

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; 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.

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 Existing law authorizes the governing body of any county, city or
99 unincorporated town to create an improvement district for the acquisition, operation
100 and maintenance of certain improvement projects and to finance the cost of any
101 project through the issuance of bonds and the levy of assessments upon property in
102 the improvement district. (NRS 271.265, 271.270, 271.325) Existing law authorizes
103 a municipality in which a qualified project is located to create an improvement
104 district to acquire, improve, equip, operate and maintain an electrical project or a
105 fire protection project for the qualified project. (NRS 271.265) **Sections 12 and 14**
106 of this bill authorize such a municipality to create an improvement district to
107 acquire, improve, equip, operate and maintain a rail project for a qualified project.
108 **Section 16** of this bill amends provisions governing tax increment areas to enact the
109 same definition for "rail project" as is set forth in **section 12**.

110 Existing law authorizes the governing body of a municipality to designate a tax
111 increment area for the purpose of creating a special account for the payment of
112 bonds or other securities issued to defray the cost of certain undertakings. The



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113 designation of a tax increment area by the governing body provides for the
114 allocation of a portion of the taxes levied upon taxable property in the tax
115 increment area each year to pay the bond requirements of loans, money advanced to
116 or indebtedness incurred by the municipality to finance or refinance the
117 undertaking. In addition to such property taxes, a portion of the sales and use taxes
118 imposed within the tax increment area and the excise tax imposed on financial
119 institutions and employers (the "modified business tax") located in the tax
120 increment area may be allocated to pay the debt incurred by the municipality to
121 finance or refinance the undertaking if the undertaking is a rail project in relation to
122 a qualified project or a natural resources project. (Chapter 278C of NRS) **Sections**
123 **17 and 18** of this bill authorize the governing body of a municipality to enter into
124 an agreement with a property owner in a tax increment area under which the
125 municipality is required to pay the property owner money from the tax increment
126 account for costs incurred by the property owner in connection with an undertaking.
127 **Section 15** of this bill enacts a definition of "bond requirements" for the purpose of
128 enabling a municipality to pay a property owner money from the tax increment
129 account in accordance with an agreement entered into pursuant to **sections 17 and**
130 **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:
11 (1) The State Plan for Economic Development developed by
12 the Executive Director of the Office of Economic Development
13 pursuant to subsection 2 of NRS 231.053; and
14 (2) Any guidelines adopted by the Executive Director of the
15 Office to implement the State Plan for Economic Development.
16 (b) The applicant has executed an agreement with the Office
17 which must:
18 (1) Comply with the requirements of NRS 360.755;
19 (2) State the date on which the abatement becomes effective,
20 as agreed to by the applicant and the Office, which must not be
21 earlier than the date on which the Office received the application;
22 (3) State that the business will, after the date on which the
23 abatement becomes effective, continue in operation in this State for
24 a period specified by the Office, which must be at least 5 years, and



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

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

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

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

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

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

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

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

34 (2) Establishing the business will require the business to
35 make, not later than the date which is 2 years after the date on which
36 the abatement becomes effective, a capital investment of at least
37 \$1,000,000 in this State in capital assets that will be retained at the
38 location of the business in that county or city until at least the date
39 which is 5 years after the date on which the abatement becomes
40 effective.

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



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

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

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

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

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

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

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

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



1 ~~(h)~~ (h) If the business is an existing business, the business
2 meets at least ~~two~~ one of the following requirements:

3 (1) For a business in:

4 (I) ~~(A)~~ *Except as otherwise provided in sub-*
5 *subparagraph (II), a county whose population is 100,000 or more*
6 *or a city whose population is 60,000 or more, the business will, by*
7 *the eighth calendar quarter following the calendar quarter in which*
8 *the abatement becomes effective, increase the number of employees*
9 *on its payroll in that county or city by 10 percent more than it*
10 *employed in the fiscal year immediately preceding the fiscal year in*
11 *which the abatement becomes effective or by twenty-five*
12 *employees, whichever is greater, who will be employed at the*
13 *location of the business in that county or city until at least the date*
14 *which is 5 years after the date on which the abatement becomes*
15 *effective; or*

16 (II) *A county whose population is less than 100,000 , an*
17 *area of a county whose population is 100,000 or more that is*
18 *located within the geographic boundaries of an area that is*
19 *designated as rural by the United States Department of*
20 *Agriculture and at least 20 miles outside of the geographic*
21 *boundaries of an area designated as urban by the United States*
22 *Department of Agriculture, or a city whose population is less than*
23 *60,000, the business will, by the eighth calendar quarter following*
24 *the calendar quarter in which the abatement becomes effective,*
25 *increase the number of employees on its payroll in that county or*
26 *city by 10 percent more than it employed in the fiscal year*
27 *immediately preceding the fiscal year in which the abatement*
28 *becomes effective or by six employees, whichever is greater, who*
29 *will be employed at the location of the business in that county or*
30 *city until at least the date which is 5 years after the date on which*
31 *the abatement becomes effective.*

32 (2) The business will expand by making a capital investment
33 in this State, not later than the date which is 2 years after the date on
34 which the abatement becomes effective, in an amount equal to at
35 least 20 percent of the value of the tangible property possessed by
36 the business in the fiscal year immediately preceding the fiscal year
37 in which the abatement becomes effective, and the capital
38 investment will be in capital assets that will be retained at the
39 location of the business in that county or city until at least the date
40 which is 5 years after the date on which the abatement becomes
41 effective. The determination of the value of the tangible property
42 possessed by the business in the immediately preceding fiscal year
43 must be made by the:

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



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

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

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

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

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

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

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

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

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

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

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

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

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

(a) The applicant intends to locate or expand in a county in which the rate of unemployment is ~~{6} 7~~ percent or more and the average hourly wage that will be paid by the applicant to its new employees in this State is less than ~~{65} 70~~ percent of the average



1 statewide hourly wage, as established by the Employment Security
2 Division of the Department of Employment, Training and
3 Rehabilitation on July 1 of each fiscal year.

4 (b) The applicant intends to locate or expand in a county in
5 which the rate of unemployment is less than ~~64~~ 7 percent and the
6 average hourly wage that will be paid by the applicant to its new
7 employees in this State is less than ~~80~~ 85 percent of the average
8 statewide hourly wage, as established by the Employment Security
9 Division of the Department of Employment, Training and
10 Rehabilitation on July 1 of each fiscal year.

