

Assembly Bill No. 458—Assemblywomen Buckley,
Smith, Parnell and Kirkpatrick

CHAPTER.....

AN ACT relating to public financial administration; creating the K-12 Public Education Stabilization Account; reallocating money reverted from the State Distributive School Account; revising the provisions governing certain tax abatements and credits available for economic development; reallocating a portion of the property taxes levied on property in a redevelopment area; revising the provisions requiring certain redevelopment agencies to set aside revenue for low-income housing; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Section 3 of this bill creates the K-12 Public Education Stabilization Account within the Fund to Stabilize the Operation of the State Government and requires the State Controller to deposit any money reverted from the State Distributive School Account at the close of each odd-numbered fiscal year into that Account and into the Account for Programs for Innovation and the Prevention of Remediation. (Chapter 353 of NRS) **Section 5** of this bill authorizes the Superintendent of Public Instruction to request from the Legislature, if the Legislature is in session, an allocation from the K-12 Public Education Stabilization Account if a shortfall exists in the State Distributive School Account. If the Legislature is not in session, **section 6** of this bill authorizes the Superintendent to submit such a request to the Interim Finance Committee. **Section 4** of this bill provides that all available allocations must be made from the K-12 Public Education Stabilization Account to cover a shortfall in the State Distributive School Account before any allocation to cover the shortfall is made from the Fund to Stabilize the Operation of the State Government. Existing law authorizes the Chief of the Budget Division of the Department of Administration, with the approval of the Governor, to set aside reserves to meet emergencies arising during a fiscal year. (NRS 353.225) **Section 7** of this bill limits the amount that may be set aside as proposed reserves for the State Distributive School Account and certain other funds and accounts for education to the average that is reserved for all other departments, institutions and agencies. **Section 7** also requires the Chief to submit a request to the Legislature or, if the Legislature is not in session, to the Interim Finance Committee, to determine whether an allocation should be made from the K-12 Public Education Stabilization Account in lieu of setting aside a reserve in the State Distributive School Account and certain other funds and accounts for education.

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 8-10, 13, 16-18, 26, 28, 29 and 31-33** of this bill exclude local school support taxes from such a partial abatement of local sales and use taxes. **Sections 16-18 and 29** also limit the duration and amount of such a partial abatement of property taxes. **Section 27** of this bill requires the Commission to adopt regulations for determining the duration and amount of those partial abatements, to establish sanctions for the failure of a business to comply with the eligibility requirements for those partial abatements and to require the



annual submission of information to determine compliance with those eligibility requirements, and authorizes the Department of Taxation to impose those sanctions.

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 33** of this bill exclude local school support taxes from such a credit or refund.

Existing law authorizes the reallocation to a redevelopment agency of certain property taxes levied in a redevelopment area. (NRS 279.676) **Sections 19-23 and 36** of this bill require the deposit of a portion of the amount of those taxes that would otherwise be reallocated to a redevelopment agency for the next 2 fiscal years into the State Distributive School Account and for succeeding fiscal years into the K-12 Public Education Stabilization Account.

Under existing law, a redevelopment agency of a city whose population is 300,000 or more, as determined by the last decennial census (currently Las Vegas only), is required to set aside for low-income housing at least 18 percent of its tax revenue from a redevelopment area. (NRS 0.050, 279.685) **Section 24** of this bill reduces the minimum amount of that set-aside to 15 percent, and requires an agency of a city that attains a population of 300,000 or more in the future, as determined from the populations of cities as certified annually by the Governor, to set aside for low-income housing at least 3 percent of its tax revenue from a redevelopment area for the first fiscal year and to increase that minimum percentage each fiscal year until it reaches a minimum amount of 15 percent.

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. (Deleted by amendment.)

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. 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:

(a) Fifty percent of any money which was reverted from the State Distributive School Account at the close of the previous fiscal year to the Account for Programs for Innovation and the Prevention of Remediation created by NRS 385.379. Money transferred pursuant to this paragraph to the Account for Programs for Innovation and the Prevention of Remediation is hereby appropriated as a continuing appropriation solely for the purpose of carrying out the provisions of NRS 385.3781 to 385.379, inclusive.



