

ASSEMBLY BILL NO. 458—ASSEMBLYWOMEN BUCKLEY,
SMITH, PARNELL AND KIRKPATRICK

MARCH 16, 2009

Referred to Committee on Ways and Means

SUMMARY—Revises various provisions relating to funding for public education. (BDR 31-685)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
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 public financial administration; creating the K-12 Public Education Stabilization Account; repealing the provisions applying certain tax abatements to taxes imposed for public education and authorizing certain tax credits against taxes imposed for public education; exempting certain taxes imposed for public education from the reallocation of property taxes levied on property in a redevelopment area; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 **Section 3** of this bill creates the K-12 Public Education Stabilization Account
2 within the Fund to Stabilize the Operation of the State Government. (Chapter 353
3 of NRS) **Section 5** of this bill authorizes the Superintendent of Public Instruction to
4 request from the Legislature, if the Legislature is in session, an allocation from the
5 Account if a shortfall exists in the State Distributive School Account. If the
6 Legislature is not in session, **section 6** of this bill authorizes the Superintendent to
7 submit such a request to the Interim Finance Committee. Existing law authorizes
8 the Chief of the Budget Division of the Department of Administration, with the
9 approval of the Governor, to set aside reserves to meet emergencies arising during a
10 fiscal year. (NRS 353.225) **Section 7** of this bill limits the amount that may be set
11 aside as proposed reserves for the State Distributive School Account and certain
12 other funds and accounts for education to the average that is reserved for all other
13 departments, institutions and agencies. **Section 7** also requires the Chief to submit a
14 request to the Legislature or, if the Legislature is not in session, to the Interim
15 Finance Committee, to determine whether an allocation should be made from the
16 K-12 Public Education Stabilization Account in lieu of setting aside a reserve in the
17 State Distributive School Account and certain other funds and accounts for
18 education.



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Existing law authorizes the Commission on Economic Development to grant to certain businesses partial abatements of property taxes, business taxes and local sales and use taxes. (NRS 274.310, 274.320, 274.330, 360.750, 361.0687, 363B.120, 374.357, 701A.210) **Sections 8, 16-18 and 20-26** of this bill limit these abatements to taxes that are not imposed for public education.

Existing law authorizes certain businesses located within a zone for economic development to obtain, pursuant to an agreement with the governing body of the municipality designating the zone for economic development, a credit against or refund of local sales and use taxes. (NRS 274.270, 374.643) **Sections 9-15 and 26** of this bill limit such a credit or refund to taxes that are not imposed for public education.

Existing law authorizes the reallocation to a redevelopment agency of certain property taxes levied in a redevelopment area. (NRS 279.676) **Section 19** of this bill exempts from that reallocation any taxes imposed for public education.

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

Section 1. Chapter 353 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 6, inclusive, of this act.

Sec. 2. *As used in sections 2 to 6, inclusive, of this act, "Account" means the K-12 Public Education Stabilization Account created by section 3 of this act.*

Sec. 3. 1. *The K-12 Public Education Stabilization Account is hereby created in the Fund to Stabilize the Operation of the State Government created by NRS 353.288.*

2. *Except as otherwise provided in subsection 3, the State Controller shall, after the close of each odd-numbered fiscal year and before the issuance of the State Controller's annual report, transfer from the State General Fund to the Account any money which was reverted from the State Distributive School Account at the close of the previous fiscal year. Money transferred pursuant to this subsection to the Account is a continuing appropriation solely for the purpose of authorizing the expenditure of the transferred money for the purposes set forth in sections 2 to 6, inclusive, of this act.*

3. *The balance in the Account must not exceed 20 percent of the combined sum of:*

(a) The total anticipated apportionments pursuant to NRS 387.124 for the fiscal year in which the transfer pursuant to subsection 2 is made;

(b) The total anticipated local revenue pursuant to NRS 387.1235 for the fiscal year in which the transfer pursuant to subsection 2 is made; and



(c) The amount established by the Legislature for the reduction of pupil-teacher ratios pursuant to NRS 388.700 for the fiscal year in which the transfer pursuant to subsection 2 is made.

4. The money in the Account may only be allocated by the Legislature or, if the Legislature is not in session, the Interim Finance Committee, pursuant to sections 2 to 6, inclusive, of this act. Not more than 50 percent of the money in the Account may be so allocated in even-numbered fiscal years.

5. Except as otherwise provided in subsection 3, the interest and income earned on the sum of:

(a) The money in the Account; and

(b) Unexpended appropriations made to the Account from the State General Fund,

must be credited to the Account. If the amount of such credit would cause the Account to exceed the maximum allowed balance in the Account established pursuant to subsection 3, the amount of such excess credit must be deposited for credit to the State General Fund.

6. The money in the Account must not be used to replace or supplant money otherwise available from other sources for the operation of the K-12 public schools in this State.

7. The actual or projected balance of money in the Account must not be included in the calculation of the basic support guarantee per pupil established for each school year pursuant to NRS 387.122 or the basic support guarantee for special education program units established pursuant to NRS 387.1221.

Sec. 4. For purposes of sections 5 and 6 of this act, a shortfall exists in the State Distributive School Account if the projections of local revenue pursuant to NRS 387.1235 are at least 2 percent less than what was anticipated when the Legislature determined the amount of basic support for the biennium.

Sec. 5. 1. If there is a shortfall in the State Distributive School Account and the Legislature is in session, the Superintendent of Public Instruction may submit a request for an allocation from the K-12 Public Education Stabilization Account to the Director of the Legislative Counsel Bureau for transmission to the Legislature.