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

16 (a) If the new or expanded business is located in a county in
17 which the rate of unemployment is ~~64~~ 7 percent or more and the
18 average hourly wage that will be paid by the business to its new
19 employees in this State is less than ~~80~~ 85 percent of the average
20 statewide hourly wage, as established by the Employment Security
21 Division of the Department of Employment, Training and
22 Rehabilitation on July 1 of each fiscal year, the Office shall not:

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

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

29 (b) If the new or expanded business is located in a county in
30 which the rate of unemployment is less than ~~64~~ 7 percent and the
31 average hourly wage that will be paid by the business to its new
32 employees in this State is less than 100 percent of the average
33 statewide hourly wage, as established by the Employment Security
34 Division of the Department of Employment, Training and
35 Rehabilitation on July 1 of each fiscal year, the Office shall not:

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

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

42 (3) Approve an abatement of the taxes imposed pursuant to
43 chapter 374 of NRS which exceeds the local sales and use taxes. As
44 used in this subparagraph, "local sales and use taxes" means the
45 taxes imposed on the gross receipts of any retailer from the sale of



1 tangible personal property sold at retail, or stored, used or otherwise
2 consumed, in the political subdivision in which the new or expanded
3 business is located, except the taxes imposed by the Sales and Use
4 Tax Act and the Local School Support Tax Law.

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

9 (a) The Department;

10 (b) The Nevada Tax Commission; and

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

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

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

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

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

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

38 9. A county treasurer:

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

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



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1 10. The Office of Economic Development may adopt such
2 regulations as the Office of Economic Development determines to
3 be necessary to carry out the provisions of this section and
4 NRS 360.755.

5 11. The Nevada Tax Commission:

6 (a) Shall adopt regulations regarding:

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

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

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

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

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

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

24 360.752 1. A person who intends to locate or expand a
25 business in this State may apply to the Office of Economic
26 Development pursuant to this section for a partial abatement of the
27 tax imposed on the new or expanded business pursuant to chapter
28 361 of NRS.

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

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

36 (b) The business is consistent with:

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

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

42 (c) The applicant has executed an agreement with the Office
43 which must:

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



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

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

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

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

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

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

20 (e) The business does not receive:

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

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

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

31 (g) *The business will offer a health insurance plan for all full-*
32 *time employees that includes an option for health insurance*
33 *coverage for dependents of those employees, or will abide by all*
34 *applicable provisions of the Patient Protection and Affordable*
35 *Care Act, Public Law 111-148, or both, and the benefits the*
36 *business offers to its employees in this State will meet the*
37 *minimum requirements for benefits established by the Office.*

38 (h) The business meets the following requirements:

39 (1) The business makes a capital investment of at least
40 \$1,000,000 in a program of the University of Nevada, Reno, the
41 University of Nevada, Las Vegas, or the Desert Research Institute to
42 be used in support of research, development or training related to
43 the field of endeavor of the business.

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



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

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

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

15 ~~————(II) The benefits the business provides to its employees in~~
16 ~~this State will meet the minimum requirements for benefits~~
17 ~~established by the Office.~~

18 ~~————(5)] The business submits with its application for a partial~~
19 ~~abatement:~~

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

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

36 ~~[(g)] (i)~~ In lieu of meeting the requirements of paragraph ~~[(f)]~~
37 ~~(h)~~, the business meets the following requirements:

38 (1) The business makes a capital investment of at least
39 \$500,000 in the Nevada State College or an institution of the
40 Nevada System of Higher Education other than those set forth in
41 subparagraph (1) of paragraph ~~[(f)]~~ ~~(h)~~, to be used in support of
42 college certification or in support of research or training related to
43 the field of endeavor of the business.

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



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

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

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

15 ~~————(II) The benefits the business provides to its employees in~~
16 ~~this State will meet the minimum requirements for benefits~~
17 ~~established by the Office.~~

18 ~~————(5)] The business submits with its application for a partial~~
19 ~~abatement:~~

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

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

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

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

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

44 (c) Shall not approve an application for a partial abatement
45 pursuant to this section unless the abatement is approved or deemed



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

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

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

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

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

18 (2) Fifty percent of the amount of the capital investment by
19 the business,

20 ↪ whichever amount is less;

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

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

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

29 (a) The Department;

30 (b) The Nevada Tax Commission; and

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

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

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



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

13 (b) The applicable institution of higher education is entitled to
14 keep the entire capital investment made by the business in that
15 institution.

16 8. A county treasurer:

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

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

23 9. The Office of Economic Development:

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

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

29 10. The Nevada Tax Commission:

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

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

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

40 12. Except as otherwise provided in this subsection, as used in
41 this section, "capital investment" includes, without limitation, an
42 investment of real or personal property, money or other assets by a
43 business in an institution of the Nevada System of Higher
44 Education. The Office of Economic Development may, by



1 regulation, specify the types of real or personal property or assets
2 that are included within the definition of "capital investment."

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

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

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

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

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

20 (a) The applicant has executed an agreement with the Office
21 which:

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

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

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

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

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

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

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



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

3 *(e) The business will, by the eighth calendar quarter following*
4 *the calendar quarter in which the abatement becomes effective,*
5 *offer a health insurance plan for all employees that includes an*
6 *option for health insurance coverage for dependents of the*
7 *employees, and the health care benefits the business offers to its*
8 *employees in this State will meet the minimum requirements for*
9 *health care benefits established by the Office.*

10 (f) If the business is:

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

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

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

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

23 (2) The business will maintain and possess in this State
24 tangible personal property having a value of not less than
25 \$5,000,000 during the period of partial abatement.

26 ~~(3) The average hourly wage that will be paid by the~~
27 ~~business to its employees in this State during the period of partial~~
28 ~~abatement is not less than 100 percent of the average statewide~~
29 ~~hourly wage as established by the Employment Security Division of~~
30 ~~the Department of Employment, Training and Rehabilitation on~~
31 ~~July 1 of each fiscal year.~~

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

35 3. The Office of Economic Development:

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

39 (b) Must not:

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

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



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

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

10 (a) The Department;

11 (b) The Nevada Tax Commission; and

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

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

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

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

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

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

40 8. The Office of Economic Development may adopt such
41 regulations as the Office determines to be necessary to carry out the
42 provisions of this section.

43 9. The Nevada Tax Commission may adopt such regulations as
44 the Commission determines are necessary to carry out the provisions
45 of this section.



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

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

12 12. As used in this section:

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

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

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

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

20 (3) Raw material or processed material, part, machinery,
21 tool, chemical, gas or equipment used to operate, manufacture,
22 service, maintain, test, repair, overhaul or assemble an aircraft or
23 component of an aircraft.

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

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

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

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

37 360.754 1. A person who intends to locate or expand a data
38 center in this State may apply to the Office of Economic
39 Development pursuant to this section for a partial abatement of one
40 or more of the taxes imposed on the new or expanded data center
41 pursuant to chapter 361 or 374 of NRS.