(b) Except as otherwise provided in subsection 3, fifty percent of any money which was reverted from the State Distributive School Account at the close of the previous fiscal year to the K-12 Public Education Stabilization Account. Money transferred pursuant to this paragraph to the Account is hereby appropriated as 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 K-12 Public Education Stabilization 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 paragraph (b) of 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 paragraph (b) of 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 paragraph (b) of subsection 2 is made.

4. The money in the K-12 Public Education Stabilization 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 K-12 Public Education Stabilization 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 Fund to Stabilize the Operation of the State Government or, if the amount of such excess credit would cause that Fund to exceed the maximum allowed balance in that Fund established pursuant to subsection 2 of NRS 353.288, the amount of such excess credit must be deposited for credit to the State General Fund.

6. The money in the K-12 Public Education Stabilization 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 K-12 Public Education Stabilization 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. *1. 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.*

2. If a shortfall exists in the State Distributive School Account:

(a) An allocation to cover the shortfall must be made from the K-12 Public Education Stabilization Account in accordance with the provisions of section 5 or 6 of this act before any allocation to cover the shortfall is made from the Fund to Stabilize the Operation of the State Government; and

(b) No allocation to cover the shortfall may be made from the Fund to Stabilize the Operation of the State Government until all money which is available in the K-12 Public Education Stabilization Account for allocation to cover the shortfall has been so allocated.

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.

Sec. 6. *1. If there is a shortfall in the State Distributive School Account and the Legislature is not in session, the Superintendent of Public Instruction may submit a request to the State Board of Examiners for an allocation from the K-12 Public*



Education Stabilization Account by the Interim Finance Committee.

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

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

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

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

2. If the Chief determines that a reserve pursuant to subsection 1 is required in the State Distributive School Account, the Account for Programs for Innovation and the Prevention of Remediation created by NRS 385.379, the Grant Fund for Incentives for Licensed Educational Personnel created by NRS 391.166, or any other account established for administration by the Department of Education for other educational programs for the school districts, charter schools and university schools for profoundly gifted pupils, the amount of any proposed reserves in each of those accounts and the Grant Fund, when combined and calculated as a percentage of the general fund appropriations in those accounts and the Grant Fund, must not exceed the average percentage of reserves for all other accounts and funds that



include general fund appropriations for the operation of all departments, institutions and agencies of the State Government and authorized expenditures from the State General Fund for the regulation of gaming for that fiscal year.

3. Before setting aside any reserves in the State Distributive School Account, the Account for Programs for Innovation and the Prevention of Remediation created by NRS 385.379, the Grant Fund for Incentives for Licensed Educational Personnel created by NRS 391.166, or any other account established for administration by the Department of Education for other educational programs for the school districts, charter schools and university schools for profoundly gifted pupils, the Chief must make a request to the Legislature or, if the Legislature is not in session, to the Interim Finance Committee, to determine whether an allocation should be made from the K-12 Public Education Stabilization Account created by section 3 of this act in lieu of setting aside the reserve. If the Legislature or the Interim Finance Committee finds that an allocation should be made from the K-12 Public Education Stabilization Account in lieu of a reserve, the Legislature or the Interim Finance Committee shall by resolution establish the amount and the purpose of the allocation and direct the State Controller to transfer that amount to the State General Fund. If the Legislature or the Interim Finance Committee adopts such a resolution, only the difference between the proposed amount of reserves determined pursuant to subsection 2 and the allocation made by resolution pursuant to this subsection may be set aside as reserves in the State Distributive School Account, the Account for Programs for Innovation and the Prevention of Remediation created by NRS 385.379, the Grant Fund for Incentives for Licensed Educational Personnel created by NRS 391.166, or any other account established for administration by the Department of Education for other educational programs for the school districts, charter schools and university schools for profoundly gifted pupils.

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

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

266.267 1. A city council shall not enter into a lease of real property owned by the city for a term of 3 years or longer or enter into a contract for the sale of real property until after the property 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 26 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 NRS 374.110 or 374.190 or the Sales and Use Tax Act.*

Sec. 11. (Deleted by amendment.)

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 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:

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

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

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

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



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

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

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

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

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

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

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

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

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

274.270 1. The governing body shall investigate the proposal made by a business pursuant to NRS 274.260, and if it finds that the business is qualified by financial responsibility and business experience to create and preserve employment opportunities in the specially benefited zone and improve the economic climate of the municipality and finds further that the business did not relocate from a depressed area in this State or reduce employment elsewhere in Nevada in order to expand in the specially benefited zone, the governing body may, on behalf of the municipality, enter into an agreement with the business, for a period of not more than 20 years, 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 **[H]**, **and section 19 of this act;**

(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.

