in paragraph (b) of subsection 1, the lead participant must, on*
26 *behalf of the project, submit an application that meets the*
27 *requirements of subsection 4 on or before June 30, 2019, and*
28 *provide documentation satisfactory to the Office that:*

29 (a) *The initial project will have a total of 500 or more full-time*
30 *employees employed at the site of the initial project and the*
31 *average hourly wage that will be paid to employees of the initial*
32 *project in this State is at least 120 percent of the average statewide*
33 *hourly wage as established by the Employment Security Division*
34 *of the Department of Employment, Training and Rehabilitation on*
35 *July 1 of each fiscal year;*

36 (b) *Each participant in the project must be a subsidiary or*
37 *affiliate of the lead participant; and*

38 (c) *Each participant offers primary jobs and:*

39 (1) *Except as otherwise provided in subparagraph (2),*
40 *satisfies the requirements of paragraph (f) or (g) of subsection 2 of*
41 *NRS 360.750, regardless of whether the business is a new business*
42 *or an existing business; and*

43 (2) *If a participant owns, operates, manufactures, services,*
44 *maintains, tests, repairs, overhauls or assembles an aircraft or any*
45 *component of an aircraft, that the participant satisfies the*



1 *applicable requirements of paragraph (f) or (g) of subsection 2 of*
2 *NRS 360.753.*

3 *↳ If any participant is a data center, as defined in NRS 360.754,*
4 *any capital investment by that participant must not be counted in*
5 *determining whether the participants in the project collectively will*
6 *make a total new capital investment of at least \$1 billion in this*
7 *State within the 10-year period immediately following approval of*
8 *the application, as required by paragraph (c) of subsection 2.*

9 4. 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 ~~†~~ *or sites;*

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 \$1 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 partial 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 the date on which the partial abatement becomes
29 effective, as agreed to by the applicant and the Office, which must
30 not be earlier than the date on which the Office received the
31 application;

32 (3) States that the project will, after the date on which a
33 certificate of eligibility for the partial abatement is approved
34 pursuant to NRS 360.893, continue in operation in this State for a
35 period specified by the Office; and

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

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

39 ~~†~~ 5. For an employee to be considered a resident of Nevada
40 for 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:

44 (1) Current and valid Nevada driver's license of the
45 employee originally issued by the Department of Motor Vehicles



1 more than 60 days before the hiring of the employee or a current and
2 valid identification card for the employee originally issued by the
3 Department of Motor Vehicles more than 60 days before the hiring
4 of the employee; or

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

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

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

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

16 ~~15-~~ 6. For the purpose of obtaining from the Executive
17 Director of the Office any waiver of the requirement set forth in
18 paragraph (k) of subsection 2, the lead participant in the project
19 must submit to the Executive Director of the Office written
20 documentation of the efforts to meet the requirement and
21 documented proof that an insufficient number of Nevada residents is
22 available and qualified for employment.

23 ~~16-~~ 7. The Executive Director of the Office shall make
24 available to the public and post on the Internet website of the Office:

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

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

29 ~~17-~~ 8. The Executive Director of the Office shall post a
30 request for a waiver of the requirements set forth in paragraph (k) of
31 subsection 2 on the Internet website of the Office within 3 days after
32 receiving the request and shall keep the request posted on the
33 Internet website for not less than 5 days. The Executive Director of
34 the Office shall ensure that the Internet website allows members of
35 the public to post comments regarding the request.

36 ~~18-~~ 9. The Executive Director of the Office shall consider any
37 comments posted on the Internet website concerning any request for
38 a waiver of the requirements set forth in paragraph (k) of subsection
39 2 before making a decision regarding whether to approve the
40 request. If the Executive Director of the Office approves the request
41 for a waiver, the Executive Director of the Office must post the
42 approval on the Internet website of the Office within 3 days and
43 ensure that the Internet website allows members of the public to post
44 comments regarding the approval.



1 **Sec. 7.** NRS 360.893 is hereby amended to read as follows:

2 360.893 1. If the Office of Economic Development approves
3 an application for a partial abatement of property taxes, employer
4 excise taxes or local sales and use taxes submitted pursuant to
5 paragraph (b) of subsection 1 of NRS 360.889, the Office shall
6 immediately forward a certificate of eligibility for the partial
7 abatement of the taxes described in that paragraph to:

8 (a) The Department;

9 (b) The Nevada Tax Commission; and

10 (c) The county treasurer of the county in which the qualified
11 project will be located.

12 2. ~~The~~ *Except as otherwise provided in subsection 3, the*
13 partial abatement for the lead participant in the qualified project
14 must:

15 (a) For property taxes, be for a duration of not more than 10
16 years after the effective date of the partial abatement and in an
17 amount that equals 75 percent of the amount of the property taxes
18 that would otherwise be owed by each participant for the qualified
19 project;

20 (b) For employer excise taxes, be for a duration of not more than
21 10 years after the effective date of the partial abatement and in an
22 amount that equals 75 percent of the amount of the employer excise
23 taxes that would otherwise be owed by each participant for
24 employees employed by the participant for the qualified project; and

25 (c) For local sales and use taxes, be for a duration of not more
26 than 15 years after the effective date of the partial abatement and in
27 an amount that equals the amount of the local sales and use taxes
28 that would otherwise be owed by each participant in the qualified
29 project.

30 3. *If the qualified project is a project located on more than*
31 *one site in this State, the partial abatement for the lead participant*
32 *must:*

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

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

44 (c) *For local sales and use taxes, be for a duration of not more*
45 *than 15 years after the effective date of the partial abatement and*



1 *in an amount that equals that portion of the combined rate of all*
2 *the local sales and use taxes payable by each participant in the*
3 *qualified project each year which exceeds 0.6 percent. The*
4 *Department of Taxation shall issue to the lead participant a*
5 *document certifying the abatement which can be presented to*
6 *retailers at the time of sale. The document must clearly state that*
7 *the purchaser is only required to pay sales and use taxes imposed*
8 *in this State at the rate of 2.6 percent. As used in this paragraph,*
9 *“local sales and use taxes” means the taxes imposed on the gross*
10 *receipts of any retailer from the sale of tangible personal property*
11 *sold at retail, or stored, used or otherwise consumed, in the*
12 *political subdivision in which the new or expanded business is*
13 *located, except the taxes imposed by the Sales and Use Tax Act.*

14 *↳ Notwithstanding any other provision of law, if the Office of*
15 *Economic Development approves an application for a partial*
16 *abatement of property taxes, employer excise taxes or local sales*
17 *and use taxes submitted pursuant to paragraph (b) of subsection 1*
18 *of NRS 360.889 for a lead participant of a qualified project located*
19 *on more than one site in this State, the State Controller shall*
20 *allocate, transfer and remit an amount equal to all the sales and*
21 *use taxes imposed in this State and collected from the qualified*
22 *project for the period of the abatement in the same manner as if*
23 *that amount consisted solely of the proceeds of the taxes imposed*
24 *by NRS 374.110 and 374.190.*