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



1 (a) The application is consistent with the State Plan for
2 Economic Development developed by the Executive Director of the
3 Office of Economic Development pursuant to subsection 2 of NRS
4 231.053 and 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 of
7 Economic Development 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 of Economic
11 Development, which must not be earlier than the date on which the
12 Office received the application;

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

18 (4) Bind the successors in interest of the applicant for the
19 specified period.

20 (c) The applicant 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 each county, city or town in which the
23 data center operates.

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

27 (1) The data center will, by not later than the date that is 5
28 years after the date on which the abatement becomes effective, have
29 or have added 10 or more full-time employees who are residents of
30 Nevada and who will be employed at the data center and will
31 continue to employ 10 or more full-time employees who are
32 residents of Nevada at the data center until at least the date which is
33 10 years after the date on which the abatement becomes effective.

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

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



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

6 (II) The health care benefits provided to employees
7 employed at the data center will meet the minimum requirements for
8 health care benefits established by the Office of Economic
9 Development by regulation pursuant to subsection 12.

10 (4) At least 50 percent of the employees engaged ~~for~~
11 ~~anticipated to be engaged~~ in the construction of the data center are
12 residents of Nevada, unless waived by the Executive Director of the
13 Office of Economic Development upon proof satisfactory to the
14 Executive Director of the Office of Economic Development that
15 there is an insufficient number of residents of Nevada available and
16 qualified for such employment.

17 (e) If the applicant is seeking a partial abatement for a period of
18 10 years or more but not more than 20 years, the applicant meets the
19 following requirements:

20 (1) The data center will, by not later than the date that is 5
21 years after the date on which the abatement becomes effective, have
22 or have added 50 or more full-time employees who are residents of
23 Nevada and who will be employed at the data center and will
24 continue to employ 50 or more full-time employees who are
25 residents of Nevada at the data center until at least the date which is
26 20 years after the date on which the abatement becomes effective.

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

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

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

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



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

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

10 (f) The applicant has provided in the application an estimate of
11 the total number of new employees which the data center anticipates
12 hiring in this State if the Office of Economic Development approves
13 the application.

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

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

20 (b) Shall consider the level of health care benefits provided to
21 employees employed at the data center, the projected economic
22 impact of the data center and the projected tax revenue of the data
23 center after deducting projected revenue from the abated taxes.

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

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

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

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

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

37 (a) The Department;

38 (b) The Nevada Tax Commission; and

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

42 5. If the Office of Economic Development approves an
43 application for a partial abatement pursuant to this section, the
44 Office may also approve a partial abatement of taxes for each
45 collocated business that enters into a contract to use or occupy, for a



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

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

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

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

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

40 ➔ the data center shall repay to the Department or, if the partial
41 abatement was from the property tax imposed pursuant to chapter
42 361 of NRS, to the county treasurer, the amount of the abatement
43 that was allowed pursuant to this section before the failure of the
44 data center to comply unless the Nevada Tax Commission
45 determines that the data center has substantially complied with the



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

9 8. A county treasurer:

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

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

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

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

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

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

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

30 (d) Proof that the employee is covered by the health insurance
31 plan which the data center is required to provide pursuant to sub-
32 subparagraph (I) of subparagraph (3) of paragraph (d) of subsection
33 2 or sub-subparagraph (I) of subparagraph (3) of paragraph (e) of
34 subsection 2.

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

44 12. The Office of Economic Development:



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

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

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

10 13. The Nevada Tax Commission:

11 (a) Shall adopt regulations regarding:

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

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

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

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

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

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

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

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

39 360.886 "Project" means a project undertaken by a business or
40 group of businesses:

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

43 2. Engaged in a common *business* purpose or ~~business~~
44 ~~endeavor~~ *industry. A business or group of businesses must be*
45 *deemed to be engaged in a common business purpose or industry*



1 *if the business or group of businesses are in a supply chain related*
2 *to the common business purpose or industry or provide*
3 *components or services related to the common business purpose or*
4 *industry.*

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

6 360.888 “Qualified project” means a project which the Office
7 of Economic Development determines meets all the requirements
8 set forth in subsections 2, ~~3 and~~ 4 *and 5* of NRS 360.889.

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

10 360.889 1. On behalf of a project, the lead participant in the
11 project may apply to the Office of Economic Development for:

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

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

15 (2) The gaming license fees imposed by the provisions of
16 NRS 463.370;

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

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

20 (b) A partial abatement of property taxes, employer excise taxes
21 or local sales and use taxes, or any combination of any of those
22 taxes.

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

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

29 (b) Provide documentation satisfactory to the Office that
30 approval of the application would promote the economic
31 development of this State and aid the implementation of the State
32 Plan for Economic Development developed by the Executive
33 Director of the Office pursuant to subsection 2 of NRS 231.053;

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

38 (d) Provide documentation satisfactory to the Office that the
39 participants in the project are engaged in a common *business*
40 purpose or ~~business endeavor;~~ *industry;*

41 (e) Provide documentation satisfactory to the Office that the
42 place of business of each participant is or will be located within the
43 geographic boundaries of the project site ~~or~~ *or sites;*

44 (f) Provide documentation satisfactory to the Office that each
45 participant in the project is registered pursuant to the laws of this



1 State or commits to obtaining a valid business license and all other
2 permits required by the county, city or town in which the project
3 operates;

4 (g) Provide documentation satisfactory to the Office of the
5 number of employees engaged ~~for anticipated to be engaged~~ in the
6 construction of the project;

7 (h) Provide documentation satisfactory to the Office of the
8 number of qualified employees employed or anticipated to be
9 employed at the project by the participants;

10 (i) Provide documentation satisfactory to the Office that each
11 employer engaged in the construction of the project provides a plan
12 of health insurance and that each employee engaged in the
13 construction of the project is offered coverage under the plan of
14 health insurance provided by his or her employer;

15 (j) Provide documentation satisfactory to the Office that each
16 participant in the project provides a plan of health insurance and that
17 each employee employed at the project by each participant is
18 offered coverage under the plan of health insurance provided by his
19 or her employer;

20 (k) Provide documentation satisfactory to the Office that at least
21 50 percent of the employees engaged ~~for anticipated to be engaged~~
22 in construction of the project and 50 percent of the employees
23 employed at the project are residents of Nevada, unless waived by
24 the Executive Director of the Office upon proof satisfactory to the
25 Executive Director of the Office that there is an insufficient number
26 of Nevada residents available and qualified for such employment;

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

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

31 (2) Shows the number of employees engaged in the
32 construction of the project and the number of those employees who
33 are residents of Nevada;

34 (3) Shows the number of employees employed at the project
35 by each participant and the number of those employees who are
36 residents of Nevada; and

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

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

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

42 *(1) Requires the lead participant to pay the cost of any*
43 *engineering or design work necessary to determine the cost of*
44 *infrastructure improvements required to be made by the governing*



