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FIRST REPRINT

A.B. 138

ASSEMBLY BILL NO. 138—ASSEMBLYMEN SPRINKLE, BUSTAMANTE  
ADAMS, KIRKPATRICK, BOBZIEN; AND NEAL

FEBRUARY 18, 2013

JOINT SPONSORS: SENATORS SMITH AND KIHUEN

Referred to Committee on Taxation

SUMMARY—Revises provisions governing the partial abatement  
of certain taxes. (BDR 32-113)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.  
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to taxation; revising provisions governing the  
partial abatement of certain taxes; and providing other  
matters properly relating thereto.

**Legislative Counsel's Digest:**

1 Under existing law, a person who intends to locate or expand a business in  
2 Nevada may apply to the Office of Economic Development for a partial abatement  
3 of one or more of the taxes imposed on the new or expanded business pursuant to  
4 chapter 361 (property tax), 363B (business tax) or 374 (local school support tax) of  
5 NRS. (NRS 274.310, 274.320, 360.750, 361.0687, 363B.120, 374.357) This bill  
6 provides that a business which makes a capital investment of at least \$1,000,000 in  
7 a program at the University of Nevada, Reno, the University of Nevada, Las Vegas,  
8 or the Desert Research Institute for the support of research, development or training  
9 related to the field of endeavor of the business and which meets certain other  
10 requirements is eligible to apply for a partial abatement of personal property taxes.  
11 In addition, this bill provides that a business which makes a capital investment of at  
12 least \$500,000 in the Nevada State College or another smaller institution within the  
13 Nevada System of Higher Education in support of college certification or research  
14 or training related to the field of endeavor of the business and which meets certain  
15 other requirements is also eligible to apply for a partial abatement of personal  
16 property taxes. The abatements afforded by this bill expire by limitation on June 30,  
17 2023.



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

1       **Section 1.** The Legislature hereby finds that each exemption  
2 provided by this act from any ad valorem tax on property or excise  
3 tax on the sale, storage, use or consumption of tangible personal  
4 property sold at retail:

5       1. Will achieve a bona fide social or economic purpose and that  
6 the benefits of the exemption are expected to exceed any adverse  
7 effect of the exemption on the provision of services to the public by  
8 the State or a local government that would otherwise receive  
9 revenue from the tax from which the exemption would be granted;  
10 and

11       2. Will not impair adversely the ability of the State or a local  
12 government to pay, when due, all interest and principal on any  
13 outstanding bonds or any other obligations for which revenue from  
14 the tax from which the exemption would be granted was pledged.

15       **Sec. 2.** Chapter 360 of NRS is hereby amended by adding  
16 thereto a new section to read as follows:

17       1. *A person who intends to locate or expand a business in this*  
18 *State may apply to the Office of Economic Development pursuant*  
19 *to this section for a partial abatement of the tax imposed on the*  
20 *new or expanded business pursuant to chapter 361 of NRS.*

21       2. *The Office of Economic Development shall approve an*  
22 *application for a partial abatement pursuant to this section if the*  
23 *Office makes the following determinations:*

24       (a) *The business is in one or more of the industry sectors for*  
25 *economic development promoted, identified or otherwise approved*  
26 *by the Governor's Workforce Investment Board described in*  
27 *NRS 232.935.*

28       (b) *The business is consistent with:*

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

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

34       (c) *The applicant has executed an agreement with the Office*  
35 *which must:*

36       (1) *Comply with the requirements of NRS 360.755;*

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

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



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

7           (5) *Bind the successors in interest of the business for the*  
8 *specified period.*

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

13           (e) *The business does not receive:*

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

16           (2) *Any real or personal property from a governmental*  
17 *entity at no cost or at a reduced cost.*

18           (f) *The business meets the following requirements:*

19           (1) *The business makes a capital investment of at least*  
20 *\$1,000,000 in a program of the University of Nevada, Reno, the*  
21 *University of Nevada, Las Vegas, or the Desert Research Institute*  
22 *to be used in support of research, development or training related*  
23 *to the field of endeavor of the business.*

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

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

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

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

41           (II) *The cost to the business for the benefits the business*  
42 *provides to its employees in this State will meet the minimum*  
43 *requirements for benefits established by the Office by regulation*  
44 *pursuant to subsection 9.*



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1           ***(5) The business submits with its application for a partial***  
2 ***abatement:***