25 **4.** As a condition of approving a partial abatement of taxes
26 pursuant to NRS 360.880 to 360.896, inclusive, the Executive
27 Director of the Office of Economic Development, if he or she
28 determines it to be in the best interests of the State of Nevada, may
29 require the lead participant to pay at such time or times as deemed
30 appropriate, an amount of money equal to all or a portion of the
31 abated taxes into a trust fund in the State Treasury to be held until
32 all or a portion of the requirements for the partial abatement have
33 been met. Interest and income earned on money in the trust fund
34 must be credited to the trust fund. Any money remaining in the trust
35 fund at the end of a fiscal year does not revert to the State General
36 Fund, and the balance in the trust fund must be carried forward to
37 the next fiscal year. Money in the trust fund must not be used for
38 any purpose other than the purposes set forth in ~~subsection 4.~~
39 ~~—4.1~~ **subsections 5 and 6.**

40 **5.** *If any assessment, or installment thereof, imposed on a*
41 *qualified project pursuant to chapter 271 of NRS is delinquent, the*
42 *money in the trust fund established pursuant to subsection 4 must:*

43 *(a) First be used to repay the bonds or other obligations of the*
44 *State which are issued in connection with the qualified project.*



1 *(b) If any money remains in the trust fund after payments are*
2 *made pursuant to paragraph (a), be used to repay bonds or other*
3 *obligations of a municipality issued in connection with the*
4 *qualified project.*

5 6. Upon a determination by the Executive Director of the
6 Office of Economic Development that the requirements for the
7 partial abatement have been met, the money in the trust fund
8 established pursuant to subsection ~~3~~ 4, including any interest and
9 income earned on the money during the time it was in the trust fund,
10 must be returned to the lead participant. If the Executive Director of
11 the Office of Economic Development determines that the
12 requirements for the partial abatement have not been met:

13 (a) Except as otherwise provided in this subsection ~~5~~ the :

14 *(1) The money in the trust fund established pursuant to*
15 *subsection ~~3~~ 4, after any payment made pursuant to subsection 5,*
16 *must be transferred to the entity that would have received the money*
17 *if the Office had not approved the partial abatement, as determined*
18 *by the Department ~~4~~; and*

19 *(2) Any amount of money in the trust fund used to repay*
20 *bonds or other obligations of the State or municipality pursuant to*
21 *subsection 5 must proportionally reduce the amount transferred to*
22 *an entity pursuant to subparagraph (1).*

23 (b) The interest and income earned on the money in the trust
24 fund during the time it was in the trust fund must be distributed to
25 an entity receiving a distribution pursuant to paragraph (a) in the
26 proportion that the money distributed to the entity pursuant to that
27 paragraph bears to the total money distributed pursuant to that
28 paragraph.

29 ~~5~~ 7. If the Office approves a partial abatement of local sales
30 and use taxes, the Office shall issue to the lead participant in the
31 qualified project a document certifying the partial abatement which
32 can be presented to retailers at the time of sale. The document must
33 clearly state the rate of sales and use taxes which the purchaser is
34 required to pay in the county in which the abatement is effective.

35 **Sec. 7.5.** NRS 360.894 is hereby amended to read as follows:

36 360.894 1. The lead participant in a qualified project shall,
37 upon the request of the Office of Economic Development, furnish
38 the Office with copies of all records necessary to verify that the
39 qualified project meets the eligibility requirements for any
40 transferable tax credits issued pursuant to NRS 360.891 and the
41 partial abatement of any taxes pursuant to NRS 360.893.

42 2. The lead participant shall repay to the Department or the
43 Nevada Gaming Control Board, as applicable, any portion of the
44 transferable tax credits to which the lead participant is not entitled
45 if:



1 (a) The participants in the qualified project collectively fail to
2 make the investment in this State necessary to support the
3 determination by the Executive Director of the Office of Economic
4 Development that the project is a qualified project;

5 (b) The participants in the qualified project collectively fail to
6 employ the number of qualified employees identified in the
7 certificate of eligibility approved for the qualified project;

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

11 (d) The lead participant otherwise becomes ineligible for
12 transferable tax credits after receiving the transferable tax credits
13 pursuant to NRS 360.880 to 360.896, inclusive.

14 3. Transferable tax credits purchased in good faith are not
15 subject to forfeiture unless the transferee submitted fraudulent
16 information in connection with the purchase.

17 4. Notwithstanding any provision of this chapter or chapter 361
18 of NRS, if the lead participant in a qualified project for which a
19 partial abatement has been approved pursuant to NRS 360.893 and
20 is in effect:

21 (a) Fails to meet the requirements for eligibility pursuant to that
22 section; or

23 (b) Ceases operation before the time specified in the agreement
24 described in paragraph (e) of subsection ~~3~~ 4 of NRS 360.889,

25 → the lead participant shall repay to the Department or, if the partial
26 abatement is from the property tax imposed by chapter 361 of NRS,
27 to the appropriate county treasurer, the amount of the partial
28 abatement that was allowed to the lead participant pursuant to NRS
29 360.893 before the failure of the lead participant to meet the
30 requirements for eligibility. Except as otherwise provided in NRS
31 360.232 and 360.320, the lead participant shall, in addition to the
32 amount of the partial abatement required to be repaid by the lead
33 participant pursuant to this subsection, pay interest on the amount
34 due from the lead participant at the rate most recently established
35 pursuant to NRS 99.040 for each month, or portion thereof, from the
36 last day of the month following the period for which the payment
37 would have been made had the partial abatement not been approved
38 until the date of payment of the tax.

39 5. The Secretary of State may, upon application by the
40 Executive Director of the Office, revoke or suspend the state
41 business registration of the lead participant in a qualified project
42 which is required to repay any portion of transferable tax credits
43 pursuant to subsection 2 or the amount of any partial abatement
44 pursuant to subsection 4 and which the Office determines is not in
45 compliance with the provisions of this section governing repayment.



1 If the state business registration of the lead participant in a qualified
2 project is suspended or revoked pursuant to this subsection, the
3 Secretary of State shall provide written notice of the action to the
4 lead participant. The Secretary of State shall not reinstate a state
5 business registration suspended pursuant to this subsection or issue
6 a new state business registration to the lead participant whose state
7 business registration has been revoked pursuant to this subsection
8 unless the Executive Director of the Office provides proof
9 satisfactory to the Secretary of State that the lead participant is in
10 compliance with the requirements of this section governing
11 repayment.