1 *body pursuant to an economic development financing proposal*
2 *approved pursuant to NRS 360.990; and*

3 *(2) Requires the lead participant to seek reimbursement for*
4 *any costs paid by the lead participant pursuant to subparagraph*
5 *(1) from the proceeds of bonds issued pursuant to NRS 360.991;*
6 *and*

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

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

15 *(a) The initial project will have a total of 500 or more full-time*
16 *employees employed at the site of the initial project and the*
17 *average hourly wage that will be paid to employees of the initial*
18 *project in this State is at least 120 percent of the average statewide*
19 *hourly wage as established by the Employment Security Division*
20 *of the Department of Employment, Training and Rehabilitation on*
21 *July 1 of each fiscal year;*

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

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

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

29 *(2) If a participant owns, operates, manufactures, services,*
30 *maintains, tests, repairs, overhauls or assembles an aircraft or any*
31 *component of an aircraft, that the participant satisfies the*
32 *applicable requirements of paragraph (f) or (g) of subsection 2 of*
33 *NRS 360.753.*

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

40 4. An application submitted pursuant to subsection 2 must
41 include:

42 (a) A detailed description of the project, including a description
43 of the common purpose or business endeavor in which the
44 participants in the project are engaged;



1 (b) A detailed description of the location of the project,
2 including a precise description of the geographic boundaries of the
3 project site ~~H~~ or sites;

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

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

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

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

15 (2) States the date on which the partial abatement becomes
16 effective, as agreed to by the applicant and the Office, which must
17 not be earlier than the date on which the Office received the
18 application;

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

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

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

26 ~~H~~ 5. For an employee to be considered a resident of Nevada
27 for the purposes of this section, each participant in the project must
28 maintain the following documents in the personnel file of the
29 employee:

30 (a) A copy of the:

31 (1) Current and valid Nevada driver's license of the
32 employee originally issued by the Department of Motor Vehicles
33 more than 60 days before the hiring of the employee or a current and
34 valid identification card for the employee originally issued by the
35 Department of Motor Vehicles more than 60 days before the hiring
36 of the employee; or

37 (2) If the employee is a veteran of the Armed Forces of the
38 United States, a current and valid Nevada driver's license of the
39 employee or a current and valid identification card for the employee
40 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 employed full-time and scheduled
45 to work for an average minimum of 30 hours per week; and



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

3 ~~15-1~~ 6. For the purpose of obtaining from the Executive
4 Director of the Office any waiver of the requirement set forth in
5 paragraph (k) of subsection 2, the lead participant in the project
6 must submit to the Executive Director of the Office written
7 documentation of the efforts to meet the requirement and
8 documented proof that an insufficient number of Nevada residents is
9 available and qualified for employment.

10 ~~16-1~~ 7. The Executive Director of the Office shall make
11 available to the public and post on the Internet website of the Office:

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

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

16 ~~17-1~~ 8. The Executive Director of the Office shall post a
17 request for a waiver of the requirements set forth in paragraph (k) of
18 subsection 2 on the Internet website of the Office within 3 days after
19 receiving the request and shall keep the request posted on the
20 Internet website for not less than 5 days. The Executive Director of
21 the Office shall ensure that the Internet website allows members of
22 the public to post comments regarding the request.

23 ~~18-1~~ 9. The Executive Director of the Office shall consider any
24 comments posted on the Internet website concerning any request for
25 a waiver of the requirements set forth in paragraph (k) of subsection
26 2 before making a decision regarding whether to approve the
27 request. If the Executive Director of the Office approves the request
28 for a waiver, the Executive Director of the Office must post the
29 approval on the Internet website of the Office within 3 days and
30 ensure that the Internet website allows members of the public to post
31 comments regarding the approval.

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

33 360.893 1. If the Office of Economic Development approves
34 an application for a partial abatement of property taxes, employer
35 excise taxes or local sales and use taxes submitted pursuant to
36 paragraph (b) of subsection 1 of NRS 360.889, the Office shall
37 immediately forward a certificate of eligibility for the partial
38 abatement of the taxes described in that paragraph to:

39 (a) The Department;

40 (b) The Nevada Tax Commission; and

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

43 2. ~~19-1~~ *Except as otherwise provided in subsection 3, the*
44 partial abatement for the lead participant in the qualified project
45 must:



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

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

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

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

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

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

30 (c) *For local sales and use taxes, be for a duration of not more*
31 *than 15 years after the effective date of the partial abatement and*
32 *in an amount that equals that portion of the combined rate of all*
33 *the local sales and use taxes payable by each participant in the*
34 *qualified project each year which exceeds 0.6 percent. The*
35 *Department of Taxation shall issue to the lead participant a*
36 *document certifying the abatement which can be presented to*
37 *retailers at the time of sale. The document must clearly state that*
38 *the purchaser is only required to pay sales and use taxes imposed*
39 *in this State at the rate of 2.6 percent. As used in this paragraph,*
40 *“local sales and use taxes” means the taxes imposed on the gross*
41 *receipts of any retailer from the sale of tangible personal property*
42 *sold at retail, or stored, used or otherwise consumed, in the*
43 *political subdivision in which the new or expanded business is*
44 *located, except the taxes imposed by the Sales and Use Tax Act.*



1 *↪ Notwithstanding any other provision of law, if the Office of*
2 *Economic Development approves an application for a partial*
3 *abatement of property taxes, employer excise taxes or local sales*
4 *and use taxes submitted pursuant to paragraph (b) of subsection 1*
5 *of NRS 360.889 for a lead participant of a qualified project located*
6 *on more than one site in this State, the State Controller shall*
7 *allocate, transfer and remit an amount equal to all the sales and*
8 *use taxes imposed in this State and collected from the qualified*
9 *project for the period of the abatement in the same manner as if*
10 *that amount consisted solely of the proceeds of the taxes imposed*
11 *by NRS 374.110 and 374.190.*

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

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

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

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

36 **6.** Upon a determination by the Executive Director of the
37 Office of Economic Development that the requirements for the
38 partial abatement have been met, the money in the trust fund
39 established pursuant to subsection ~~3.1~~ **4**, including any interest and
40 income earned on the money during the time it was in the trust fund,
41 must be returned to the lead participant. If the Executive Director of
42 the Office of Economic Development determines that the
43 requirements for the partial abatement have not been met:

44 (a) Except as otherwise provided in this subsection ~~1.1~~ **the** :



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

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

10 (b) The interest and income earned on the money in the trust
11 fund during the time it was in the trust fund must be distributed to
12 an entity receiving a distribution pursuant to paragraph (a) in the
13 proportion that the money distributed to the entity pursuant to that
14 paragraph bears to the total money distributed pursuant to that
15 paragraph.