3           ***(I) A letter of support from the institution in which the***  
4 ***capital investment is made, which is signed by the chief***  
5 ***administrative officer of the institution and the director or chair of***  
6 ***the program or the appropriate department, and which includes,***  
7 ***without limitation, a summary of the financial and other resources***  
8 ***the business will provide to the program and an agreement that***  
9 ***the institution will provide to the Office periodic reports, at such***  
10 ***times and containing such information as the Office may require,***  
11 ***regarding the use of those resources; and***

12           ***(II) A letter of support which is signed by the chair of***  
13 ***the board of directors of the regional economic development***  
14 ***authority within whose jurisdiction the institution is located and***  
15 ***which includes, without limitation, a summary of the role the***  
16 ***business will play in diversifying the economy and, if applicable,***  
17 ***in achieving the broader goals of the regional economic***  
18 ***development authority for economic development and***  
19 ***diversification.***

20           ***(g) In lieu of meeting the requirements of paragraph (f), the***  
21 ***business meets the following requirements:***

22           ***(1) The business makes a capital investment of at least***  
23 ***\$500,000 in the Nevada State College or an institution of the***  
24 ***Nevada System of Higher Education other than those set forth in***  
25 ***subparagraph (I) of paragraph (f), to be used in support of college***  
26 ***certification or in support of research or training related to the***  
27 ***field of endeavor of the business.***

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

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

34           ***(4) The average hourly wage that will be paid by the***  
35 ***business to its employees in this State is at least 100 percent of the***  
36 ***average statewide hourly wage or the average countywide hourly***  
37 ***wage, whichever is less, 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 full-time employees that includes an option for health***  
42 ***insurance coverage for dependents of those employees, or will***  
43 ***abide by all applicable provisions of the Patient Protection and***  
44 ***Affordable Care Act, Public Law 111-148, or both; and***



1            *(II) The cost to the business for the benefits the business*  
2 *provides to its employees in this State will meet the minimum*  
3 *requirements for benefits established by the Office by regulation*  
4 *pursuant to subsection 9.*

5            *(5) The business submits with its application for a partial*  
6 *abatement:*

7            *(I) A letter of support from the college or institution in*  
8 *which the capital investment is made, which is signed by the chief*  
9 *administrative officer of the college or institution and which*  
10 *includes, without limitation, a summary of the financial and other*  
11 *resources the business will provide to the program and an*  
12 *agreement that the college or institution will provide to the Office*  
13 *periodic reports, at such times and containing such information as*  
14 *the Office may require, regarding the use of those resources; and*

15            *(II) A letter of support which is signed by the chair of*  
16 *the board of directors of the regional economic development*  
17 *authority within whose jurisdiction the college or institution is*  
18 *located and which includes, without limitation, a summary of the*  
19 *role the business will play in diversifying the economy and, if*  
20 *applicable, in achieving the broader goals of the regional*  
21 *economic development authority for economic development and*  
22 *diversification.*

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

25            *(a) Shall furnish to the board of county commissioners of each*  
26 *affected county a copy of each application for a partial abatement*  
27 *pursuant to this section.*

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

32            *(c) Shall not approve an application for a partial abatement*  
33 *pursuant to this section unless the abatement is approved as*  
34 *described in this paragraph. The board of county commissioners*  
35 *of each affected county must approve or deny the application not*  
36 *later than 30 days after the board of county commissioners*  
37 *receives a copy of the application as described in paragraph (a). If*  
38 *the board of county commissioners does not approve or deny the*  
39 *application within 30 days after the board of county*  
40 *commissioners receives the application, the application shall be*  
41 *deemed denied.*

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



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

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

4           (1) *Fifty percent of the amount of the taxes imposed on the*  
5 *personal property of the business pursuant to chapter 361 of NRS*  
6 *during the period of the abatement; or*

7           (2) *Fifty percent of the amount of the capital investment by*  
8 *the business,*

9       ↳ *whichever amount is less;*

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

11       (c) *The abatement applies only to the business for which the*  
12 *abatement was approved pursuant to this section and the property*  
13 *used in connection with that business.*

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

18       (a) *The Department;*

19       (b) *The Nevada Tax Commission; and*

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

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

29       7. *If a business whose partial abatement has been approved*  
30 *pursuant to this section and is in effect ceases to meet the*  
31 *requirements set forth in subsection 2 or ceases operation before*  
32 *the time specified in the agreement described in paragraph (c) of*  
33 *subsection 2:*