12 **Sec. 8.** NRS 360.930 is hereby amended to read as follows:

13 360.930 "Project" means a project undertaken by a business or
14 group of businesses:

15 1. Located within the geographic boundaries of a single project
16 site in this State; and

17 2. Engaged in a common *business* purpose or ~~business~~
18 ~~endeavor.~~ *industry. A business or group of businesses must be*
19 *deemed to be engaged in a common business purpose or industry*
20 *if the business or group of businesses are in a supply chain related*
21 *to the common business purpose or industry or provide*
22 *components or services related to the common business purpose or*
23 *industry.*

24 **Sec. 9.** NRS 360.945 is hereby amended to read as follows:

25 360.945 1. On behalf of a project, the lead participant in the
26 project may apply to the Office of Economic Development for:

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

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

30 (2) The gaming license fees imposed by the provisions of
31 NRS 463.370;

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

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

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

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

41 (a) Submit an application that meets the requirements of
42 subsection 3;

43 (b) Provide documentation satisfactory to the Office that
44 approval of the application would promote the economic
45 development of this State and aid the implementation of the State



- 1 Plan for Economic Development developed by the Executive
2 Director of the Office pursuant to subsection 2 of NRS 231.053;
- 3 (c) Provide documentation satisfactory to the Office that the
4 participants in the project collectively will make a total new capital
5 investment of at least \$3.5 billion in this State within the 10-year
6 period immediately following approval of the application;
- 7 (d) Provide documentation satisfactory to the Office that the
8 participants in the project are engaged in a common *business*
9 purpose or ~~business endeavor;~~ *industry*;
- 10 (e) Provide documentation satisfactory to the Office that the
11 place of business of each participant is or will be located within the
12 geographic boundaries of the project site;
- 13 (f) Provide documentation satisfactory to the Office that each
14 participant in the project is registered pursuant to the laws of this
15 State or commits to obtaining a valid business license and all other
16 permits required by the county, city or town in which the project
17 operates;
- 18 (g) Provide documentation satisfactory to the Office of the
19 number of employees engaged ~~for anticipated to be engaged~~ in the
20 construction of the project;
- 21 (h) Provide documentation satisfactory to the Office of the
22 number of qualified employees employed or anticipated to be
23 employed at the project by the participants;
- 24 (i) Provide documentation satisfactory to the Office that each
25 employer engaged in the construction of the project provides a plan
26 of health insurance and that each employee engaged in the
27 construction of the project is offered coverage under the plan of
28 health insurance provided by his or her employer;
- 29 (j) Provide documentation satisfactory to the Office that each
30 participant in the project provides a plan of health insurance and that
31 each employee employed at the project by each participant is
32 offered coverage under the plan of health insurance provided by his
33 or her employer;
- 34 (k) Provide documentation satisfactory to the Office that at least
35 50 percent of the employees engaged ~~for anticipated to be engaged~~
36 in construction of the project and 50 percent of the employees
37 employed at the project are residents of Nevada, unless waived by
38 the Executive Director of the Office upon proof satisfactory to the
39 Executive Director of the Office that there is an insufficient number
40 of Nevada residents available and qualified for such employment;
- 41 (l) Agree to provide the Office with a full compliance audit of
42 the participants in the project at the end of each fiscal year which:
- 43 (1) Shows the amount of money invested in this State by
44 each participant in the project;



1 (2) Shows the number of employees engaged in the
2 construction of the project and the number of those employees who
3 are residents of Nevada;

4 (3) Shows the number of employees employed at the project
5 by each participant and the number of those employees who are
6 residents of Nevada; and

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

9 (m) Pay the cost of the audit required by paragraph (l); ~~land~~

10 (n) *Enter into an agreement with governing body of the city or*
11 *county in which the qualified project is located that:*

12 (1) *Requires the lead participant to pay the cost of any*
13 *engineering or design work necessary to determine the cost of*
14 *infrastructure improvements required to be made by the governing*
15 *body pursuant to an economic development financing proposal*
16 *approved pursuant to NRS 360.990; and*

17 (2) *Requires the lead participant to seek reimbursement for*
18 *any costs paid by the lead participant pursuant to subparagraph*
19 *(1) from the proceeds of bonds of the State of Nevada issued*
20 *pursuant to NRS 360.991; and*

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

18 5. For the purpose of obtaining from the Executive Director of
19 the Office any waiver of the requirement set forth in paragraph (k)
20 of subsection 2, the lead participant in the project must submit to the
21 Executive Director of the Office written documentation of the
22 efforts to meet the requirement and documented proof that an
23 insufficient number of Nevada residents is available and qualified
24 for employment.

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

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

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

31 7. The Executive Director of the Office shall post a request for
32 a waiver of the requirements set forth in paragraph (k) of subsection
33 2 on the Internet website of the Office within 3 days after receiving
34 the request and shall keep the request posted on the Internet website
35 for not less than 5 days. The Executive Director of the Office shall
36 ensure that the Internet website allows members of the public to post
37 comments regarding the request.

38 8. The Executive Director of the Office shall consider any
39 comments posted on the Internet website concerning any request for
40 a waiver of the requirements set forth in paragraph (k) of subsection
41 2 before making a decision regarding whether to approve the
42 request. If the Executive Director of the Office approves the request
43 for a waiver, the Executive Director of the Office must post the
44 approval on the Internet website of the Office within 3 days and



1 ensure that the Internet website allows members of the public to post
2 comments regarding the approval.

3 **Sec. 9.5.** NRS 360.990 is hereby amended to read as follows:

4 360.990 1. Upon receipt of an economic development
5 financing proposal, the Office shall:

6 (a) Request from the State Treasurer a determination of the
7 capacity available under the State's debt limit; and

8 (b) In consultation with any person or entity the Office
9 determines is appropriate, review the proposal. The Office may
10 request any additional information from the governing body as it
11 determines is necessary to evaluate the proposal.

12 2. Except as otherwise provided in paragraph (c) of subsection
13 3, the Office shall approve, approve and modify, or reject any
14 economic development financing proposal within 45 days after
15 receiving the completed proposal.

16 3. The Executive Director of the Office may approve an
17 economic development financing proposal only if:

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

20 (1) The Office will enter into one or more agreements with
21 the local government pursuant to which the Office will administer
22 any districts or areas which are or may be created for the purpose of
23 carrying out the infrastructure projects identified in the proposal,
24 including, without limitation, any district or area created pursuant to
25 chapters 271, 271A and 278C of NRS;

26 (2) The proceeds of any bonds, securities or other
27 indebtedness issued pursuant to NRS 360.991 will be allocated to
28 the Office for the purpose of providing financing for the
29 infrastructure projects identified in the proposal;

30 (3) The revenues from any districts or areas created for the
31 purpose of financing the infrastructure projects identified in the
32 proposal will be pledged for the repayment of any bonds, securities
33 or other indebtedness issued pursuant to NRS 360.991; and

34 (4) Notwithstanding any other provision of law, if the
35 revenues from any districts or areas created for the purpose of
36 financing the infrastructure projects identified in the proposal which
37 are pledged for the repayment of the general obligation bonds of the
38 State issued pursuant to NRS 360.991 are insufficient to pay any
39 sums coming due on the bonds, before such sums are paid from the
40 State General Fund, the local government that created the districts or
41 areas shall promptly pay such sums to the extent of the money
42 available in the uncommitted balance of the general fund of the local
43 government. If the money available in the uncommitted balance of
44 the general fund of the local government is insufficient to pay the
45 sums coming due on the bonds **† and if, pursuant to subsection 4**



1 *of NRS 360.893, the Executive Director of the Office of Economic*
2 *Development required the lead participant to pay money into a*
3 *trust fund in the State Treasury, the money in the trust fund,*
4 *including any interest and income earned on the money during the*
5 *time it was in the trust fund, must be used to pay sums coming due*
6 *on the bonds. If the amount of money in the trust fund is*
7 *insufficient to pay the sums coming due on the bonds,* the
8 remainder of such sums must be paid in accordance with the State
9 Securities Law. The payment of any sums by a local government
10 pursuant to this subparagraph is not secured by a pledge of the
11 taxing power of the local government. For the purposes of this
12 subparagraph the uncommitted balance of the general fund of a local
13 government is the uncommitted balance as determined by the
14 Department of Taxation.