2. If the Legislature finds that an allocation should be made from the K-12 Public Education Stabilization Account, the Legislature shall by resolution establish the amount and purpose of the allocation and direct the State Controller to transfer that amount to the State Distributive School Account, giving first priority to the shortfall in the State Distributive School Account. The State Controller shall thereupon make the transfer.



1 **Sec. 6. 1. If there is a shortfall in the State Distributive**
2 **School Account and the Legislature is not in session, the**
3 **Superintendent of Public Instruction may submit a request to the**
4 **State Board of Examiners for an allocation from the K-12 Public**
5 **Education Stabilization Account by the Interim Finance**
6 **Committee.**

7 **2. The State Board of Examiners shall consider the request**
8 **and may require additional information from the Superintendent**
9 **of Public Instruction as the Board deems appropriate. If the State**
10 **Board of Examiners finds that an allocation should be made, the**
11 **Board shall recommend the amount of the allocation to the**
12 **Interim Finance Committee for its independent evaluation and**
13 **action. The Interim Finance Committee is not bound to follow the**
14 **recommendation of the State Board of Examiners.**

15 **3. If the Interim Finance Committee, after independent**
16 **determination, finds that an allocation should and may lawfully be**
17 **made from the K-12 Public Education Stabilization Account, the**
18 **Committee shall by resolution establish the amount and purpose**
19 **of the allocation, giving first priority to the shortfall in the State**
20 **Distributive School Account, and direct the State Controller to**
21 **transfer that amount to the State Distributive School Account.**

22 **Sec. 7. NRS 353.225 is hereby amended to read as follows:**

23 353.225 1. ~~[[H]]~~ **Subject to the requirements of subsections 2**
24 **and 3, in** order to provide some degree of flexibility to meet
25 emergencies arising during each fiscal year in the expenditures for
26 the State Distributive School Account in the State General Fund and
27 for operation and maintenance of the various departments,
28 institutions and agencies of the Executive Department of the State
29 Government, the Chief, with the approval in writing of the
30 Governor, may require the State Controller or the head of each such
31 department, institution or agency to set aside a reserve in such
32 amount as the Chief may determine, out of the total amount
33 appropriated or out of other funds available from any source
34 whatever to the department, institution or agency.

35 **2. If the Chief determines that a reserve pursuant to**
36 **subsection 1 is required in the State Distributive School Account,**
37 **the Account for Programs for Innovation and the Prevention of**
38 **Remediation created by NRS 385.379, the Grant Fund for**
39 **Incentives for Licensed Educational Personnel created by NRS**
40 **391.166, or any other account established for administration by**
41 **the Department of Education for other educational programs for**
42 **the school districts, charter schools and university schools for**
43 **profoundly gifted pupils, the amount of any proposed reserves in**
44 **each of those accounts and the Grant Fund, when combined and**
45 **calculated as a percentage of the general fund appropriations in**



1 *those accounts and the Grant Fund, must not exceed the average*
2 *percentage of reserves for all other accounts and funds that*
3 *include general fund appropriations for the operation of all*
4 *departments, institutions and agencies of the State Government*
5 *and authorized expenditures from the State General Fund for the*
6 *regulation of gaming for that fiscal year.*

7 *3. Before setting aside any reserves in the State Distributive*
8 *School Account, the Account for Programs for Innovation and the*
9 *Prevention of Remediation created by NRS 385.379, the Grant*
10 *Fund for Incentives for Licensed Educational Personnel created*
11 *by NRS 391.166, or any other account established for*
12 *administration by the Department of Education for other*
13 *educational programs for the school districts, charter schools and*
14 *university schools for profoundly gifted pupils, the Chief must*
15 *make a request to the Legislature or, if the Legislature is not in*
16 *session, to the Interim Finance Committee, to determine whether*
17 *an allocation should be made from the K-12 Public Education*
18 *Stabilization Account created by section 3 of this act in lieu of*
19 *setting aside the reserve. If the Legislature or the Interim Finance*
20 *Committee finds that an allocation should be made from the K-12*
21 *Public Education Stabilization Account in lieu of a reserve, the*
22 *Legislature or the Interim Finance Committee shall by resolution*
23 *establish the amount and the purpose of the allocation and direct*
24 *the State Controller to transfer that amount to the State General*
25 *Fund. If the Legislature or the Interim Finance Committee adopts*
26 *such a resolution, only the difference between the proposed*
27 *amount of reserves determined pursuant to subsection 2 and the*
28 *allocation made by resolution pursuant to this subsection may be*
29 *set aside as reserves in the State Distributive School Account, the*
30 *Account for Programs for Innovation and the Prevention of*
31 *Remediation created by NRS 385.379, the Grant Fund for*
32 *Incentives for Licensed Educational Personnel created by NRS*
33 *391.166, or any other account established for administration by*
34 *the Department of Education for other educational programs for*
35 *the school districts, charter schools and university schools for*
36 *profoundly gifted pupils.*

37 *4. At any time during the fiscal year this reserve or any portion*
38 *of it may be returned to the appropriation or other fund to which it*
39 *belongs and may be added to any one or more of the allotments, if*
40 *the Chief so orders in writing.*

41 **Sec. 8.** NRS 266.267 is hereby amended to read as follows:

42 266.267 1. A city council shall not enter into a lease of real
43 property owned by the city for a term of 3 years or longer or enter
44 into a contract for the sale of real property until after the property
45 has been appraised pursuant to NRS 268.059. Except as otherwise



provided in this section, paragraph (a) of subsection 1 of NRS 268.050 and subsection 3 of NRS 496.080:

(a) The sale or lease of real property must be made in the manner required pursuant to NRS 268.059, 268.061 and 268.062; and

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

2. The city council may sell or lease real property for less than its appraised value to any person who maintains or intends to maintain a business within the boundaries of the city which is eligible *for an abatement from local sales and use taxes* pursuant to ~~NRS 374.357 for an abatement from the sales and use taxes imposed pursuant to chapter 374 of NRS.~~ *section 20 of this act.*

Sec. 9. Chapter 274 of NRS is hereby amended by adding thereto the provisions set forth as sections 10, 11 and 12 of this act.