34       (a) *The business shall repay to the county treasurer the*  
35 *amount of the exemption that was allowed pursuant to this section*  
36 *before the failure of the business to comply unless the Nevada Tax*  
37 *Commission determines that the business has substantially*  
38 *complied with the requirements of this section. Except as*  
39 *otherwise provided in NRS 360.232 and 360.320, the business*  
40 *shall, in addition to the amount of the exemption required to be*  
41 *paid pursuant to this subsection, pay interest on the amount due at*  
42 *the rate most recently established pursuant to NRS 99.040 for*  
43 *each month, or portion thereof, from the last day of the month*  
44 *following the period for which the payment would have been made*



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

3 (b) The applicable institution of higher education is entitled to  
4 keep the entire capital investment made by the business in that  
5 institution.

6 8. A county treasurer:

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

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

13 9. The Office of Economic Development:

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

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

19 10. The Nevada Tax Commission:

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

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

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

30 12. Except as otherwise provided in this subsection, as used  
31 in this section, "capital investment" includes, without limitation,  
32 an investment of real or personal property, money or other assets  
33 by a business in an institution of the Nevada System of Higher  
34 Education. The Office of Economic Development may, by  
35 regulation, specify the types of real or personal property or assets  
36 that are included within the definition of "capital investment."

37 Sec. 3. NRS 360.225 is hereby amended to read as follows:

38 360.225 1. During the course of an investigation undertaken  
39 pursuant to NRS 360.130 of a person claiming:

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

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

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





1 (d) An abatement of taxes on the gross receipts from the sale,  
2 storage, use or other consumption of eligible machinery or  
3 equipment pursuant to NRS 374.357 ~~H~~; or

4 (e) *A partial abatement of taxes pursuant to section 2 of this*  
5 *act,*

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

9 2. If the Department finds that the person does not meet the  
10 eligibility requirements for the abatement, exemption or deferral  
11 which the person is claiming, the Department shall report its  
12 findings to the Office of Economic Development and take any other  
13 necessary actions.

14 **Sec. 4.** NRS 360.750 is hereby amended to read as follows:

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

20 2. The Office of Economic Development shall approve an  
21 application for a partial abatement *pursuant to this section* if the  
22 Office makes the following determinations:

23 (a) The business is consistent with:

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

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

29 (b) The applicant has executed an agreement with the Office  
30 which must:

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

32 (2) State that the business will, after the date on which a  
33 certificate of eligibility for the abatement is issued pursuant to  
34 subsection 4, continue in operation in this State for a period  
35 specified by the Office, which must be at least 5 years, and will  
36 continue to meet the eligibility requirements set forth in this  
37 subsection; and

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

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

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



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

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

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

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

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

16 (II) The cost to the business for the benefits the business  
17 provides to its employees in this State will meet the minimum  
18 requirements for benefits established by the Office by regulation  
19 pursuant to subsection 8.

20 (e) Except as otherwise provided in NRS 361.0687, if the  
21 business is a new business in a county whose population is less than  
22 100,000 or a city whose population is less than 60,000, the business  
23 meets at least two of the following requirements:

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

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

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

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

38 (II) The cost to the business for the benefits the business  
39 provides to its employees in this State will meet the minimum  
40 requirements for benefits established by the Office by regulation  
41 pursuant to subsection 8.

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



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

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

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

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

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

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

21 (II) The cost to the business for the benefits the business  
22 provides to its new employees in this State will meet the minimum  
23 requirements for benefits established by the Office by regulation  
24 pursuant to subsection 8.

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

30 (1) The business will have 10 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 \$500,000 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 the amount of the  
37 average hourly wage required to be paid by businesses pursuant to  
38 subparagraph (2) of either paragraph (a) or (b) of subsection 2 of  
39 NRS 361.0687, whichever is applicable, 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 with minimum



1 requirements established by the Office by regulation pursuant to  
2 subsection 8.

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

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

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

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

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

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

17 4. If the Office of Economic Development approves an  
18 application for a partial abatement *pursuant to this section*, the  
19 Office shall immediately forward a certificate of eligibility for the  
20 abatement to:

21 (a) The Department;

22 (b) The Nevada Tax Commission; and

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

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

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

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

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

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



1 pursuant to NRS 99.040 for each month, or portion thereof, from the  
2 last day of the month following the period for which the payment  
3 would have been made had the partial abatement not been approved  
4 until the date of payment of the tax.