15 (b) The Executive Director of the Office makes a finding, which
16 shall be conclusive, that the revenues pledged as provided in
17 subparagraph (3) of paragraph (a) will be sufficient, together with
18 any capitalized interest, to fully repay any bonds, securities or other
19 indebtedness issued pursuant to NRS 360.991.

20 (c) For a proposal submitted on or after July 1, 2017, the Office
21 submits the proposal to and obtains the approval of the Legislature
22 or the Interim Finance Committee if the Legislature is not in
23 session.

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

29 5. If the Office approves an economic development financing
30 proposal, the Office shall provide notice and a copy of the decision
31 approving the proposal to the governing body of the local
32 government and the State Board of Finance.

33 **Sec. 10.** NRS 360.991 is hereby amended to read as follows:

34 360.991 1. As soon as practicable after receiving notice from
35 the Office that it has approved an economic development financing
36 agreement, the State Board of Finance shall issue general obligation
37 bonds of the State of Nevada to finance the infrastructure projects
38 identified in the economic development financing agreement. The
39 provisions of the State Securities Law contained in chapter 349 of
40 NRS apply to the issuance of bonds pursuant to this section. The
41 State Board of Finance shall issue the bonds in the amount set forth
42 in the economic development financing agreement but shall not
43 issue bonds in an amount that exceeds \$175,000,000 for each
44 economic development financing agreement or have outstanding at
45 any time bonds issued pursuant to this section in an amount that



1 exceeds \$200,000,000. Before any bonds may be issued pursuant to
2 this section, the lead participant in the qualified project must provide
3 adequate security that the lead participant will carry out the
4 qualified project. The security may consist of one or more
5 performance bonds or similar documents, actual expenditures on the
6 qualified project, commitments to make such expenditures, *a lien*
7 *for special assessments pursuant to chapter 271 of NRS* or other
8 security deemed appropriate by the Executive Director of the Office
9 ~~H~~ *in consultation with the Office of the State Treasurer.* A
10 commitment to make an expenditure may be conditioned upon the
11 issuance of bonds pursuant to this section but may not be subject to
12 any other conditions.

13 2. The proceeds of any bonds issued pursuant to subsection 1
14 must be allocated to the Office in the manner prescribed by the
15 economic development financing agreement.

16 **Sec. 11.** NRS 361.0687 is hereby amended to read as follows:

17 361.0687 1. A person who intends to locate or expand a
18 business in this State may, pursuant to NRS 360.750, apply to the
19 Office of Economic Development for a partial abatement from the
20 taxes imposed by this chapter.

21 2. For a business to qualify pursuant to NRS 360.750 for a
22 partial abatement from the taxes imposed by this chapter, the Office
23 of Economic Development must determine that, in addition to
24 meeting the other requirements set forth in subsection 2 of that
25 section:

26 (a) ~~H~~ *Except as otherwise provided in paragraph (b), if* the
27 business is a new business in a county whose population is 100,000
28 or more or a city whose population is 60,000 or more ~~f~~

29 ~~— (1) The~~ *, the* business will, not later than the date which is 2
30 years after the date on which the abatement becomes effective, make
31 a capital investment in the county or city of:

32 ~~(1)~~ (1) At least ~~150,000,000~~ *\$5,000,000* if the business
33 is an industrial or manufacturing business; or

34 ~~(H)~~ (2) At least ~~15,000,000~~ *\$1,000,000* if the business
35 is not an industrial or manufacturing business,

36 ~~↪~~ in capital assets that will be retained 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. ~~f~~ *and*

39 ~~— (2) The average hourly wage that will be paid by the new~~
40 ~~business to its employees in this State is at least 100 percent of the~~
41 ~~average statewide hourly wage as established by the Employment~~
42 ~~Security Division of the Department of Employment, Training and~~
43 ~~Rehabilitation on July 1 of each fiscal year.~~

44 (b) If the business is a new business in a county whose
45 population is less than 100,000 , *in an area of a county whose*



1 *population is 100,000 or more that is located within the*
2 *geographic boundaries of an area that is designated as rural by*
3 *the United States Department of Agriculture and at least 20 miles*
4 *outside of the geographic boundaries of an area designated as*
5 *urban by the United States Department of Agriculture, or in a city*
6 whose population is less than 60,000 †

7 ~~— (1) The~~, *the* business will, not later than the date which is 2
8 years after the date on which the abatement becomes effective, make
9 a capital investment in the county or city of:

10 ~~†(†)~~ (1) At least ~~†\$5,000,000†~~ *\$1,000,000* if the business
11 is an industrial or manufacturing business; or

12 ~~†(†)~~ (2) At least ~~†\$500,000†~~ *\$250,000* if the business is
13 not an industrial or manufacturing business,

14 ↪ in capital assets that will be retained at the location of the
15 business in that county or city until at least the date which is 5 years
16 after the date on which the abatement becomes effective. ~~†; and~~

17 ~~— (2) The average hourly wage that will be paid by the new~~
18 ~~business to its employees in this State is at least 100 percent of the~~
19 ~~average statewide hourly wage or the average countywide hourly~~
20 ~~wage, whichever is less, as established by the Employment Security~~
21 ~~Division of the Department of Employment, Training and~~
22 ~~Rehabilitation on July 1 of each fiscal year.†~~

23 3. Except as otherwise provided in NRS 701A.210, if a partial
24 abatement from the taxes imposed by this chapter is approved by the
25 Office of Economic Development pursuant to NRS 360.750:

26 (a) The partial abatement must:

27 (1) Be for a duration of at least 1 year but not more than 10
28 years;

29 (2) Subject to any limitation on the abatement set forth in
30 NRS 360.750, not exceed 50 percent of the taxes on personal
31 property payable by a business each year pursuant to this chapter;
32 and

33 (3) Be administered and carried out in the manner set forth in
34 NRS 360.750.

35 (b) The Executive Director of the Office of Economic
36 Development shall notify the county assessor of the county in which
37 the business is or will be located of the approval of the partial
38 abatement, including, without limitation, the duration and
39 percentage of the partial abatement that the Office granted. The
40 Executive Director shall, on or before April 15 of each year, advise
41 the county assessor of each county in which a business qualifies for
42 a partial abatement during the current fiscal year as to whether the
43 business is still eligible for the partial abatement in the next
44 succeeding fiscal year.