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:~~ 5:

(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, *and section 19 of this act*, 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 a partial abatement from property taxes imposed pursuant to chapter 361 of NRS is approved by the Commission on Economic Development pursuant to this section, the partial abatement must:*

(a) *Be for a duration of not more than 10 years; and*

(b) *Not exceed 50 percent of the property taxes payable by a business each year.*

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 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.

~~5.1~~ 6. 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.

~~6.1~~ 7. 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 ~~4.1~~, *and section 19 of this act;*

(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.

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, *and section 19 of this act*, 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.

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* 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.

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:]~~ **5:**

(1) Continue in operation in the enterprise community 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 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 a partial abatement from property taxes imposed pursuant to chapter 361 of NRS is approved by the Commission on Economic Development pursuant to this section, the partial abatement must:*

(a) Be for a duration of not more than 10 years; and

(b) Not exceed 50 percent of the property taxes payable by a business each year.

5. 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, ***except as otherwise provided in subsection 4,*** 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-]~~ 6. 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-]~~ 7. 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-]~~ 8. 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. Chapter 279 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Except as otherwise provided in this section, out of any revenue from taxes which is otherwise required to be paid into a special fund of a redevelopment agency in accordance with paragraph (b) of subsection 1 of NRS 279.676, the county treasurer shall set aside:

(a) Three percent of that revenue for the fiscal year beginning on July 1, 2009;

(b) Four percent of that revenue for the fiscal year beginning on July 1, 2010;

(c) Five percent of that revenue for the fiscal year beginning on July 1, 2011;

(d) Six percent of that revenue for the fiscal year beginning on July 1, 2012;

(e) Seven percent of that revenue for the fiscal year beginning on July 1, 2013;

(f) Eight percent of that revenue for the fiscal year beginning on July 1, 2014;



(g) Nine percent of that revenue for the fiscal year beginning on July 1, 2015;

(h) Ten percent of that revenue for the fiscal year beginning on July 1, 2016;

(i) Eleven percent of that revenue for the fiscal year beginning on July 1, 2017;

(j) Twelve percent of that revenue for the fiscal year beginning on July 1, 2018;

(k) Thirteen percent of that revenue for the fiscal year beginning on July 1, 2019;

(l) Fourteen percent of that revenue for the fiscal year beginning on July 1, 2020; and

(m) Fifteen percent of that revenue for each fiscal year beginning on or after July 1, 2021,

↪ and pay the amount set aside to the State Treasurer.

2. The provisions of subsection 1:

(a) Shall not apply to reduce the amounts payable under any existing obligation of the agency or otherwise be applied in such a manner as to impair adversely any existing obligation of the agency, as determined by the agency as provided in subsection 4, until the existing obligation has been discharged in full; and

(b) Do not apply to any revenue required to be paid into a special fund of the agency which is attributable to the taxes imposed on the property included in a particular redevelopment project within the redevelopment area if:

(1) The legislative body determines that any of the property included in that redevelopment project is characterized by the factor specified in paragraph (j) of subsection 1 of NRS 279.388;

(2) Before July 1, 2009, the agency entered into a memorandum of understanding or other agreement with a private entity regarding that redevelopment project; and

(3) The agency certifies that a private entity has entered into or will be obligated to enter into a memorandum of understanding or other agreement with the board of trustees of the school district in which that redevelopment project is located which obligates the private entity to donate to that school district sites for the construction of schools, in such a number, size and location as that board of trustees determines to be appropriate for that redevelopment project.

3. The State Treasurer shall deposit any money received pursuant to subsection 1:



(a) Except as otherwise provided in paragraph (b), into the K-12 Public Education Stabilization Account created by section 3 of this act; and

(b) To the extent that the amount received would cause the K-12 Public Education Stabilization Account to exceed the maximum allowed balance in the Account established pursuant to subsection 3 of section 3 of this act, into the Account for Programs for Innovation and the Prevention of Remediation created by NRS 385.379.