Sec. 10. *“Local sales and use taxes” means any taxes imposed on the gross receipts of any retailer from the sale of tangible personal property sold at retail, or stored, used or otherwise consumed, in any political subdivision of this State, except the taxes imposed by the Sales and Use Tax Act.*

Sec. 11. *“Taxes imposed for public education” means:*

1. Any ad valorem tax authorized or required by chapter 387 of NRS;

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

3. The taxes imposed by NRS 374.110, 374.190 and 374A.010; and

4. Any other ad valorem tax or local sales and use taxes for which the proceeds thereof are dedicated to the public education of pupils in kindergarten through grade 12.

Sec. 12. *1. Each person who holds a valid certificate, issued under NRS 274.270, as a qualified business may file for a credit or refund to recover the amount of the local sales and use taxes, other than taxes imposed for public education, paid for all tangible personal property purchased in the conduct of its business for the period, not to exceed 5 years, stated in its agreement with the governing body of the municipality made under NRS 274.270, or until the person is no longer certified as a qualified business under that section, whichever occurs first.*

2. Claims for credit or refund may be filed under this section only if:



1 ***(a) The designating municipality has adopted an ordinance***
2 ***authorizing such claims; and***

3 ***(b) This benefit is specified in the agreement made under***
4 ***NRS 274.270.***

5 **Sec. 13.** NRS 274.010 is hereby amended to read as follows:

6 274.010 As used in this chapter, unless the context otherwise
7 requires, the words and terms defined in NRS 274.020 to 274.080,
8 inclusive, ***and sections 10 and 11 of this act*** have the meanings
9 ascribed to them in those sections.

10 **Sec. 14.** NRS 274.230 is hereby amended to read as follows:

11 274.230 When a specially benefited zone is designated and
12 approved under this chapter, the governing body of the designating
13 municipality may:

14 1. Apply with the United States Department of Commerce to
15 have the specially benefited zone declared to be a free trade zone.

16 2. When any federal legislation concerning specially benefited
17 zones is enacted or becomes effective, prepare and submit, with the
18 assistance of the Administrator and in a timely fashion, all
19 information and forms necessary to permit the specially benefited
20 zone designated and approved under this chapter to be considered as
21 an eligible area under the federal program.

22 3. Apply for all available assistance from the federal, state, and
23 in the case of a city, the county government, including the
24 suspension or modification of their regulations within the specially
25 benefited zone that have the characteristics described in subsection 1
26 of NRS 274.110.

27 4. Develop and carry out a program to improve police
28 protection within the zone.

29 5. Give priority to the use in the zone of any federal assistance
30 for urban development or job training.

31 6. By ordinance adopt regulations for qualifying employers for
32 the benefits authorized specifically for qualified businesses under
33 this chapter. ~~[and NRS 374.643.]~~

34 **Sec. 15.** NRS 274.270 is hereby amended to read as follows:

35 274.270 1. The governing body shall investigate the proposal
36 made by a business pursuant to NRS 274.260, and if it finds that the
37 business is qualified by financial responsibility and business
38 experience to create and preserve employment opportunities in the
39 specially benefited zone and improve the economic climate of the
40 municipality and finds further that the business did not relocate from
41 a depressed area in this State or reduce employment elsewhere in
42 Nevada in order to expand in the specially benefited zone, the
43 governing body may, on behalf of the municipality, enter into an
44 agreement with the business, for a period of not more than 20 years,
45 under which the business agrees in return for one or more of the



benefits authorized in this chapter ~~[and NRS 374.643]~~ for qualified businesses, as specified in the agreement, to establish, expand, renovate or occupy a place of business within the specially benefited zone and hire new employees at least 35 percent of whom at the time they are employed are at least one of the following:

(a) Unemployed persons who have resided at least 6 months in the municipality.

(b) Persons eligible for employment or job training under any federal program for employment and training who have resided at least 6 months in the municipality.

(c) Recipients of benefits under any state or county program of public assistance, including, without limitation, temporary assistance for needy families, Medicaid and unemployment compensation who have resided at least 6 months in the municipality.

(d) Persons with a physical or mental handicap who have resided at least 6 months in the State.

(e) Residents for at least 1 year of the area comprising the specially benefited zone.

2. To determine whether a business is in compliance with an agreement, the governing body:

(a) Shall each year require the business to file proof satisfactory to the governing body of its compliance with the agreement.

(b) May conduct any necessary investigation into the affairs of the business and may inspect at any reasonable hour its place of business within the specially benefited zone.

➔ If the governing body determines that the business is in compliance with the agreement, it shall issue a certificate to that effect to the business. The certificate expires 1 year after the date of its issuance.

3. The governing body shall file with the Administrator, the Department of Taxation and the Employment Security Division of the Department of Employment, Training and Rehabilitation a copy of each agreement, the information submitted under paragraph (a) of subsection 2 and the current certificate issued to the business under that subsection. The governing body shall immediately notify the Administrator, the Department of Taxation and the Employment Security Division of the Department of Employment, Training and Rehabilitation whenever the business is no longer certified.