1 **Sec. 11.1.** Chapter 218E of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 11.2 to 11.8, inclusive, of
3 this act.

4 **Sec. 11.2.** *As used in sections 11.2 to 11.8, inclusive, of this*
5 *act, unless the context otherwise requires, the words and terms*
6 *defined in sections 11.3 and 11.4 of this act have the meanings*
7 *ascribed to them in those sections.*

8 **Sec. 11.3.** *“Committee” means the Legislative Committee on*
9 *Tax Expenditures and Incentives for Economic Development*
10 *created by section 11.5 of this act.*

11 **Sec. 11.4.** *“Tax expenditure” has the meaning ascribed to it*
12 *in NRS 360.137.*

13 **Sec. 11.5.** *1. The Legislative Committee on Tax*
14 *Expenditures and Incentives for Economic Development,*
15 *consisting of six legislative members, is hereby created. The*
16 *membership of the Committee consists of:*

17 *(a) Two members of the Senate appointed by the Majority*
18 *Leader of the Senate;*

19 *(b) One member of the Senate appointed by the Minority*
20 *Leader of the Senate;*

21 *(c) Two members of the Assembly appointed by the Speaker of*
22 *the Assembly; and*

23 *(d) One member of the Assembly appointed by the Minority*
24 *Leader of the Assembly.*

25 *2. In making appointments pursuant to subsection 1:*

26 *(a) Appropriate regard must be given to a member’s*
27 *experience with and knowledge of matters relating to state and*
28 *local government taxes and finances; and*

29 *(b) First preference must be given to members of the standing*
30 *committees of the Legislature with primary jurisdiction over*
31 *matters relating to taxation and second preference must be given*
32 *to members of the standing committees of the Legislature with*
33 *primary jurisdiction over matters relating to budgets and finances.*

34 *3. The Legislative Commission shall select the Chair and*
35 *Vice Chair of the Committee from among the members of the*
36 *Committee. After the initial selection, each Chair and Vice Chair*
37 *holds office for a term of 2 years commencing on July 1 of each*
38 *odd-numbered year. The office of Chair of the Committee must*
39 *alternate each biennium between the Houses. If a vacancy occurs*
40 *in the office of Chair or Vice Chair, the vacancy must be filled in*
41 *the same manner as the original selection for the remainder of the*
42 *unexpired term.*

43 *4. The Legislative Commission shall review and approve the*
44 *budget and work program for the Committee and any changes to*
45 *the budget or work program.*



1 5. *Any member of the Committee who is not a candidate for*
2 *reelection or who is defeated for reelection continues to serve after*
3 *the general election until the next regular or special session*
4 *convenes.*

5 6. *A vacancy on the Committee must be filled in the same*
6 *manner as the original appointment for the remainder of the*
7 *unexpired term.*

8 **Sec. 11.6.** *1. Except as otherwise ordered by the Legislative*
9 *Commission, the members of the Committee shall meet not earlier*
10 *than November 1 of each odd-numbered year and not later than*
11 *August 31 of the following even-numbered year at the times and*
12 *places specified by a call of the Chair or a majority of the*
13 *Committee.*

14 2. *The Director or his or her designee shall act as the*
15 *nonvoting recording Secretary of the Committee.*

16 3. *Four members of the Committee constitute a quorum, and*
17 *a quorum may exercise all the power and authority conferred*
18 *upon the Committee.*

19 4. *Each member of the Committee serves without*
20 *compensation and is not entitled to receive a per diem allowance*
21 *or travel expenses.*

22 **Sec. 11.7.** *The Committee shall:*

23 1. *Meet at least once each biennium to review the most recent*
24 *tax expenditure report submitted by the Executive Director of the*
25 *Department of Taxation pursuant to NRS 360.137.*

26 2. *Review any other reports submitted to the Legislature*
27 *relating to tax expenditures and incentives for economic*
28 *development.*

29 3. *Identify all incentives for economic development provided*
30 *for by law in this State, including, without limitation, tax*
31 *incentives, grants, loans and initiatives for workforce*
32 *development.*

33 4. *Evaluate and review each incentive for economic*
34 *development identified pursuant to subsection 3 at least once every*
35 *6 years. The Committee shall examine, review and comment on,*
36 *without limitation:*

37 (a) *The purpose, intent or goal of the incentive for economic*
38 *development.*

39 (b) *Whether the incentive for economic development is*
40 *accomplishing its purpose, intent or goal.*

41 (c) *Whether there is a more effective method to achieve the*
42 *goal of the incentive for economic development.*

43 (d) *The cost of the incentive for economic development to the*
44 *State, including, without limitation, administrative costs and lost*
45 *revenue.*



1 (e) *The impact of the incentive for economic development on*
2 *the revenues of and services provided by local governments.*

3 (f) *The economic and fiscal impact of the incentive for*
4 *economic development, including, without limitation:*

5 (1) *The extent to which the incentive changes business*
6 *behavior;*

7 (2) *The results of the incentive for the state and local*
8 *economies, including, without limitation, both positive direct and*
9 *indirect impacts and any negative impacts on businesses in this*
10 *State; and*

11 (3) *A comparison to the results of other incentives or*
12 *programs for economic development with similar goals.*

13 (g) *Any other matters that, in the determination of the*
14 *Committee, concern incentives for economic development in this*
15 *State.*

16 **Sec. 11.8.** *The Committee may:*

17 1. *Evaluate, review and comment upon any tax expenditure*
18 *within this State, including, without limitation:*

19 (a) *The purpose, intent or goal of the tax expenditure.*

20 (b) *The intended beneficiaries of the tax expenditure.*

21 (c) *Whether the tax expenditure is accomplishing its purpose,*
22 *intent or goal.*

23 (d) *The manner in which the tax expenditure compares to*
24 *similar tax expenditures in other states.*

25 (e) *Whether there are other tax expenditures in this State that*
26 *have the same or a similar purpose, intent or goal as the tax*
27 *expenditure being reviewed and the manner in which the two tax*
28 *expenditures are coordinated, including, without limitation,*
29 *whether the coordination between the two tax expenditures could*
30 *be improved or if there are any redundancies that could be*
31 *eliminated.*

32 (f) *Whether the evaluation of the tax expenditure is hindered*
33 *by the unavailability of certain data.*

34 (g) *The cost of the tax expenditure, including, without*
35 *limitation, administrative costs and lost revenue of the State and*
36 *local governments, and an evaluation of the extent to which the*
37 *tax expenditure is a cost-effective use of resources compared to*
38 *other methods of accomplishing the same purpose or goal.*

39 (h) *Opportunities to improve the effectiveness of the tax*
40 *expenditure.*

41 2. *Contract with private consultants or academic institutions*
42 *to complete the reviews provided for by this section and section*
43 *11.7 of this act.*

44 3. *Request that the Legislative Counsel Bureau assist in the*
45 *research, investigations, hearings and reviews of the Committee.*