16 ~~5~~ 7. If the Office approves a partial abatement of local sales
17 and use taxes, the Office shall issue to the lead participant in the
18 qualified project a document certifying the partial abatement which
19 can be presented to retailers at the time of sale. The document must
20 clearly state the rate of sales and use taxes which the purchaser is
21 required to pay in the county in which the abatement is effective.

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

23 360.894 1. The lead participant in a qualified project shall,
24 upon the request of the Office of Economic Development, furnish
25 the Office with copies of all records necessary to verify that the
26 qualified project meets the eligibility requirements for any
27 transferable tax credits issued pursuant to NRS 360.891 and the
28 partial abatement of any taxes pursuant to NRS 360.893.

29 2. The lead participant shall repay to the Department or the
30 Nevada Gaming Control Board, as applicable, any portion of the
31 transferable tax credits to which the lead participant is not entitled
32 if:

33 (a) The participants in the qualified project collectively fail to
34 make the investment in this State necessary to support the
35 determination by the Executive Director of the Office of Economic
36 Development that the project is a qualified project;

37 (b) The participants in the qualified project collectively fail to
38 employ the number of qualified employees identified in the
39 certificate of eligibility approved for the qualified project;

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

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



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

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

8 (a) Fails to meet the requirements for eligibility pursuant to that
9 section; or

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

12 ➔ the lead participant shall repay to the Department or, if the partial
13 abatement is from the property tax imposed by chapter 361 of NRS,
14 to the appropriate county treasurer, the amount of the partial
15 abatement that was allowed to the lead participant pursuant to NRS
16 360.893 before the failure of the lead participant to meet the
17 requirements for eligibility. Except as otherwise provided in NRS
18 360.232 and 360.320, the lead participant shall, in addition to the
19 amount of the partial abatement required to be repaid by the lead
20 participant pursuant to this subsection, pay interest on the amount
21 due from the lead participant at the rate most recently established
22 pursuant to NRS 99.040 for each month, or portion thereof, from the
23 last day of the month following the period for which the payment
24 would have been made had the partial abatement not been approved
25 until the date of payment of the tax.

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



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

2 360.930 “Project” means a project undertaken by a business or
3 group of businesses:

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

6 2. Engaged in a common *business* purpose or ~~business~~
7 ~~endeavor;~~ *industry. A business or group of businesses must be*
8 *deemed to be engaged in a common business purpose or industry*
9 *if the business or group of businesses are in a supply chain related*
10 *to the common business purpose or industry or provide*
11 *components or services related to the common business purpose or*
12 *industry.*

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

14 360.945 1. On behalf of a project, the lead participant in the
15 project may apply to the Office of Economic Development for:

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

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

19 (2) The gaming license fees imposed by the provisions of
20 NRS 463.370;

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

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

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

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

30 (a) Submit an application that meets the requirements of
31 subsection 3;

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

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

41 (d) Provide documentation satisfactory to the Office that the
42 participants in the project are engaged in a common *business*
43 purpose or ~~business endeavor;~~ *industry;*



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



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

3 (1) *Requires the lead participant to pay the cost of any*
4 *engineering or design work necessary to determine the cost of*
5 *infrastructure improvements required to be made by the governing*
6 *body pursuant to an economic development financing proposal*
7 *approved pursuant to NRS 360.990; and*

8 (2) *Requires the lead participant to seek reimbursement for*
9 *any costs paid by the lead participant pursuant to subparagraph*
10 *(1) from the proceeds of bonds of the State of Nevada issued*
11 *pursuant to NRS 360.991; and*

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

13 3. An application submitted pursuant to subsection 2 must
14 include:

15 (a) A detailed description of the project, including a description
16 of the common purpose or business endeavor in which the
17 participants in the project are engaged;

18 (b) A detailed description of the location of the project,
19 including a precise description of the geographic boundaries of the
20 project site;

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

38 360.990 1. Upon receipt of an economic development
39 financing proposal, the Office shall:

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

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



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

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

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

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

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

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

23 (4) Notwithstanding any other provision of law, if the
24 revenues from any districts or areas created for the purpose of
25 financing the infrastructure projects identified in the proposal which
26 are pledged for the repayment of the general obligation bonds of the
27 State issued pursuant to NRS 360.991 are insufficient to pay any
28 sums coming due on the bonds, before such sums are paid from the
29 State General Fund, the local government that created the districts or
30 areas shall promptly pay such sums to the extent of the money
31 available in the uncommitted balance of the general fund of the local
32 government. If the money available in the uncommitted balance of
33 the general fund of the local government is insufficient to pay the
34 sums coming due on the bonds ~~and~~ ***and if, pursuant to subsection 4***
35 ***of NRS 360.893, the Executive Director of the Office of Economic***
36 ***Development required the lead participant to pay money into a***
37 ***trust fund in the State Treasury, the money in the trust fund,***
38 ***including any interest and income earned on the money during the***
39 ***time it was in the trust fund, must be used to pay sums coming due***
40 ***on the bonds. If the amount of money in the trust fund is***
41 ***insufficient to pay the sums coming due on the bonds,*** the
42 remainder of such sums must be paid in accordance with the State
43 Securities Law. The payment of any sums by a local government
44 pursuant to this subparagraph is not secured by a pledge of the
45 taxing power of the local government. For the purposes of this



1 subparagraph the uncommitted balance of the general fund of a local
2 government is the uncommitted balance as determined by the
3 Department of Taxation.

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

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

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

18 5. If the Office approves an economic development financing
19 proposal, the Office shall provide notice and a copy of the decision
20 approving the proposal to the governing body of the local
21 government and the State Board of Finance.

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

23 360.991 1. As soon as practicable after receiving notice from
24 the Office that it has approved an economic development financing
25 agreement, the State Board of Finance shall issue general obligation
26 bonds of the State of Nevada to finance the infrastructure projects
27 identified in the economic development financing agreement. The
28 provisions of the State Securities Law contained in chapter 349 of
29 NRS apply to the issuance of bonds pursuant to this section. The
30 State Board of Finance shall issue the bonds in the amount set forth
31 in the economic development financing agreement but shall not
32 issue bonds in an amount that exceeds \$175,000,000 for each
33 economic development financing agreement or have outstanding at
34 any time bonds issued pursuant to this section in an amount that
35 exceeds \$200,000,000. Before any bonds may be issued pursuant to
36 this section, the lead participant in the qualified project must provide
37 adequate security that the lead participant will carry out the
38 qualified project. The security may consist of one or more
39 performance bonds or similar documents, actual expenditures on the
40 qualified project, commitments to make such expenditures, *a lien*
41 *for special assessments pursuant to chapter 271 of NRS* or other
42 security deemed appropriate by the Executive Director of the Office
43 *+* *in consultation with the Office of the State Treasurer.* A
44 commitment to make an expenditure may be conditioned upon the



1 issuance of bonds pursuant to this section but may not be subject to
2 any other conditions.