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

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

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



(b) A redevelopment area created pursuant to NRS 279.382 to 279.685, inclusive;

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

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

may submit a request to the governing body of the county, city or town in which the business would operate for an endorsement of an application by the person to the Commission on Economic Development for a partial abatement of one or more of the *local sales and use taxes or* taxes imposed pursuant to chapter 361 ~~for 374] of NRS [.~~ ~~The governing body of the county, city or town shall provide notice of the request to the board of trustees of the school district in which the business would operate. The notice must set forth the date, time and location of the hearing at which the governing body will consider whether to endorse the application.],~~ *other than any taxes imposed for public education.*

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

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

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

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

(a) The business is consistent with:

(1) The State Plan for Industrial Development and Diversification that is developed by the Commission pursuant to NRS 231.067; and

(2) Any guidelines adopted pursuant to the State Plan.

(b) The applicant has executed an agreement with the Commission which states that the business will, after the date on which a certificate of eligibility for the abatement is issued pursuant to subsection 4:

(1) Commence operation and continue in operation in the historically underutilized business zone, as defined in 15 U.S.C. § 632, redevelopment area created pursuant to NRS 279.382 to 279.685, inclusive, area eligible for a community development block grant pursuant to 24 C.F.R. Part 570 or enterprise community established pursuant to 24 C.F.R. Part 597 for a period specified by the Commission, which must be at least 5 years; and



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

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

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

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

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

(a) The Department of Taxation;

(b) The Nevada Tax Commission; and

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

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

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

Sec. 17. NRS 274.320 is hereby amended to read as follows:

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

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

(b) A redevelopment area created pursuant to NRS 279.382 to 279.685, inclusive;

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

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

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



~~whether to endorse the application.],~~ *other than any taxes imposed for public education.*

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

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

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

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

(a) The business is consistent with:

(1) The State Plan for Industrial Development and Diversification that is developed by the Commission pursuant to NRS 231.067; and

(2) Any guidelines adopted pursuant to the State Plan.

(b) The applicant has executed an agreement with the Commission which states that the business will, after the date on which a certificate of eligibility for the abatement is issued pursuant to subsection 4:

(1) Continue in operation in the historically underutilized business zone, as defined in 15 U.S.C. § 632, redevelopment area created pursuant to NRS 279.382 to 279.685, inclusive, area eligible for a community development block grant pursuant to 24 C.F.R. Part 570 or enterprise community established pursuant to 24 C.F.R. Part 597 for a period specified by the Commission, which must be at least 5 years; and

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

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

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

(d) The applicant invested or commits to invest a minimum of \$250,000 in capital equipment.

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

(a) The Department of Taxation; and

(b) The Nevada Tax Commission.



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

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

Sec. 18. NRS 274.330 is hereby amended to read as follows:

274.330 1. A person who owns a business which is located within an enterprise community established pursuant to 24 C.F.R. Part 597 in this State may submit a request to the governing body of the county, city or town in which the business is located for an endorsement of an application by the person to the Commission on Economic Development for a partial abatement of one or more of the *local sales and use taxes or* taxes imposed pursuant to chapter 361 ~~for 374~~ of NRS ~~[- The governing body of the county, city or town shall provide notice of the request to the board of trustees of the school district in which the business operates. The notice must set forth the date, time and location of the hearing at which the governing body will consider whether to endorse the application.],~~ *other than any taxes imposed for public education.*

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

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

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

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

(a) The business is consistent with:

(1) The State Plan for Industrial Development and Diversification that is developed by the Commission pursuant to NRS 231.067; and

(2) Any guidelines adopted pursuant to the State Plan.

(b) The applicant has executed an agreement with the Commission which states that the business will, after the date on which a certificate of eligibility for the abatement is issued pursuant to subsection 4:

(1) Continue in operation in the enterprise community for a period specified by the Commission, which must be at least 5 years; and



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

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

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

(d) The business:

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

(2) Pays such employee or employees a wage of not less than 100 percent of the federally designated level signifying poverty for a family of four persons and provides medical benefits to the employee or employees and his or their dependents.

4. If the Commission on Economic Development approves an application for a partial abatement, the Commission shall:

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

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

(1) The Department of Taxation;

(2) The Nevada Tax Commission; and

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

5. The Commission on Economic Development:

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

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

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

7. As used in this section, "dislocated worker" means a person who:

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

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



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

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

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

Sec. 19. NRS 279.676 is hereby amended to read as follows:

279.676 1. Any redevelopment plan may contain a provision that taxes, if any, levied upon taxable property in the redevelopment area each year by or for the benefit of the State, any city, county, district or other public corporation, after the effective date of the ordinance approving the redevelopment plan, must be divided as follows:

(a) That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of the taxing agencies upon the total sum of the assessed value of the taxable property in the redevelopment area as shown upon the assessment roll used in connection with the taxation of the property by the taxing agency, last equalized before the effective date of the ordinance, must be allocated to and when collected must be paid into the funds of the respective taxing agencies as taxes by or for such taxing agencies on all other property are paid. To allocate taxes levied by or for any taxing agency or agencies which did not include the territory in a redevelopment area on the effective date of the ordinance but to which the territory has been annexed or otherwise included after the effective date, the assessment roll of the county last equalized on the effective date of the ordinance must be used in determining the assessed valuation of the taxable property in the redevelopment area on the effective date. If property which was shown on the assessment roll used to determine the amount of taxes allocated to the taxing agencies is transferred to the State and becomes exempt from taxation, the assessed valuation of the exempt property as shown on the assessment roll last equalized before the date on which the property was transferred to the State must be subtracted from the assessed valuation used to determine the amount of revenue allocated to the taxing agencies.