1 4. *Request that a representative of the Office of Economic*
2 *Development within the Office of the Governor or a representative*
3 *of the Office of Energy within the Office of the Governor appear*
4 *before the Committee and provide information on programs for*
5 *economic development, including, without limitation:*

6 (a) *The number of entities applying or approved for a*
7 *particular program for economic development;*

8 (b) *The number of entities approved for a particular incentive*
9 *for economic development;*

10 (c) *The number of entities that have used a particular*
11 *incentive for economic development; and*

12 (d) *The projected and actual benefits of the programs for*
13 *economic development in this State.*

14 5. *Request books, papers, records and other information from*
15 *state or local governmental agencies, including, without*
16 *limitation, the Nevada System of Higher Education.*

17 6. *Apply for any available grants and accept any gifts, grants*
18 *or donations to assist the Committee in carrying out its duties.*

19 7. *Conduct investigations and hold hearings in connection*
20 *with its duties pursuant to this section and section 11.7 of this act,*
21 *and exercise any of the investigative powers set forth in NRS*
22 *218E.105 to 218E.140, inclusive.*

23 8. *Make recommendations to the Legislature concerning the*
24 *addition, elimination or modification of tax expenditures and*
25 *incentives for economic development.*

26 **Sec. 12.** Chapter 271 of NRS is hereby amended by adding
27 thereto a new section to read as follows:

28 *“Rail project” means any railroad, railroad tracks, rail spurs*
29 *and any structures or facilities necessary for freight rail service*
30 *provided by a regional transportation commission pursuant to*
31 *NRS 277A.283, including, without limitation, equipment,*
32 *terminals, stations, platforms and other facilities necessary, useful*
33 *or desirable for such a project and all property, easements, rights-*
34 *of-way and other rights or interests incidental to the project.*

35 **Sec. 13.** NRS 271.030 is hereby amended to read as follows:

36 271.030 As used in this chapter, unless the context otherwise
37 requires, the words and terms defined in NRS 271.035 to 271.253,
38 inclusive, *and section 12 of this act* have the meanings ascribed to
39 them in those sections.

40 **Sec. 14.** NRS 271.265 is hereby amended to read as follows:

41 271.265 1. The governing body of a county, city or town,
42 upon behalf of the municipality and in its name, without any
43 election, may from time to time acquire, improve, equip, operate
44 and maintain, within or without the municipality, or both within and
45 without the municipality:



- 1 (a) A curb and gutter project;
- 2 (b) A drainage project;
- 3 (c) An energy efficiency improvement project;
- 4 (d) A neighborhood improvement project;
- 5 (e) An off-street parking project;
- 6 (f) An overpass project;
- 7 (g) A park project;
- 8 (h) A public safety project;
- 9 (i) A renewable energy project;
- 10 (j) A sanitary sewer project;
- 11 (k) A security wall;
- 12 (l) A sidewalk project;
- 13 (m) A storm sewer project;
- 14 (n) A street project;
- 15 (o) A street beautification project;
- 16 (p) A transportation project;
- 17 (q) An underpass project;
- 18 (r) A water project;
- 19 (s) A waterfront project; and
- 20 (t) Any combination of such projects.

21 2. In addition to the power specified in subsection 1, the
22 governing body of a city having a commission form of government
23 as defined in NRS 267.010, upon behalf of the municipality and in
24 its name, without any election, may from time to time acquire,
25 improve, equip, operate and maintain, within or without the
26 municipality, or both within and without the municipality:

- 27 (a) An electrical project;
- 28 (b) A telephone project;
- 29 (c) A combination of an electrical project and a telephone
30 project;
- 31 (d) A combination of an electrical project or a telephone project
32 with any of the projects, or any combination thereof, specified in
33 subsection 1; and
- 34 (e) A combination of an electrical project and a telephone
35 project with any of the projects, or any combination thereof,
36 specified in subsection 1.

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

42 4. In addition to the power specified in subsections 1, 2 and 3,
43 if the governing body of a municipality in a county whose
44 population is less than 700,000 complies with the provisions of NRS
45 271.650, the governing body of the municipality, on behalf of the



1 municipality and in its name, without any election, may from time to
2 time acquire, improve, equip, operate and maintain, within or
3 without the municipality, or both within and without the
4 municipality:

5 (a) An art project; and

6 (b) A tourism and entertainment project.

7 5. In addition to the power specified in this section, if a
8 qualified project is located within the jurisdiction of the
9 municipality, the governing body of the municipality, on behalf of
10 the municipality and in its name, without any election, may from
11 time to time acquire, improve, equip, operate and maintain, within
12 or without the municipality, or both within and without the
13 municipality, an electrical project for the qualified project , ~~for~~
14 a fire protection project for the qualified project ~~H~~ *or a rail project*
15 *for the qualified project.*

16 6. As used in this section, “qualified project” has the meaning
17 ascribed to it in NRS 360.888 or 360.940.

18 **Sec. 14.5.** NRS 271.635 is hereby amended to read as follows:

19 271.635 1. Notwithstanding any provision of this chapter to
20 the contrary, if the governing body submits to the Office of
21 Economic Development an economic development financing
22 proposal described in NRS 360.989 and the Office approves the
23 proposal and an economic development financing agreement
24 pursuant to NRS 360.990, any improvement district which is or may
25 be created for the purpose of carrying out the projects identified in
26 the proposal must be administered as provided in the agreement.

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

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

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

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

42 *3. Notwithstanding any other provision of law, if an*
43 *improvement district is administered pursuant to an economic*
44 *development financing agreement and any assessment, or*
45 *installation thereof, required to be paid pursuant to this chapter is*



1 *delinquent, any money collected to enforce the assessment, or*
2 *installment thereof, including, without limitation, the proceeds of*
3 *a sale of property to collect or enforce the assessment, or*
4 *installment thereof, must, before being deposited, distributed or*
5 *remitted for any other purpose, be used to repay any amounts paid*
6 *pursuant to subsection 5 of NRS 360.893 from the trust fund*
7 *established pursuant to subsection 4 of that section.*

8 **Sec. 14.7.** NRS 271B.070 is hereby amended to read as
9 follows:

10 271B.070 1. Except as otherwise provided in this section, if a
11 qualified project is located within the jurisdiction of a municipality,
12 the governing body of the municipality may:

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

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

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

39 3. If:

40 (a) The qualified project is a qualified project described in
41 NRS 360.888;

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



1 (c) The Executive Director of the Office of Economic
2 Development has required the lead participant to make payments to
3 a trust fund in the State Treasury pursuant to subsection ~~3~~ 4 of
4 NRS 360.893,

5 the governing body must include in the ordinance a provision
6 providing that the pledge of that money is conditioned upon the lead
7 participant qualifying for a return of the money paid into the trust
8 fund pursuant to subsection ~~4~~ 6 of NRS 360.893.

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

10 (a) A city must be located entirely within the boundaries of that
11 city.

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

15 **Sec. 14.9.** NRS 271B.080 is hereby amended to read as
16 follows:

17 271B.080 1. After the adoption of an ordinance pursuant to
18 NRS 271B.070:

19 (a) The governing body of the municipality and the Department
20 of Taxation shall enter into an agreement specifying the dates and
21 procedure for distribution to the municipality of any money pledged
22 pursuant to NRS 271B.070.