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

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

7 361.0687 1. A person who intends to locate or expand a
8 business in this State may, pursuant to NRS 360.750, apply to the
9 Office of Economic Development for a partial abatement from the
10 taxes imposed by this chapter.

11 2. For a business to qualify pursuant to NRS 360.750 for a
12 partial abatement from the taxes imposed by this chapter, the Office
13 of Economic Development must determine that, in addition to
14 meeting the other requirements set forth in subsection 2 of that
15 section:

16 (a) ~~##~~ *Except as otherwise provided in paragraph (b), if* the
17 business is a new business in a county whose population is 100,000
18 or more or a city whose population is 60,000 or more ~~†~~
19 ~~— (1) The†, the~~ business will, not later than the date which is 2
20 years after the date on which the abatement becomes effective, make
21 a capital investment in the county or city of:

22 ~~{(†)} (1)~~ At least ~~†\$50,000,000†~~ *\$5,000,000* if the business
23 is an industrial or manufacturing business; or

24 ~~{(H)} (2)~~ At least ~~†\$5,000,000†~~ *\$1,000,000* if the business
25 is not an industrial or manufacturing business,
26 ↪ in capital assets that will be retained at the location of the
27 business in that county or city until at least the date which is 5 years
28 after the date on which the abatement becomes effective. ~~†; and~~

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

34 (b) If the business is a new business in a county whose
35 population is less than 100,000 , *in an area of a county whose*
36 *population is 100,000 or more that is located within the*
37 *geographic boundaries of an area that is designated as rural by*
38 *the United States Department of Agriculture and at least 20 miles*
39 *outside of the geographic boundaries of an area designated as*
40 *urban by the United States Department of Agriculture, or in a city*
41 whose population is less than 60,000 ~~†~~

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



1 ~~(H)~~ (1) At least ~~[\$5,000,000]~~ **\$1,000,000** if the business
2 is an industrial or manufacturing business; or

3 ~~(H)~~ (2) At least ~~[\$500,000]~~ **\$250,000** if the business is
4 not an industrial or manufacturing business,

5 **↳ in capital assets that will be retained at the location of the**
6 **business in that county or city until at least the date which is 5 years**
7 **after the date on which the abatement becomes effective. ~~}; and~~**

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

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

17 (a) The partial abatement must:

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

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

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

26 (b) The Executive Director of the Office of Economic
27 Development shall notify the county assessor of the county in which
28 the business is or will be located of the approval of the partial
29 abatement, including, without limitation, the duration and
30 percentage of the partial abatement that the Office granted. The
31 Executive Director shall, on or before April 15 of each year, advise
32 the county assessor of each county in which a business qualifies for
33 a partial abatement during the current fiscal year as to whether the
34 business is still eligible for the partial abatement in the next
35 succeeding fiscal year.

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

38 ***“Rail project” means any railroad, railroad tracks, rail spurs***
39 ***and any structures or facilities necessary for freight rail service***
40 ***provided by a regional transportation commission pursuant to***
41 ***NRS 277A.283, including, without limitation, equipment,***
42 ***terminals, stations, platforms and other facilities necessary, useful***
43 ***or desirable for such a project and all property, easements, rights-***
44 ***of-way and other rights or interests incidental to the project.***



1 **Sec. 13.** NRS 271.030 is hereby amended to read as follows:
2 271.030 As used in this chapter, unless the context otherwise
3 requires, the words and terms defined in NRS 271.035 to 271.253,
4 inclusive, *and section 12 of this act* have the meanings ascribed to
5 them in those sections.

6 **Sec. 14.** NRS 271.265 is hereby amended to read as follows:
7 271.265 1. The governing body of a county, city or town,
8 upon behalf of the municipality and in its name, without any
9 election, may from time to time acquire, improve, equip, operate
10 and maintain, within or without the municipality, or both within and
11 without the municipality:

- 12 (a) A curb and gutter project;
- 13 (b) A drainage project;
- 14 (c) An energy efficiency improvement project;
- 15 (d) A neighborhood improvement project;
- 16 (e) An off-street parking project;
- 17 (f) An overpass project;
- 18 (g) A park project;
- 19 (h) A public safety project;
- 20 (i) A renewable energy project;
- 21 (j) A sanitary sewer project;
- 22 (k) A security wall;
- 23 (l) A sidewalk project;
- 24 (m) A storm sewer project;
- 25 (n) A street project;
- 26 (o) A street beautification project;
- 27 (p) A transportation project;
- 28 (q) An underpass project;
- 29 (r) A water project;
- 30 (s) A waterfront project; and
- 31 (t) Any combination of such projects.

32 2. In addition to the power specified in subsection 1, the
33 governing body of a city having a commission form of government
34 as defined in NRS 267.010, upon behalf of the municipality and in
35 its name, without any election, may from time to time acquire,
36 improve, equip, operate and maintain, within or without the
37 municipality, or both within and without the municipality:

- 38 (a) An electrical project;
- 39 (b) A telephone project;
- 40 (c) A combination of an electrical project and a telephone
41 project;
- 42 (d) A combination of an electrical project or a telephone project
43 with any of the projects, or any combination thereof, specified in
44 subsection 1; and



1 (e) A combination of an electrical project and a telephone
2 project with any of the projects, or any combination thereof,
3 specified in subsection 1.

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

9 4. In addition to the power specified in subsections 1, 2 and 3,
10 if the governing body of a municipality in a county whose
11 population is less than 700,000 complies with the provisions of NRS
12 271.650, the governing body of the municipality, on behalf of the
13 municipality and in its name, without any election, may from time to
14 time acquire, improve, equip, operate and maintain, within or
15 without the municipality, or both within and without the
16 municipality:

17 (a) An art project; and

18 (b) A tourism and entertainment project.

19 5. In addition to the power specified in this section, if a
20 qualified project is located within the jurisdiction of the
21 municipality, the governing body of the municipality, on behalf of
22 the municipality and in its name, without any election, may from
23 time to time acquire, improve, equip, operate and maintain, within
24 or without the municipality, or both within and without the
25 municipality, an electrical project for the qualified project, ~~or~~ a
26 fire protection project for the qualified project ~~H~~ *or a rail project*
27 *for the qualified project.*

28 6. As used in this section, "qualified project" has the meaning
29 ascribed to it in NRS 360.888 or 360.940.