(b) Except as otherwise provided in ~~paragraphs (c) and (d)~~ *this section* and NRS 540A.265, that portion of the levied taxes each year in excess of the amount set forth in paragraph (a) must be allocated to and when collected must be paid into a special fund of the redevelopment agency to pay the costs of redevelopment and to pay the principal of and interest on loans, money advanced to, or indebtedness, whether funded, refunded, assumed, or otherwise, incurred by the redevelopment agency to finance or refinance, in



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1 whole or in part, redevelopment. Unless the total assessed valuation
2 of the taxable property in a redevelopment area exceeds the total
3 assessed value of the taxable property in the redevelopment area as
4 shown by the assessment roll last equalized before the effective date
5 of the ordinance approving the redevelopment plan, less the
6 assessed valuation of any exempt property subtracted pursuant to
7 paragraph (a), all of the taxes levied and collected upon the taxable
8 property in the redevelopment area must be paid into the funds of
9 the respective taxing agencies. When the redevelopment plan is
10 terminated pursuant to the provisions of NRS 279.438 and 279.439
11 and all loans, advances and indebtedness, if any, and interest
12 thereon, have been paid, all money thereafter received from taxes
13 upon the taxable property in the redevelopment area must be paid
14 into the funds of the respective taxing agencies as taxes on all other
15 property are paid.

16 (c) That portion of the taxes in excess of the amount set forth in
17 paragraph (a) that is attributable to a tax rate levied by a taxing
18 agency to produce revenues in an amount sufficient to make annual
19 repayments of the principal of, and the interest on, any bonded
20 indebtedness that was approved by the voters of the taxing agency
21 on or after November 5, 1996, must be allocated to and when
22 collected must be paid into the debt service fund of that taxing
23 agency.

24 (d) That portion of the taxes in excess of the amount set forth in
25 paragraph (a) that is attributable to a new or increased tax rate levied
26 by a taxing agency and was approved by the voters of the taxing
27 agency on or after November 5, 1996, must be allocated to and
28 when collected must be paid into the appropriate fund of the taxing
29 agency.

30 *(e) That portion of the taxes in excess of the amount set forth*
31 *in paragraph (a) that is attributable to any taxes imposed for*
32 *public education levied by a taxing agency must be allocated to*
33 *and when collected must be paid into the appropriate fund of the*
34 *taxing agency.*

35 2. Except as otherwise provided in subsection 3, in any fiscal
36 year, the total revenue paid to a redevelopment agency must not
37 exceed:

38 (a) In a municipality whose population is 100,000 or more, an
39 amount equal to the combined tax rates of the taxing agencies for
40 that fiscal year multiplied by 10 percent of the total assessed
41 valuation of the municipality.

42 (b) In a municipality whose population is 25,000 or more but
43 less than 100,000, an amount equal to the combined tax rates of the
44 taxing agencies for that fiscal year multiplied by 15 percent of the
45 total assessed valuation of the municipality.



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(c) In a municipality whose population is less than 25,000, an amount equal to the combined tax rates of the taxing agencies for that fiscal year multiplied by 20 percent of the total assessed valuation of the municipality.

➤ If the revenue paid to a redevelopment agency must be limited pursuant to paragraph (a), (b) or (c) and the redevelopment agency has more than one redevelopment area, the redevelopment agency shall determine the allocation to each area. Any revenue which would be allocated to a redevelopment agency but for the provisions of this section must be paid into the funds of the respective taxing agencies.

3. The taxing agencies shall continue to pay to a redevelopment agency any amount which was being paid before July 1, 1987, and in anticipation of which the agency became obligated before July 1, 1987, to repay any bond, loan, money advanced or any other indebtedness, whether funded, refunded, assumed or otherwise incurred.

4. For the purposes of this section, the assessment roll last equalized before the effective date of the ordinance approving the redevelopment plan is the assessment roll in existence on March 15 immediately preceding the effective date of the ordinance.

5. As used in this section, "taxes imposed for public education" means:

(a) Any ad valorem tax authorized or required by chapter 387 of NRS;

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

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

Sec. 20. Chapter 360 of NRS is hereby amended by adding thereto a new section to read as follows:

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

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



1 (a) *The taxpayer is eligible for an abatement from local sales*
2 *and use taxes, other than any taxes imposed for public education,*
3 *for not more than 2 years.*

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

6 3. *As used in this section, unless the context otherwise*
7 *requires:*

8 (a) *“Eligible machinery or equipment” means machinery or*
9 *equipment for which a deduction is authorized pursuant to 26*
10 *U.S.C. § 179. The term does not include:*

11 (1) *Buildings or the structural components of buildings;*

12 (2) *Equipment used by a public utility;*

13 (3) *Equipment used for medical treatment;*

14 (4) *Machinery or equipment used in mining; or*

15 (5) *Machinery or equipment used in gaming.*

16 (b) *“Local sales and use taxes” has the meaning ascribed to it*
17 *in NRS 360.750.*

18 (c) *“Taxes imposed for public education” has the meaning*
19 *ascribed to it in NRS 360.750.*

20 **Sec. 21.** NRS 360.225 is hereby amended to read as follows:

21 360.225 1. During the course of an investigation undertaken
22 pursuant to NRS 360.130 of a person claiming:

23 (a) A partial abatement of property taxes pursuant to
24 NRS 361.0687;

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

26 (c) A deferral of the payment of taxes on the sale of capital
27 goods pursuant to NRS 372.397 or 374.402; or

28 (d) An abatement of taxes on the gross receipts from the sale,
29 storage, use or other consumption of eligible machinery or
30 equipment pursuant to ~~NRS 374.357,~~ **section 20 of this act,**

31 ➡ the Department shall investigate whether the person meets the
32 eligibility requirements for the abatement, partial abatement,
33 exemption or deferral that the person is claiming.