23 (b) If the qualified project is a qualified project described in
24 NRS 360.888 and the Executive Director of the Office of Economic
25 Development has required the lead participant to make payments to
26 a trust fund in the State Treasury pursuant to subsection ~~3~~ 4 of
27 NRS 360.893, the Department of Taxation shall deposit in that trust
28 fund the proceeds of any taxes conditionally pledged pursuant to
29 subsection 3 of NRS 271B.070 until:

30 (1) The lead participant qualifies for a return of the money
31 paid into the trust fund pursuant to subsection ~~4~~ 6 of NRS 360.893,
32 in which case the taxes conditionally pledged, including any interest
33 and income earned on those taxes, must be distributed pursuant to
34 the agreement described in paragraph (a); or

35 (2) The Executive Director determines that the requirements
36 for the partial abatement set forth in NRS 360.893 have not been
37 met, in which case any taxes conditionally pledged and deposited in
38 the trust fund must be transferred to the entity that would have
39 received those taxes if the taxes had not been conditionally pledged,
40 as determined by the Department of Taxation. The interest and
41 income earned on those taxes during the time the taxes were in the
42 trust fund must be distributed to an entity receiving a distribution
43 pursuant to this subparagraph in the proportion that the taxes
44 distributed to the entity pursuant to this subparagraph bears to the
45 total taxes distributed pursuant to this subparagraph.



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

4 (a) Be made not less frequently than monthly; and

5 (b) Cease at the end of the fiscal year in which the 20th
6 anniversary of the adoption of the ordinance creating the district
7 occurs.

8 3. If the qualified project is a qualified project described in
9 NRS 360.888, the distributions pursuant to the agreement described
10 in paragraph (a) of subsection 1 must:

11 (a) Be made not less frequently than monthly;

12 (b) Cease at the end of the fiscal year in which the 15th
13 anniversary of the adoption of the ordinance creating the district
14 occurs; and

15 (c) If the Executive Director of the Office of Economic
16 Development has required the lead participant to make payments to
17 a trust fund in the State Treasury pursuant to subsection ~~3~~ 4 of
18 NRS 360.893, not commence until the lead participant qualifies for
19 a return of the money paid into the trust fund pursuant to subsection
20 ~~4~~ 6 of NRS 360.893.

21 **Sec. 15.** Chapter 278C of NRS is hereby amended by adding
22 thereto a new section to read as follows:

23 *“Bond requirements” means the principal of, any prior*
24 *redemption premiums due in connection with and the interest on,*
25 *or other amounts due in connection with, the designated bonds or*
26 *other securities, advances, loans or indebtedness.*

27 **Sec. 16.** NRS 278C.105 is hereby amended to read as follows:

28 278C.105 “Rail project” means any railroad, railroad tracks,
29 rail spurs and any structures or facilities necessary for ~~for~~ freight rail
30 ~~port, and all appurtenances and incidentals, or any combination~~
31 ~~thereof, including real and other property therefor.~~ *service provided*
32 *by a regional transportation commission pursuant to NRS*
33 *277A.283, including, without limitation, equipment, terminals,*
34 *stations, platforms and other facilities necessary, useful or*
35 *desirable for such a project and all property, easements, rights-of-*
36 *way and other rights or interests incidental to the project.*

37 **Sec. 17.** NRS 278C.150 is hereby amended to read as follows:

38 278C.150 1. Except as otherwise provided in subsections 2, 3
39 and 4, the governing body of a municipality, on the behalf and in the
40 name of the municipality, may designate a tax increment area
41 comprising any specially benefited zone within the municipality
42 designated for the purpose of creating a special account for the
43 payment of bonds or securities issued or loans, money advanced or
44 indebtedness incurred to defray the cost of an undertaking,
45 including, without limitation, the condemnation of property for an



1 undertaking, as supplemented by the Local Government Securities
2 Law, except as otherwise provided in this chapter. *The governing*
3 *body of a municipality, on behalf and in the name of the*
4 *municipality, may enter into a contract with any property owner in*
5 *a tax increment area agreeing to pay tax increment revenues from*
6 *the tax increment account created by NRS 278C.250 to such*
7 *property owner for costs incurred by such owner in connection*
8 *with an undertaking. Such a contract constitutes an indebtedness*
9 *of the municipality for the purposes of this chapter but is not a*
10 *security for the purposes of NRS 278C.280.*

11 2. The right-of-way property of a railroad company that is
12 under the jurisdiction of the Surface Transportation Board must not
13 be included in a tax increment area unless the inclusion of the
14 property is mutually agreed upon by the governing body and the
15 railroad company.

16 3. A tax increment area may not include a property that is, at
17 the time the boundaries of the tax increment area are created,
18 included within a redevelopment area previously established
19 pursuant to the laws of this State.

20 4. The taxable property of a tax increment area must not be
21 included in any subsequently created tax increment area until at
22 least 50 years after the effective date of creation of the first tax
23 increment area in which the property was included.

24 **Sec. 18.** NRS 278C.157 is hereby amended to read as follows:

25 278C.157 1. A municipality may adopt an ordinance ordering
26 an undertaking and creating the tax increment area and the tax
27 increment account pertaining thereto pursuant to NRS 278C.220
28 which includes provisions for:

29 (a) The allocation of the proceeds of any tax on the sale or use
30 of tangible personal property to the tax increment account of the
31 proposed tax increment area pursuant to paragraph (b) of subsection
32 1 of NRS 278C.250;

33 (b) The allocation of the proceeds of any tax imposed pursuant
34 to NRS 363A.130 and 363B.110 to the tax increment account of the
35 proposed tax increment area pursuant to paragraph (c) of subsection
36 1 of NRS 278C.250; ~~††~~

37 (c) The issuance of municipal securities and revenue securities
38 described in paragraph (f) of subsection 1 of NRS 278C.280 ~~†~~; *or*

39 *(d) Making a contract with any property owner in a tax*
40 *increment area agreeing to pay tax increment revenues from the*
41 *tax increment account created by NRS 278C.250 to the property*
42 *owner to reimburse the owner for costs incurred by the owner in*
43 *connection with an undertaking, which contract constitutes an*
44 *indebtedness of the municipality for the purposes of this chapter*
45 *but is not a security for the purposes of NRS 278C.280,*



1 ↳ only for an undertaking that is a rail project in relation to a
2 qualified project or a natural resources project, and only after
3 approval by the Interim Finance Committee of a written request
4 submitted by the municipality.

5 2. The Interim Finance Committee may approve a request
6 submitted pursuant to this section only if the Interim Finance
7 Committee determines that approval of the request:

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

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

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

16 4. As used in this section, "qualified project" has the meaning
17 ascribed to it in NRS 360.888 or 360.940.

18 **Sec. 19.** (Deleted by amendment.)