4. The agency shall, not later than July 15 of each year, certify to the county treasurer, the Committee on Local Government Finance and the Department of Taxation the amount of revenue from taxes that is not subject to the provisions of subsection 1 because of the provisions of subsection 2 or 6. The county treasurer shall use the certification of the agency in determining the amount to be set aside pursuant to subsection 1. The Committee on Local Government Finance, in cooperation with the Department of Taxation, may review the certification of the agency and, if the Committee on Local Government Finance determines that the certification is incorrect or otherwise erroneous, it may direct a different amount to be set aside pursuant to subsection 1.

5. The Committee on Local Government Finance may adopt regulations for the administration and interpretation of this section.

6. For the purposes of this section, "existing obligation" includes, without limitation:

(a) Any bond, note, medium-term financing, certificate, debenture or other financial obligation issued by the agency before July 1, 2009, and any obligation issued thereafter to refund any bond, note, medium-term financing, certificate, debenture or other financial obligation issued by the agency before July 1, 2009, if:

(1) The total payments to be made on the refunding obligation are less than the total payments to be made on the obligation being refunded; and

(2) The final maturity date of the refunding obligation is not later than the final maturity date of the obligation being refunded;

(b) Any loan, letter of credit or other advance of money to the agency before July 1, 2009, including, without limitation, a loan from any federal, state or local governmental entity and any loan



from or other financial obligation owed to any bank or other private entity;

(c) Any minimum payment required on any note issued or other indebtedness or obligation incurred by the agency pursuant to any agreement for tax increment financing made pursuant to the redevelopment plan before July 1, 2009, including, without limitation, any owner participation agreement;

(d) Any money required to be set aside by the agency pursuant to NRS 279.685 for each fiscal year, but not less than the amount set aside by the agency pursuant to that section for the fiscal year ending on June 30, 2009;

(e) Any money required to administer and operate the agency for each fiscal year, except that for each fiscal year beginning after the first full fiscal year of the administration and operation of the agency, this amount must not exceed 102 percent of the amount expended for the administration and operation of the agency for the immediately preceding fiscal year;

(f) Any contractual obligation incurred by the agency before July 1, 2009, which, if breached by the agency, may subject the agency to damages or other liability, including, without limitation, any obligation, covenant or representation of the agency to issue any bonds, notes or other additional indebtedness in the future, any covenant to maintain reserve funds, any covenant to maintain minimum annual debt service ratios, any obligation to purchase property and any obligation to construct improvements, whether or not such obligation is an obligation or debt of the agency under NRS 279.638 and whether or not such obligation is limited to particular revenues of the agency; and

(g) The provisions of any memorandum of understanding between the agency and any private entity relating to the redevelopment of any site as part of a redevelopment project, if:

(1) Before July 1, 2009, in anticipation of the redevelopment of the site as part of a redevelopment project, the private entity reduced the fair market value of the site by clearing, demolishing or excavating any property at the site; and

(2) Before July 1, 2011, the agency and private entity execute a formal contract for the redevelopment of the site as part of a redevelopment project.

Sec. 20. NRS 279.636 is hereby amended to read as follows:

279.636 1. An agency may issue such types of bonds as it may determine, including bonds on which the principal and interest are payable:



(a) Exclusively from the income and revenues of the redevelopment projects financed with the proceeds of the bonds, or with those proceeds together with financial assistance from the State or Federal Government in aid of the projects.

(b) Exclusively from the income and revenues of certain designated redevelopment projects whether or not they were financed in whole or in part with the proceeds of the bonds.

(c) In whole or in part from taxes allocated to, and paid into a special fund of, the agency pursuant to the provisions of NRS 279.674 to 279.685, inclusive ~~§~~, *and section 19 of this act.*

(d) From its revenues generally.

(e) From any contributions or other financial assistance from the State or Federal Government.

(f) By any combination of these methods.

2. Any of the bonds may be additionally secured by a pledge of any revenue or by an encumbrance by mortgage, deed of trust or otherwise of any redevelopment project or other property of the agency or by a pledge of the taxes referred to in subsection 1.

3. Amounts payable in any manner permitted by this section may be additionally secured by a pledge of the full faith and credit of the community whose legislative body has declared the need for the agency to function. Such additional security may only be provided upon the approval of the majority of the voters voting on the question at a primary or general election or a special election called for that purpose. In its proposal to its voters the governing body shall define the area to be redeveloped, the primary source or sources of revenue first to be employed to retire the bonds and the maximum sum for which the city may pledge its full faith and credit in connection with the bonds to be issued for the project.