34 2. If the Department finds that the person does not meet the
35 eligibility requirements for the abatement, exemption or deferral
36 which the person is claiming, the Department shall report its
37 findings to the Commission on Economic Development and take
38 any other necessary actions.

39 **Sec. 22.** NRS 360.750 is hereby amended to read as follows:

40 360.750 1. A person who intends to locate or expand a
41 business in this State may apply to the Commission on Economic
42 Development for a partial abatement of one or more of the **local**
43 **sales and use taxes imposed on the new or expanded business or**
44 taxes imposed on the new or expanded business pursuant to chapter



1 361 ~~[, 363B or 374]~~ or 363B of NRS ~~[]~~ , other than any taxes
2 imposed for public education.

3 2. The Commission on Economic Development shall approve
4 an application for a partial abatement if the Commission makes the
5 following determinations:

6 (a) The business is consistent with:

7 (1) The State Plan for Industrial Development and
8 Diversification that is developed by the Commission pursuant to
9 NRS 231.067; and

10 (2) Any guidelines adopted pursuant to the State Plan.

11 (b) The applicant has executed an agreement with the
12 Commission which must:

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

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

20 (3) Bind the successors in interest of the business for the
21 specified period.

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

26 (d) Except as otherwise provided in NRS 361.0687, if the
27 business is a new business in a county whose population is 100,000
28 or more or a city whose population is 60,000 or more, the business
29 meets at least two of the following requirements:

30 (1) The business will have 75 or more full-time employees
31 on the payroll of the business by the fourth quarter that it is in
32 operation.

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

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

40 (I) The business will provide a health insurance plan for
41 all employees that includes an option for health insurance coverage
42 for dependents of the employees; and

43 (II) The cost to the business for the benefits the business
44 provides to its employees in this State will meet the minimum



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1 requirements for benefits established by the Commission by
2 regulation pursuant to subsection 9.

3 (e) Except as otherwise provided in NRS 361.0687, if the
4 business is a new business in a county whose population is less than
5 100,000 or a city whose population is less than 60,000, the business
6 meets at least two of the following requirements:

7 (1) The business will have 15 or more full-time employees
8 on the payroll of the business by the fourth quarter that it is in
9 operation.

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

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

18 (I) The business will provide a health insurance plan for
19 all employees that includes an option for health insurance coverage
20 for dependents of the employees; and

21 (II) The cost to the business for the benefits the business
22 provides to its employees in this State will meet the minimum
23 requirements for benefits established by the Commission by
24 regulation pursuant to subsection 9.

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

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

30 (2) The business will expand by making a capital investment
31 in this State in an amount equal to at least 20 percent of the value of
32 the tangible property possessed by the business in the immediately
33 preceding fiscal year. The determination of the value of the tangible
34 property possessed by the business in the immediately preceding
35 fiscal year must be made by the:

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

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

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



(I) The business will 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 cost to the business for the benefits the business provides to its new employees in this State will meet the minimum requirements for benefits established by the Commission by regulation pursuant to subsection 9.

(g) In lieu of meeting the requirements of paragraph (d), (e) or (f), if the business furthers the development and refinement of intellectual property, a patent or a copyright into a commercial product, the business meets at least two of the following requirements:

(1) The business will have 10 or more full-time employees on the payroll of the business by the fourth quarter that it is in operation.

(2) Establishing the business will require the business to make a capital investment of at least \$500,000 in this State.

(3) The average hourly wage that will be paid by the new business to its 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 provide a health insurance plan for all employees that includes an option for health insurance coverage for dependents of the employees; and

(II) The cost to the business for the benefits the business provides to its employees in this State will meet with minimum requirements established by the Commission by regulation pursuant to subsection 9.

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

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

(b) May, if the Commission determines that such action is necessary:

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

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

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



4. If a person submits an application to the Commission on Economic Development pursuant to subsection 1, the Commission shall provide notice to the governing body of the county ~~[, the board of trustees of the school district]~~ and the governing body of the city or town, if any, in which the person intends to locate or expand a business. The notice required pursuant to this subsection must set forth the date, time and location of the hearing at which the Commission will consider the application.

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

(a) The Department;

(b) The Nevada Tax Commission; and

(c) If the partial abatement is from ~~[the property tax]~~ *property taxes* imposed pursuant to chapter 361 of NRS, the county treasurer.

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

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

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

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

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

8. A county treasurer:

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



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

9. The Commission on Economic Development:

(a) Shall adopt regulations relating to:

(1) The minimum level of benefits that a business must provide to its employees if the business is going to use benefits paid to employees as a basis to qualify for a partial abatement; and

(2) The notice that must be provided pursuant to subsection 4.

(b) May adopt such other regulations as the Commission on Economic Development determines to be necessary to carry out the provisions of this section and NRS 360.755.

10. The Nevada Tax Commission:

(a) Shall adopt regulations regarding:

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

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

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

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

12. As used in this section:

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

(b) "Taxes imposed for public education" means:

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

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

(3) The taxes imposed by NRS 374.110, 374.190 and 374A.010; and

(4) Any other ad valorem tax or local sales and use taxes for which the proceeds thereof are dedicated to the public education of pupils in kindergarten through grade 12.



Sec. 23. NRS 361.0687 is hereby amended to read as follows:

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

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

(a) If the business is a new business in a county whose population is 100,000 or more or a city whose population is 60,000 or more:

(1) The business will make a capital investment in the county of at least \$50,000,000 if the business is an industrial or manufacturing business or at least \$5,000,000 if the business is not an industrial or manufacturing business; and

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

(b) If the business is a new business in a county whose population is less than 100,000 or a city whose population is less than 60,000:

(1) The business will make a capital investment in the county of at least \$5,000,000 if the business is an industrial or manufacturing business or at least \$500,000 if the business is not an industrial or manufacturing business; and

(2) The average hourly wage that will be paid by the new business to its 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.