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

31 271.635 1. Notwithstanding any provision of this chapter to
32 the contrary, if the governing body submits to the Office of
33 Economic Development an economic development financing
34 proposal described in NRS 360.989 and the Office approves the
35 proposal and an economic development financing agreement
36 pursuant to NRS 360.990, any improvement district which is or may
37 be created for the purpose of carrying out the projects identified in
38 the proposal must be administered as provided in the agreement.

39 2. The economic development financing agreement may
40 provide, without limitation, that:

41 (a) The Office of Economic Development, the Executive
42 Director of the Office or any designee of either is authorized or
43 required to perform any function or duty that under the provisions of
44 this chapter would otherwise be performed by the municipality, the
45 governing body or any officer or employee of the municipality.



1 (b) Any assessments or other money collected pursuant to this
2 chapter must be paid, collected, deposited, distributed or remitted as
3 provided in the agreement, notwithstanding any provision of this
4 chapter to the contrary.

5 (c) It may be modified at any time by the Executive Director of
6 the Office of Economic Development, in the exercise of his or her
7 discretion and upon approval of the Board of Economic
8 Development.

9 *3. Notwithstanding any other provision of law, if an*
10 *improvement district is administered pursuant to an economic*
11 *development financing agreement and any assessment, or*
12 *installment thereof, required to be paid pursuant to this chapter is*
13 *delinquent, any money collected to enforce the assessment, or*
14 *installment thereof, including, without limitation, the proceeds of*
15 *a sale of property to collect or enforce the assessment, or*
16 *installment thereof, must, before being deposited, distributed or*
17 *remitted for any other purpose, be used to repay any amounts paid*
18 *pursuant to subsection 5 of NRS 360.893 from the trust fund*
19 *established pursuant to subsection 4 of that section.*

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

22 271B.070 1. Except as otherwise provided in this section, if a
23 qualified project is located within the jurisdiction of a municipality,
24 the governing body of the municipality may:

25 (a) Create an economic diversification district for the purposes
26 of carrying out this chapter by adopting an ordinance describing the
27 boundaries of the district, which must be the geographic boundaries
28 of the qualified project, and generally describing the purposes
29 within the district for which money pledged pursuant to this chapter
30 may be used; and

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

41 2. The governing body of a municipality may not include in an
42 ordinance adopted to create a district pursuant to paragraph (a) of
43 subsection 1 on or after September 11, 2014, the pledge of any
44 proceeds of the taxes imposed pursuant to NRS 374.110 or 374.111
45 and NRS 374.190 or 374.191 with regard to tangible personal



1 property sold at retail, or stored, used or otherwise consumed, if the
2 governing body obtains an opinion from independent bond counsel
3 stating that the applicability of this provision would impair an
4 existing contract for the sale of bonds which were issued before
5 September 11, 2014.

6 3. If:

7 (a) The qualified project is a qualified project described in
8 NRS 360.888;

9 (b) The governing body of the municipality includes in the
10 ordinance adopted pursuant to paragraph (a) of subsection 1 a
11 pledge of money pursuant to paragraph (b) of subsection 1; and

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

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

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

21 (a) A city must be located entirely within the boundaries of that
22 city.

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

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

28 271B.080 1. After the adoption of an ordinance pursuant to
29 NRS 271B.070:

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

34 (b) If the qualified project is a qualified project described in
35 NRS 360.888 and the Executive Director of the Office of Economic
36 Development has required the lead participant to make payments to
37 a trust fund in the State Treasury pursuant to subsection ~~3~~ 4 of
38 NRS 360.893, the Department of Taxation shall deposit in that trust
39 fund the proceeds of any taxes conditionally pledged pursuant to
40 subsection 3 of NRS 271B.070 until:

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



1 (2) The Executive Director determines that the requirements
2 for the partial abatement set forth in NRS 360.893 have not been
3 met, in which case any taxes conditionally pledged and deposited in
4 the trust fund must be transferred to the entity that would have
5 received those taxes if the taxes had not been conditionally pledged,
6 as determined by the Department of Taxation. The interest and
7 income earned on those taxes during the time the taxes were in the
8 trust fund must be distributed to an entity receiving a distribution
9 pursuant to this subparagraph in the proportion that the taxes
10 distributed to the entity pursuant to this subparagraph bears to the
11 total taxes distributed pursuant to this subparagraph.

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

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

16 (b) Cease at the end of the fiscal year in which the 20th
17 anniversary of the adoption of the ordinance creating the district
18 occurs.

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

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

23 (b) Cease at the end of the fiscal year in which the 15th
24 anniversary of the adoption of the ordinance creating the district
25 occurs; and

26 (c) If the Executive Director of the Office of Economic
27 Development has required the lead participant to make payments to
28 a trust fund in the State Treasury pursuant to subsection ~~3~~ 4 of
29 NRS 360.893, not commence until the lead participant qualifies for
30 a return of the money paid into the trust fund pursuant to subsection
31 ~~4~~ 6 of NRS 360.893.

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

34 *“Bond requirements” means the principal of, any prior*
35 *redemption premiums due in connection with and the interest on,*
36 *or other amounts due in connection with, the designated bonds or*
37 *other securities, advances, loans or indebtedness.*

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

39 278C.105 “Rail project” means any railroad, railroad tracks,
40 rail spurs and any structures or facilities necessary for ~~to~~ freight rail
41 ~~port, and all appurtenances and incidentals, or any combination~~
42 ~~thereof, including real and other property therefor.~~ *service provided*
43 *by a regional transportation commission pursuant to NRS*
44 *277A.283, including, without limitation, equipment, terminals,*
45 *stations, platforms and other facilities necessary, useful or*



1 *desirable for such a project and all property, easements, rights-of-*
2 *way and other rights or interests incidental to the project.*

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

4 278C.150 1. Except as otherwise provided in subsections 2, 3
5 and 4, the governing body of a municipality, on the behalf and in the
6 name of the municipality, may designate a tax increment area
7 comprising any specially benefited zone within the municipality
8 designated for the purpose of creating a special account for the
9 payment of bonds or securities issued or loans, money advanced or
10 indebtedness incurred to defray the cost of an undertaking,
11 including, without limitation, the condemnation of property for an
12 undertaking, as supplemented by the Local Government Securities
13 Law, except as otherwise provided in this chapter. *The governing*
14 *body of a municipality, on behalf and in the name of the*
15 *municipality, may enter into a contract with any property owner in*
16 *a tax increment area agreeing to pay tax increment revenues from*
17 *the tax increment account created by NRS 278C.250 to such*
18 *property owner for costs incurred by such owner in connection*
19 *with an undertaking. Such a contract constitutes an indebtedness*
20 *of the municipality for the purposes of this chapter but is not a*
21 *security for the purposes of NRS 278C.280.*

22 2. The right-of-way property of a railroad company that is
23 under the jurisdiction of the Surface Transportation Board must not
24 be included in a tax increment area unless the inclusion of the
25 property is mutually agreed upon by the governing body and the
26 railroad company.