Sec. 21. NRS 279.674 is hereby amended to read as follows:

279.674 As used in NRS 279.674 to 279.685, inclusive, *and section 19 of this act*, the word "taxes" ~~[shall include, but]~~ *includes*, without limitation, all levies on an ad valorem basis upon land or real property.

Sec. 22. 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, section 19 of this act* 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 whole or in part, redevelopment. Unless the total assessed valuation of the taxable property in a redevelopment area exceeds the total assessed value of the taxable property in the redevelopment area as shown by the assessment roll last equalized before the effective date of the ordinance approving the redevelopment plan, less the assessed valuation of any exempt property subtracted pursuant to paragraph (a), all of the taxes levied and collected upon the taxable property in the redevelopment area must be paid into the funds of the respective taxing agencies. When the redevelopment plan is terminated pursuant to the provisions of NRS 279.438 and 279.439 and all loans, advances and indebtedness, if any, and interest thereon, have been paid, all money thereafter received from taxes upon the taxable property in the redevelopment



area must be paid into the funds of the respective taxing agencies as taxes on all other property are paid.

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

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

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

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

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

(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.

Sec. 23. NRS 279.680 is hereby amended to read as follows:

279.680 Except as otherwise provided in NRS 279.685, in any redevelopment plan, or in the proceedings for the advance of money, or the making of loans, or the incurring of any indebtedness, whether funded, refunded, assumed or otherwise, by the redevelopment agency to finance or refinance, in whole or in part, the redevelopment project, the portion of taxes mentioned in paragraph (b) of subsection 1 of NRS 279.676 *which is paid into a special fund of the redevelopment agency* may be irrevocably pledged for the payment of the principal of and interest on those loans, advances or indebtedness.

Sec. 24. NRS 279.685 is hereby amended to read as follows:

279.685 1. Except as otherwise provided in this section, an agency of a city whose population *for a fiscal year* is 300,000 or more that receives revenue from taxes pursuant to paragraph (b) of subsection 1 of NRS 279.676 shall set aside not less than 15 percent of that revenue received on or ~~[before October 1, 1999, and 18 percent of that revenue received after October 1, 1999,]~~ *after July 1, 2009*, to increase, improve and preserve the number of dwelling units in the community for low-income households.

~~[2.]~~ The obligation of an agency *pursuant to this subsection* to set aside ~~[not less than 15 percent of the]~~ *any* revenue from taxes allocated to and received by the agency pursuant to paragraph (b) of subsection 1 of NRS 279.676 is subordinate to any existing obligations of the agency. As used in this subsection, "existing obligations" means the principal and interest, when due, on any bonds, notes or other indebtedness whether funded, refunded, assumed or otherwise incurred by the agency before ~~[July 1, 1993, to finance or refinance in whole or in part, the redevelopment of a redevelopment area. For the purposes of this subsection, obligations incurred by an agency after July 1, 1993, shall be deemed existing obligations if the net proceeds are used to refinance existing obligations of the agency.]~~

~~— 3. The obligation of an agency to set aside an additional 3 percent of the revenue from taxes allocated to and received by the agency pursuant to paragraph (b) of subsection 1 of NRS 279.676 is subordinate to any existing obligations of the agency. As used in~~



~~this subsection, “existing obligations” means the principal and interest, when due, on any bonds, notes or other indebtedness whether funded, refunded, assumed or otherwise incurred by the agency before~~ October 1, 1999, to finance or refinance in whole or in part, the redevelopment of a redevelopment area. For the purposes of this subsection, obligations incurred by an agency after October 1, 1999, shall be deemed existing obligations if the net proceeds are used to refinance existing obligations of the agency.