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

(a) The partial abatement must:

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

(2) Not exceed 50 percent of the taxes on personal property payable by a business each year pursuant to this chapter;

(3) *Not apply to any taxes imposed for public education;*
and



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~~(3)~~ (4) Be administered and carried out in the manner set forth in NRS 360.750.

(b) The Executive Director of the Commission on Economic Development shall notify the county assessor of the county in which the business is located of the approval of the partial abatement, including, without limitation, the duration and percentage of the partial abatement that the Commission granted. The Executive Director shall, on or before April 15 of each year, advise the county assessor of each county in which a business qualifies for a partial abatement during the current fiscal year as to whether the business is still eligible for the partial abatement in the next succeeding fiscal year.

4. As used in this section, "taxes imposed for public education" has the meaning ascribed to it in NRS 360.750.

Sec. 24. NRS 701A.210 is hereby amended to read as follows:

701A.210 1. Except as otherwise provided in this section, if

a:

(a) Business that engages in the primary trade of preparing, fabricating, manufacturing or otherwise processing raw material or an intermediate product through a process in which at least 50 percent of the material or product is recycled on-site; or

(b) Business that includes as a primary component a facility for the generation of electricity from recycled material,

is found by the Commission on Economic Development to have as a primary purpose the conservation of energy or the substitution of other sources of energy for fossil sources of energy and obtains certification from the Commission on Economic Development pursuant to NRS 360.750, the Commission may, if the business additionally satisfies the requirements set forth in subsection 2 of NRS 361.0687, grant to the business a partial abatement from the taxes imposed on real property pursuant to chapter 361 of NRS.

2. If a partial abatement from the taxes imposed on real property pursuant to chapter 361 of NRS is approved by the Commission on Economic Development pursuant to NRS 360.750 for a business described in subsection 1:

(a) The partial abatement must:

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

(2) Not exceed 50 percent of the taxes on real property payable by the business each year;

(3) Not apply to any taxes imposed for public education;
and

~~(3)~~ (4) Be administered and carried out in the manner set forth in NRS 360.750.



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(b) The Executive Director of the Commission on Economic Development shall notify the county assessor of the county in which the business is located of the approval of the partial abatement, including, without limitation, the duration and percentage of the partial abatement that the Commission granted. The Executive Director shall, on or before April 15 of each year, advise the county assessor of each county in which a business qualifies for a partial abatement during the current fiscal year as to whether the business is still eligible for the partial abatement in the next succeeding fiscal year.

3. The partial abatement provided in this section applies only to the business for which certification was granted pursuant to NRS 360.750 and the property used in connection with that business. The exemption does not apply to property in this State that is not related to the business for which the certification was granted pursuant to NRS 360.750 or to property in existence and subject to taxation before the certification was granted.

4. As used in this section ~~["facility"]~~:

(a) ***"Facility"*** for the generation of electricity from recycled material" means a facility for the generation of electricity that uses recycled material as its primary fuel, including material from:

~~[(a)]~~ (1) Industrial or domestic waste, other than hazardous waste, even though it includes a product made from oil, natural gas or coal, such as plastics, asphalt shingles or tires;

~~[(b)]~~ (2) Agricultural crops, whether terrestrial or aquatic, and agricultural waste, such as manure and residue from crops; and

~~[(c)]~~ (3) Municipal waste, such as sewage and sludge.

➔ The term includes all the equipment in the facility used to process and convert into electricity the energy derived from a recycled material fuel.

(b) "Taxes imposed for public education" has the meaning ascribed to it in NRS 360.750.

Sec. 25. Section 2.320 of the Charter of the City of Henderson, being chapter 266, Statutes of Nevada 1971, as last amended by chapter 48, Statutes of Nevada 1997, at page 89, is hereby amended to read as follows:

Sec. 2.320 Sale, lease, exchange of real property owned by the City: Procedure; disposition of proceeds.

1. Subject to the provisions of this section, the City may sell, lease or exchange real property in Clark County, Nevada, acquired by the City pursuant to federal law from the United States of America.

2. Except as otherwise provided in subsection 3:

(a) The City may sell, lease or exchange real property only by resolution. Following the adoption of a resolution to



1 sell, lease or exchange, the City Council shall cause a notice
2 of its intention to sell, lease or exchange the real property to
3 be published once in a newspaper qualified pursuant to the
4 provisions of chapter 238 of NRS and published in the City.
5 The notice must be published at least 30 days before the date
6 set by the City Council for the sale, lease or exchange, and
7 must state:

8 (1) The date, time and place of the proposed sale, lease
9 or exchange.

10 (2) The place where and the time within which
11 applications and deposits may be made by prospective
12 purchasers or lessees.

13 (3) Such other information as the City Council desires.

14 (b) Applications or offers to purchase, lease or exchange
15 pursuant to the notice required in paragraph (a) must be in
16 writing, must not be accepted by the City Council for
17 consideration before the date of publication of the notice and
18 must be accompanied by a deposit of not less than 1 percent
19 of the total offer to purchase. If a lease, sale or exchange is
20 not consummated because:

21 (1) The City refuses or is unable to consummate the
22 lease, sale or exchange, the deposit must be refunded.

23 (2) The person who made the application or offer to
24 lease, buy or exchange refuses or is unable to consummate
25 the lease, sale or exchange, the City shall retain an amount of
26 the deposit that does not exceed 5 percent of the total offer to
27 purchase.

28 3. The City Council may waive the requirements of
29 subsection 2 for any lease of residential property that is for a
30 term of 1 year or less.