19 **Sec. 20.** NRS 278C.270 is hereby amended to read as follows:

20 278C.270 The Federal Government, the State, any public body
21 or any ~~natural~~ person filing a written complaint, protest or
22 objection in the manner and within the time provided in NRS
23 278C.170, may, within 30 days after the governing body has finally
24 passed on the complaint, protest or objection by resolution pursuant
25 to NRS 278C.210 or by ordinance pursuant to NRS 278C.220,
26 commence an action or suit in a court of competent jurisdiction to
27 correct or set aside the determination, but thereafter all actions or
28 suits attacking the validity of the proceedings are perpetually barred.

29 **Sec. 21.** NRS 350A.070 is hereby amended to read as follows:

30 350A.070 "Municipal securities" means notes, warrants,
31 interim debentures, bonds and temporary bonds validly issued as
32 obligations for a purpose related to natural resources which are
33 payable:

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

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

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

43 4. For bonds issued by a wastewater authority, from revenues
44 of the water reclamation system of the wastewater authority or one



1 or more of the municipalities that are members of the wastewater
2 authority, or any combination thereof;

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

7 6. For assessment bonds issued by a municipality under chapter
8 271 of NRS ~~H~~ *from assessments against real property.*

9 **Sec. 22.** NRS 701A.365 is hereby amended to read as follows:

10 701A.365 1. The Director, in consultation with the Office of
11 Economic Development, shall approve an application for a partial
12 abatement pursuant to NRS 701A.300 to 701A.390, inclusive, if the
13 Director, in consultation with the Office of Economic Development,
14 makes the following determinations:

15 (a) The applicant has executed an agreement with the Director
16 which must:

17 (1) State that the facility will, after the date on which the
18 abatement becomes effective, continue in operation in this State for
19 a period specified by the Director, which must be at least 10 years,
20 and will continue to meet the eligibility requirements for the
21 abatement; and

22 (2) Bind the successors in interest in the facility for the
23 specified period.

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

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

32 (d) ~~HH~~ *Except as otherwise provided in paragraph (e), if* the
33 facility will be located in a county whose population is 100,000 or
34 more or a city whose population is 60,000 or more, the facility
35 meets the following requirements:

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

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



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

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

14 (I) The employees working on the construction of the
15 facility must be provided a health insurance plan that is provided by
16 a third-party administrator and includes health insurance coverage
17 for dependents of the employees; and

18 (II) The cost of the benefits provided to the employees
19 working on the construction of the facility will meet the minimum
20 requirements for benefits established by the Director by regulation
21 pursuant to NRS 701A.390.

22 (e) If the facility will be located in a county whose population is
23 less than 100,000 , *in an area of a county whose population is*
24 *100,000 or more that is located within the geographic boundaries*
25 *of an area that is designated as rural by the United States*
26 *Department of Agriculture and at least 20 miles outside of the*
27 *geographic boundaries of an area designated as urban by the*
28 *United States Department of Agriculture, or in a city whose*
29 *population is less than 60,000, the facility meets the following*
30 *requirements:*

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

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

40 (3) The average hourly wage that will be paid by the facility
41 to its employees in this State is at least 110 percent of the average
42 statewide hourly wage, excluding management and administrative
43 employees, as established by the Employment Security Division of
44 the Department of Employment, Training and Rehabilitation on
45 July 1 of each fiscal year; and



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

8 (I) The employees working on the construction of the
9 facility must be provided a health insurance plan that is provided by
10 a third-party administrator and includes health insurance coverage
11 for dependents of the employees; and

12 (II) The cost of the benefits provided to the employees
13 working on the construction of the facility will meet the minimum
14 requirements for benefits established by the Director by regulation
15 pursuant to NRS 701A.390.

16 (f) The financial benefits that will result to this State from the
17 employment by the facility of the residents of this State and from
18 capital investments by the facility in this State will exceed the loss
19 of tax revenue that will result from the abatement.

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

23 2. The Director shall not approve an application for a partial
24 abatement of the taxes imposed pursuant to chapter 361 of NRS
25 submitted pursuant to NRS 701A.360 by a facility for the generation
26 of process heat from solar renewable energy or a wholesale facility
27 for the generation of electricity from renewable energy unless the
28 application is approved or deemed approved pursuant to this
29 subsection. The board of county commissioners of a county must
30 provide notice to the Director that the board intends to consider an
31 application and, if such notice is given, must approve or deny the
32 application not later than 30 days after the board receives a copy of
33 the application. The board of county commissioners:

34 (a) Shall, in considering an application pursuant to this
35 subsection, make a recommendation to the Director regarding the
36 application;

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

40 (1) The projected cost of the services that the local
41 government is required to provide to the facility will exceed the
42 amount of tax revenue that the local government is projected to
43 receive as a result of the abatement; or

44 (2) The projected financial benefits that will result to the
45 county from the employment by the facility of the residents of this



1 State and from capital investments by the facility in the county will
2 not exceed the projected loss of tax revenue that will result from the
3 abatement;

4 (c) Must not condition the approval of the application on a
5 requirement that the facility agree to purchase, lease or otherwise
6 acquire in its own name or on behalf of the county any
7 infrastructure, equipment, facilities or other property in the county
8 that is not directly related to or otherwise necessary for the
9 construction and operation of the facility; and

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

13 ➔ If the board of county commissioners does not approve or deny
14 the application within 30 days after the board receives from the
15 Director a copy of the application, the application shall be deemed
16 approved.

17 3. Notwithstanding the provisions of subsection 1, the Director,
18 in consultation with the Office of Economic Development, may, if
19 the Director, in consultation with the Office, determines that such
20 action is necessary:

21 (a) Approve an application for a partial abatement for a facility
22 that does not meet ~~the requirements~~ *any requirement* set forth in
23 *subparagraph (1) or (2) of paragraph (d) or subparagraph (1) or*
24 *(2) of paragraph (e)* of subsection 1; or

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

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

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

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

38 7. As used in this section, "wage" or "wages" has the meaning
39 ascribed to it in NRS 338.010.

40 **Sec. 23.** The provisions of subsection 1 of NRS 218D.380 do
41 not apply to any provision of this act which adds or revises a
42 requirement to submit a report to the Legislature.

43 **Sec. 24.** The amendatory provisions of this act do not apply to
44 or otherwise affect any abatement of taxes or deferment of the



- 1 payment of taxes approved by the Office of Economic Development
2 or the Director of the Office of Energy before July 1, 2017.
- 3 **Sec. 25.** 1. This act becomes effective on July 1, 2017.
- 4 2. Section 2 of this act expires by limitation on June 30, 2023.
- 5 3. Sections 5, 5.5, 6, 7, 7.5, 14.7 and 14.9 of this act expire by
6 limitation on June 30, 2032.
- 7 4. Section 3 of this act expires by limitation on June 30, 2035.
- 8 5. Sections 8 and 9 of this act expire by limitation on June 30,
9 2036.
- 10 6. Section 22 of this act expires by limitation on June 30, 2049.
- 11 7. Section 4 expires by limitation on December 31, 2056.