27 3. A tax increment area may not include a property that is, at
28 the time the boundaries of the tax increment area are created,
29 included within a redevelopment area previously established
30 pursuant to the laws of this State.

31 4. The taxable property of a tax increment area must not be
32 included in any subsequently created tax increment area until at
33 least 50 years after the effective date of creation of the first tax
34 increment area in which the property was included.

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

36 278C.157 1. A municipality may adopt an ordinance ordering
37 an undertaking and creating the tax increment area and the tax
38 increment account pertaining thereto pursuant to NRS 278C.220
39 which includes provisions for:

40 (a) The allocation of the proceeds of any tax on the sale or use
41 of tangible personal property to the tax increment account of the
42 proposed tax increment area pursuant to paragraph (b) of subsection
43 1 of NRS 278C.250;

44 (b) The allocation of the proceeds of any tax imposed pursuant
45 to NRS 363A.130 and 363B.110 to the tax increment account of the



1 proposed tax increment area pursuant to paragraph (c) of subsection
2 1 of NRS 278C.250; ~~for~~

3 (c) The issuance of municipal securities and revenue securities
4 described in paragraph (f) of subsection 1 of NRS 278C.280 ~~h~~; or

5 *(d) Making a contract with any property owner in a tax
6 increment area agreeing to pay tax increment revenues from the
7 tax increment account created by NRS 278C.250 to the property
8 owner to reimburse the owner for costs incurred by the owner in
9 connection with an undertaking, which contract constitutes an
10 indebtedness of the municipality for the purposes of this chapter
11 but is not a security for the purposes of NRS 278C.280,*

12 ➔ only for an undertaking that is a rail project in relation to a
13 qualified project or a natural resources project, and only after
14 approval by the Interim Finance Committee of a written request
15 submitted by the municipality.

16 2. The Interim Finance Committee may approve a request
17 submitted pursuant to this section only if the Interim Finance
18 Committee determines that approval of the request:

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

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

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

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

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

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

31 278C.270 The Federal Government, the State, any public body
32 or any ~~natural~~ person filing a written complaint, protest or
33 objection in the manner and within the time provided in NRS
34 278C.170, may, within 30 days after the governing body has finally
35 passed on the complaint, protest or objection by resolution pursuant
36 to NRS 278C.210 or by ordinance pursuant to NRS 278C.220,
37 commence an action or suit in a court of competent jurisdiction to
38 correct or set aside the determination, but thereafter all actions or
39 suits attacking the validity of the proceedings are perpetually barred.

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

41 350A.070 "Municipal securities" means notes, warrants,
42 interim debentures, bonds and temporary bonds validly issued as
43 obligations for a purpose related to natural resources which are
44 payable:



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

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

5 3. For bonds issued by a water authority organized as a
6 political subdivision created by cooperative agreement, from
7 revenues of the water system of the water authority or one or more
8 of the water purveyors who are members of the water authority or
9 any combination thereof;

10 4. For bonds issued by a wastewater authority, from revenues
11 of the water reclamation system of the wastewater authority or one
12 or more of the municipalities that are members of the wastewater
13 authority, or any combination thereof;

14 5. For bonds issued by a flood management authority, from
15 revenues of the flood management authority or one or more of the
16 municipalities that are members of the flood management authority,
17 or any combination thereof; or

18 6. For assessment bonds issued by a municipality under chapter
19 271 of NRS ~~from assessments against real property.~~

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

21 701A.365 1. The Director, in consultation with the Office of
22 Economic Development, shall approve an application for a partial
23 abatement pursuant to NRS 701A.300 to 701A.390, inclusive, if the
24 Director, in consultation with the Office of Economic Development,
25 makes the following determinations:

26 (a) The applicant has executed an agreement with the Director
27 which must:

28 (1) State that the facility will, after the date on which the
29 abatement becomes effective, continue in operation in this State for
30 a period specified by the Director, which must be at least 10 years,
31 and will continue to meet the eligibility requirements for the
32 abatement; and

33 (2) Bind the successors in interest in the facility for the
34 specified period.

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

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

43 (d) ~~from~~ **Except as otherwise provided in paragraph (e), if**
44 the facility will be located in a county whose population is 100,000 or



1 more or a city whose population is 60,000 or more, the facility
2 meets the following requirements:

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

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

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

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

25 (I) The employees working on the construction of the
26 facility must be provided a health insurance plan that is provided by
27 a third-party administrator and includes health insurance coverage
28 for dependents of the employees; and

29 (II) The cost of the benefits provided to the employees
30 working on the construction of the facility will meet the minimum
31 requirements for benefits established by the Director by regulation
32 pursuant to NRS 701A.390.

33 (e) If the facility will be located in a county whose population is
34 less than 100,000 , *in an area of a county whose population is*
35 *100,000 or more that is located within the geographic boundaries*
36 *of an area that is designated as rural by the United States*
37 *Department of Agriculture and at least 20 miles outside of the*
38 *geographic boundaries of an area designated as urban by the*
39 *United States Department of Agriculture*, or in a city whose
40 population is less than 60,000, the facility meets the following
41 requirements:

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



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

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

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

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

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

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

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

34 2. The Director shall not approve an application for a partial
35 abatement of the taxes imposed pursuant to chapter 361 of NRS
36 submitted pursuant to NRS 701A.360 by a facility for the generation
37 of process heat from solar renewable energy or a wholesale facility
38 for the generation of electricity from renewable energy unless the
39 application is approved or deemed approved pursuant to this
40 subsection. The board of county commissioners of a county must
41 provide notice to the Director that the board intends to consider an
42 application and, if such notice is given, must approve or deny the
43 application not later than 30 days after the board receives a copy of
44 the application. The board of county commissioners:



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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

11 **Sec. 24.** The amendatory provisions of this act do not apply to
12 or otherwise affect any abatement of taxes or deferment of the
13 payment of taxes approved by the Office of Economic Development
14 or the Director of the Office of Energy before July 1, 2017.

15 **Sec. 25.** 1. This act becomes effective on July 1, 2017.

16 2. Section 2 of this act expires by limitation on June 30, 2023.

17 3. Sections 5, 5.5, 6, 7, 7.5, 14.7 and 14.9 of this act expire by
18 limitation on June 30, 2032.

19 4. Section 3 of this act expires by limitation on June 30, 2035.

20 5. Sections 8 and 9 of this act expire by limitation on June 30,
21 2036.

22 6. Section 22 of this act expires by limitation on June 30, 2049.

23 7. Section 4 expires by limitation on December 31, 2056.