31 4. The City Council shall not make a lease for a term of
32 3 years or longer or enter into a contract for the sale or
33 exchange of real property until after the property has been
34 appraised by one disinterested appraiser employed by the City
35 Council. Except as otherwise provided in subsections 7 and 8,
36 it must be the policy of the City Council to require that all
37 such sales, leases or exchanges be made at or above the
38 current appraised value as determined by the appraiser unless
39 the City Council, in a public hearing held before the adoption
40 of the resolution to sell, lease or exchange the property,
41 determines by affirmative vote of not fewer than two-thirds of
42 the entire City Council based upon specified findings of fact
43 that a lesser value would be in the best interest of the public.
44 For the purposes of this subsection, an appraisal is not
45 considered current if it is more than 3 years old.



1 5. It must be the policy of the City Council to sell, lease
2 and exchange real property in a manner that will result in the
3 maximum benefit accruing to the City from the sales, leases
4 and exchanges. The City Council may attach any condition to
5 the sale, lease or exchange as appears to the City Council to
6 be in the best interests of the City.

7 6. The City Council may sell unimproved real property
8 owned by the City on a time payment basis. The down
9 payment must be in an amount determined by the City
10 Council, and the interest rate must be in an amount
11 determined by the City Council, but must not be less than 6
12 percent per annum on the declining balance.

13 7. Notwithstanding the provisions of subsection 4, the
14 City Council may dispose of any real property belonging to
15 the City to the United States of America, the State of Nevada,
16 Clark County, any other political subdivision of the State, or
17 any quasi-public or nonprofit entity for a nominal
18 consideration whenever the public interest requires such a
19 disposition. In any such case, the consideration paid must
20 equal the cost of the acquisition to the City.

21 8. The City Council may sell, lease or exchange real
22 property for less than its appraised value to any person who
23 maintains or intends to maintain a business within the
24 boundaries of the City which is eligible *for an abatement*
25 *from local sales and use taxes* pursuant to ~~[NRS 374.357 for~~
26 ~~an abatement from the sales and use taxes imposed pursuant~~
27 ~~to chapter 374 of NRS.]~~ *section 20 of this act.*

28 9. Proceeds from all sales and exchanges of real property
29 owned by the City, after deduction of the cost of the real
30 property, reasonable costs of publication, title insurance,
31 escrow and normal costs of sale, must be placed in the Land
32 Fund previously created by the City in the City Treasury and
33 hereby continued. Except as otherwise provided in subsection
34 10, money in the Land Fund may be expended only for:

35 (a) Acquisition of assets of a long-term character which
36 are intended to continue to be held or used, such as land,
37 buildings, machinery, furniture, computer software and other
38 equipment.

39 (b) Capital improvements of improvements thereon.

40 (c) Expenses incurred in the preparation of a long-term
41 comprehensive master planning study and any expenses
42 incurred in the master planning of the City.

43 (d) All costs, including salaries, for administration of the
44 Land Fund, and the land within the City.



(e) Expenses incurred in making major improvements and repairs to the water, sewer and street systems as differentiated from normal maintenance costs.

➤ Money received from leases of real property owned by the City must be placed in the Land Fund if the term of lease is 20 years or longer, whether the 20 years is for an initial term of lease or for an initial term and an option for renewal. Money received by the City from all other leases and interest on time payment sales of real property owned by the City must be apportioned in the ratio of 20 percent to current operational expenses of the City, 20 percent to the Land Fund, and 60 percent divided between the Land Fund and current operational expenses as determined by the Council.

10. If available, money in the Land Fund may be borrowed by the City pursuant to the provisions of NRS 354.430 to 354.460, inclusive.

Sec. 26. NRS 374.357 and 374.643 are hereby repealed.

Sec. 27. The provisions of sections 8, 20 to 23, inclusive, 16, 17, 18, 24, 25 and 26 of this act do not apply to or affect the terms of any abatement of taxes approved by the Commission on Economic Development before July 1, 2009.

Sec. 28. The provisions of sections 9 to 15, inclusive, and 26 of this act do not apply to or affect the terms of any agreement made pursuant to NRS 274.270 before July 1, 2009.

Sec. 29. 1. Any redevelopment plan adopted pursuant to chapter 279 of NRS before July 1, 2009, which contains a provision for the division of taxes pursuant to NRS 279.676 shall be deemed to include the amendatory provisions of section 19 of this act.

2. Notwithstanding the provisions of subsection 1 and the amendatory provisions of section 19 of this act, those provisions must not be applied in such a manner as to impair adversely any obligations outstanding on July 1, 2009, including, without limitation, bonds, medium-term financing, letters of credit and any other financial obligation, until all such obligations have been discharged in full or provision for their payment and redemption has been fully made.

Sec. 30. This act becomes effective on July 1, 2009.



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TEXT OF REPEALED SECTIONS

374.357 Abatement for eligible machinery or equipment used by certain new or expanded businesses. [Effective July 1, 2009.]

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

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

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

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

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

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

374.643 Credit or refund of tax for business within zone for economic development.

1. Each person who holds a valid certificate, issued under NRS 274.270, as a qualified business within a specially benefited zone may file for a credit or refund to recover the amount of tax paid under this chapter for all tangible personal property purchased in the conduct of its business for the period, not to exceed 5 years, stated in its agreement with the city or county, as the case may be, made under NRS 274.270, or until the person is no longer certified as a qualified business under that section, whichever occurs first.

2. Claims for credit or refund may be filed under this section only if:



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- (a) The city or county which designated the specially benefited zone has adopted an ordinance authorizing such claims; and
- (b) This benefit is specified in the agreement made under NRS 274.270.