~~[4.]~~ 2. *Subsection 1 does not apply to an agency of a city whose population for a fiscal year is 300,000 or more if the first fiscal year for which that population is 300,000 or more begins on or after July 1, 2009. Except as otherwise provided in this subsection, an agency of a city whose population for a fiscal year is 300,000 or more to which subsection 1 does not apply shall, if the agency receives revenue from taxes pursuant to paragraph (b) of subsection 1 of NRS 279.676, set aside not less than:*

(a) Three percent of that revenue for the first fiscal year for which the population of that city is 300,000 or more;

(b) Four percent of that revenue for the second fiscal year for which the population of that city is 300,000 or more;

(c) Five percent of that revenue for the third fiscal year for which the population of that city is 300,000 or more;

(d) Six percent of that revenue for the fourth fiscal year for which the population of that city is 300,000 or more;

(e) Seven percent of that revenue for the fifth fiscal year for which the population of that city is 300,000 or more;

(f) Eight percent of that revenue for the sixth fiscal year for which the population of that city is 300,000 or more;

(g) Nine percent of that revenue for the seventh fiscal year for which the population of that city is 300,000 or more;

(h) Ten percent of that revenue for the eighth fiscal year for which the population of that city is 300,000 or more;

(i) Eleven percent of that revenue for the ninth fiscal year for which the population of that city is 300,000 or more;

(j) Twelve percent of that revenue for the 10th fiscal year for which the population of that city is 300,000 or more;

(k) Thirteen percent of that revenue for the 11th fiscal year for which the population of that city is 300,000 or more;

(l) Fourteen percent of that revenue for the 12th fiscal year for which the population of that city is 300,000 or more; and

(m) Fifteen percent of that revenue for the 13th and each subsequent fiscal year for which the population of that city is 300,000 or more,



↳ *to increase, improve and preserve the number of dwelling units in the community for low-income households. The obligation of an agency pursuant to this subsection to set aside any revenue from taxes allocated to and received by the agency pursuant to paragraph (b) of subsection 1 of NRS 279.676 is subordinate to any existing obligations of the agency. As used in this subsection, "existing obligations" means the principal and interest, when due, on any bonds, notes or other indebtedness whether funded, refunded, assumed or otherwise incurred by the agency before July 1, 2009, to finance or refinance, in whole or in part, the redevelopment of a redevelopment area. For the purposes of this subsection, obligations incurred by an agency on or after July 1, 2009, shall be deemed existing obligations if the net proceeds are used to refinance existing obligations of the agency.*

3. The agency may expend or otherwise commit money for the purposes of subsection 1 *or 2, as applicable*, outside the boundaries of the redevelopment area.

4. *For the purposes of this section, the population of a city for a fiscal year is the population of that city as certified for that fiscal year by the Governor pursuant to NRS 360.285. The Department of Taxation shall, as soon as practicable after the Governor first certifies the population of a city pursuant to NRS 360.285 as being 300,000 or more, notify any agency of that city of that certification.*

Sec. 25. Chapter 360 of NRS is hereby amended by adding thereto the provisions set forth as sections 26 and 27 of this act.

Sec. 26. 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 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:*

(a) *The taxpayer is eligible for an abatement from local sales and use taxes 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:*



(a) *“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:*

- (1) Buildings or the structural components of buildings;*
- (2) Equipment used by a public utility;*
- (3) Equipment used for medical treatment;*
- (4) Machinery or equipment used in mining; or*
- (5) Machinery or equipment used in gaming.*

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

Sec. 27. *1. The Commission on Economic Development shall adopt regulations:*

(a) Specifying criteria for determining, subject to such limitations as may be prescribed by specific statute, the duration and amount of any abatement of taxes which the Commission is authorized or required to approve. The criteria must provide for progressively greater abatements based upon the extent to which the business exceeds any minimum eligibility requirements for the abatement and meets such additional eligibility requirements as the Commission deems appropriate.

(b) Establishing a schedule of progressively greater sanctions for the failure of a business to comply with any eligibility requirements for any abatement of taxes approved by the Commission. The sanctions:

(1) Must be commensurate with the severity of the failure to comply with such eligibility requirements; and

(2) May include:

(I) A reduction in the duration or amount of the abatement;

(II) The termination of the abatement; and

(III) The repayment of all or any portion of the abatement to the Department or county treasurer, as appropriate.

(c) Requiring each business that accepts any abatement of taxes approved by the Commission to submit annually such information and documentation as may be necessary for the Commission to determine whether the business is in compliance with any eligibility requirements for the abatement.