5 7. A county treasurer:

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

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

12 8. The Office of Economic Development:

13 (a) Shall adopt regulations relating to the minimum level of  
14 benefits that a business must provide to its employees if the business  
15 is going to use benefits paid to employees as a basis to qualify for a  
16 partial abatement ~~§~~ *pursuant to this section*; and

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

20 9. The Nevada Tax Commission:

21 (a) Shall adopt regulations regarding:

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

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

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

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

34 **Sec. 5.** NRS 360.755 is hereby amended to read as follows:

35 360.755 1. If the Office of Economic Development approves  
36 an application by a business for a partial abatement pursuant to NRS  
37 360.750 ~~§~~ *or section 2 of this act*, the agreement with the Office  
38 must provide that the business:

39 (a) Agrees to allow the Department to conduct audits of the  
40 business to determine whether the business is in compliance with  
41 the requirements for the partial abatement; and

42 (b) Consents to the disclosure of the audit reports in the manner  
43 set forth in this section.

44 2. If the Department conducts an audit of the business to  
45 determine whether the business is in compliance with the



1 requirements for the partial abatement, the Department shall, upon  
2 request, provide the audit report to the Office of Economic  
3 Development.

4 3. Until the business has exhausted all appeals to the  
5 Department and the Nevada Tax Commission relating to the audit,  
6 the information contained in the audit report provided to the Office  
7 of Economic Development:

8 (a) Is confidential proprietary information of the business;

9 (b) Is not a public record; and

10 (c) Must not be disclosed to any person who is not an officer or  
11 employee of the Office of Economic Development unless the  
12 business consents to the disclosure.

13 4. After the business has exhausted all appeals to the  
14 Department and the Nevada Tax Commission relating to the audit:

15 (a) The audit report provided to the Office of Economic  
16 Development is a public record; and

17 (b) Upon request by any person, the Executive Director of the  
18 Office of Economic Development shall disclose the audit report to  
19 the person who made the request, except for any information in the  
20 audit report that is protected from disclosure pursuant to  
21 subsection 5.

22 5. Before the Executive Director of the Office of Economic  
23 Development discloses the audit report to the public, the business  
24 may submit a request to the Executive Director to protect from  
25 disclosure any information in the audit report which, under  
26 generally accepted business practices, would be considered a trade  
27 secret or other confidential proprietary information of the business.  
28 After consulting with the business, the Executive Director shall  
29 determine whether to protect the information from disclosure. The  
30 decision of the Executive Director is final and is not subject to  
31 judicial review. If the Executive Director determines to protect the  
32 information from disclosure, the protected information:

33 (a) Is confidential proprietary information of the business;

34 (b) Is not a public record;

35 (c) Must be redacted by the Executive Director from any audit  
36 report that is disclosed to the public; and

37 (d) Must not be disclosed to any person who is not an officer or  
38 employee of the Office of Economic Development unless the  
39 business consents to the disclosure.

40 **Sec. 6.** NRS 231.0685 is hereby amended to read as follows:

41 231.0685 The Office shall, on or before January 15 of each  
42 odd-numbered year, prepare and submit to the Director of the  
43 Legislative Counsel Bureau for transmission to the Legislature a  
44 report concerning the abatements from taxation that the Office  
45 approved pursuant to NRS 274.310, 274.320, 274.330 or 360.750 **H**



\* A B 1 3 8 R 1 \*

1 *or section 2 of this act.* The report must set forth, for each  
2 abatement from taxation that the Office approved in the 2-year  
3 period immediately preceding the submission of the report:

- 4 1. The dollar amount of the abatement;
- 5 2. The location of the business for which the abatement was  
6 approved;
- 7 3. If applicable, the number of employees that the business for  
8 which the abatement was approved employs or will employ;
- 9 4. Whether the business for which the abatement was approved  
10 is a new business or an existing business; and
- 11 5. Any other information that the Office determines to be  
12 useful.

13 **Sec. 7.** Notwithstanding the provisions of section 2 of this act,  
14 no person is entitled to any partial abatement of taxes pursuant to  
15 those provisions:

- 16 1. After June 30, 2023; or
- 17 2. For capital investments made in an institution of higher  
18 education in this State before July 1, 2013.

19 **Sec. 8.** 1. This act becomes effective on July 1, 2013.

20 2. Sections 2, 3, 5 and 6 of this act expire by limitation on  
21 June 30, 2023.