2. If the Commission on Economic Development determines that any business which accepts any abatement of taxes approved by the Commission may not be in compliance with any eligibility requirements for the abatement, the Commission shall notify the Department of that determination and the Department may, after providing the business with notice of and an opportunity for a



hearing on the matter, impose such sanctions as may be appropriate in accordance with the regulations adopted pursuant to subsection 1. If the abatement is from property taxes imposed pursuant to chapter 361 of NRS, the Department shall provide notice of the imposition of any such sanctions to the county treasurer.

3. If a business is required to repay all or any portion of any abatement to a county treasurer as a result of the imposition of any sanctions pursuant to this section, the county treasurer:

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

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

Sec. 28. NRS 360.225 is hereby amended to read as follows:

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

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

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

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

(d) An abatement of taxes on the gross receipts from the sale, storage, use or other consumption of eligible machinery or equipment pursuant to ~~NRS 374.357,~~ *section 26 of this act,*

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

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

Sec. 29. NRS 360.750 is hereby amended to read as follows:

360.750 1. A person who intends to locate or expand a business in this State may apply to the Commission on Economic Development for a partial abatement of one or more of the *local sales and use taxes imposed on the new or expanded business or* taxes imposed on the new or expanded business pursuant to chapter 361 ~~[, 363B or 374]~~ *or 363B* of NRS.

2. The Commission on Economic Development shall approve an application for a partial abatement 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 must:

(1) Comply with the requirements of NRS 360.755;

(2) State that the business will, after the date on which a certificate of eligibility for the abatement is issued pursuant to subsection 5, continue in operation in this State for a period specified by the Commission, which must be at least ~~5~~ 6, years, and will continue to meet the eligibility requirements set forth in this subsection; and

(3) Bind the 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) Except as otherwise provided in NRS 361.0687, 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, the business meets at least two of the following requirements:

(1) The business will have 75 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 \$1,000,000 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 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 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 the minimum requirements for benefits established by the Commission by regulation pursuant to subsection ~~9~~ 10.

(e) 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 or a city whose population is less than 60,000, the business meets at least two of the following requirements:

(1) The business will have 15 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 \$250,000 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 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 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 the minimum requirements for benefits established by the Commission by regulation pursuant to subsection ~~9.~~ 10.

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

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

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

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

(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 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~~ 10.

(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 a partial abatement from property taxes imposed pursuant to chapter 361 of NRS is approved by the Commission on Economic Development pursuant to this section, the partial abatement must:

(a) Be for a duration of not more than 10 years; and

(b) Not exceed 50 percent of the property taxes payable by a business each year.

6. 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.~~ **7.** 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. - 1f~~

8. Except as otherwise provided in the regulations adopted by the Commission on Economic Development pursuant to section 27 of this act, 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.

~~8.1~~ **9.** A county treasurer:

(a) Shall deposit any money that he receives pursuant to subsection ~~7.1~~ **8** in one or more of the funds established by a local government of the county pursuant to NRS 354.6113 or 354.6115; and

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

~~9.1~~ **10.** 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.

~~10.1~~ **11.** 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.

~~11.1~~ **12.** 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.

13. *As used in this section, "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 NRS 374.110 or 374.190 or the Sales and Use Tax Act.*

Secs. 30 and 31. (Deleted by amendment.)



Sec. 32. 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 sell, lease or exchange, the City Council shall cause a notice of its intention to sell, lease or exchange the real property to be published once in a newspaper qualified pursuant to the provisions of chapter 238 of NRS and published in the City. The notice must be published at least 30 days before the date set by the City Council for the sale, lease or exchange, and must state:

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

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

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

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

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

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

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



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

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

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

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

8. The City Council may sell, lease or exchange 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 26 of this act.*



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

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

(b) Capital improvements of improvements thereon.

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

(d) All costs, including salaries, for administration of the 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. 33. NRS 374.357 and 374.643 are hereby repealed.

Sec. 34. The provisions of sections 8, 9, 10, 13, 16, 17, 18 and 25 to 33, inclusive, 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. 35. The provisions of sections 9 to 15, inclusive, and 33 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. 36. 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 provisions of section 22 of this act.

2. Notwithstanding any provision of section 19 of this act to the contrary, the State Treasurer shall deposit any money received pursuant to paragraphs (a) and (b) of subsection 1 of that section into the State Distributive School Account in the State General Fund.

3. The provisions of section 24 of this act do not apply to any revenue from taxes received by a redevelopment agency before July 1, 2009.

Sec. 37. This act becomes effective on July 1, 2009.

