
ASSEMBLY BILL NO. 38—COMMITTEE ON TAXATION

(ON BEHALF OF THE OFFICE OF ECONOMIC DEVELOPMENT)

PREFILED DECEMBER 20, 2012

Referred to Committee on Taxation

SUMMARY—Makes various changes concerning the abatement or deferment of certain taxes imposed on a new or expanded business. (BDR 32-296)

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 economic development; revising the provisions governing the partial abatement of certain taxes imposed on a new or expanded business; revising the provisions governing a deferment of the payment of the sales and use taxes due on certain property purchased by a new or expanded business; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law authorizes the Office of Economic Development to grant a partial
2 abatement of property taxes, business taxes and sales and use taxes to a business
3 that locates or expands in this State and meets certain qualifications for the
4 abatement. (NRS 274.310, 274.320, 360.750, 361.0687, 363B.120, 374.357,
5 701A.210) **Section 2** of this bill repeals those qualifications that apply solely to a
6 business that furthers the development and refinement of intellectual property, a
7 patent or a copyright into a commercial product. **Sections 3, 4, 8 and 9** of this bill
8 make various changes to those qualifications, including changes in the number of
9 employees required and a requirement that any employees or capital investments
10 used to qualify for the abatement must be retained at the location of the business for
11 the first 5 years. **Section 5** of this bill, which expires by limitation on June 30,
12 2017, temporarily extends the maximum duration and amount of the property tax
13 abatement available to a business that is or will be located in a foreign trade zone in
14 this State.

15 Existing law authorizes the Office of Economic Development to grant to a new
16 or expanded business in this State a deferment of the payment of sales and use taxes
17 due on purchases of capital goods for a sales price of \$100,000 or more. (NRS
18 372.397, 374.402) **Sections 6 and 7** of this bill make various changes to the



19 qualifications for such a deferment, including the addition of a description of the
20 eligible property, an increase in the required sales price to \$1 million and a
21 requirement to retain the property at the location of the business in this State for the
22 5-year duration of the deferment, and require the taxpayer to begin making partial
23 payments of the deferred taxes within 1 year after the deferment is granted.

24 Existing law authorizes the Director of the Office of Energy, in consultation
25 with the Office of Economic Development, to grant a partial abatement of property
26 taxes and local sales and use taxes to certain renewable energy facilities that locate
27 in this State and meet certain qualifications for the abatement. (NRS 701A.300-
28 701A.390) **Section 10** of this bill revises those qualifications to require that the
29 capital investments used to qualify for the abatement must be retained at the
30 location of the facility for the first 5 years.

31 **Section 13** of this bill causes the tax abatements authorized pursuant to the
32 amendatory provisions of this bill to cease to be effective on July 1, 2032.

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

1 **Section 1.** NRS 360.225 is hereby amended to read as follows:
2 360.225 1. During the course of an investigation undertaken
3 pursuant to NRS 360.130 of a person claiming:

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

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

7 (c) A deferral of the payment of taxes on the sale of ~~capital~~
8 ~~goods~~ **eligible property** pursuant to NRS 372.397 or 374.402; or

9 (d) An abatement of taxes on the gross receipts from the sale,
10 storage, use or other consumption of eligible machinery or
11 equipment pursuant to NRS 374.357,

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

15 2. If the Department finds that the person does not meet the
16 eligibility requirements for the abatement, exemption or deferral
17 which the person is claiming, the Department shall report its
18 findings to the Office of Economic Development and take any other
19 necessary actions.

20 **Sec. 2.** NRS 360.750 is hereby amended to read as follows:

21 360.750 1. A person who intends to locate or expand a
22 business in this State may apply to the Office of Economic
23 Development for a partial abatement of one or more of the taxes
24 imposed on the new or expanded business pursuant to chapter 361,
25 363B or 374 of NRS.

26 2. The Office of Economic Development shall approve an
27 application for a partial abatement if the Office makes the following
28 determinations:

29 (a) The business is consistent with:



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

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

6 (b) The applicant has executed an agreement with the Office
7 which must:

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

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

15 (3) Bind the successors in interest of the business for the
16 specified period.

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

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

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

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

30 (3) The average hourly wage that will be paid by the new
31 business to its employees in this State is at least 100 percent of the
32 average statewide hourly wage as established by the Employment
33 Security 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 (e) Except as otherwise provided in NRS 361.0687, if the
43 business is a new business in a county whose population is less than
44 100,000 or a city whose population is less than 60,000, the business
45 meets at least two of the following requirements:



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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

19 ~~—— (II) The cost to the business for the benefits the business~~
20 ~~provides to its employees in this State will meet with minimum~~
21 ~~requirements established by the Office by regulation pursuant to~~
22 ~~subsection 8.]~~

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

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

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

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

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

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

37 4. If the Office of Economic Development approves an
38 application for a partial abatement, the Office shall immediately
39 forward a certificate of eligibility for the abatement to:

40 (a) The Department;

41 (b) The Nevada Tax Commission; and

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

44 5. An applicant for a partial abatement pursuant to this section
45 or an existing business whose partial abatement is in effect shall,



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

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

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

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

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

24 7. A county treasurer:

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

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

31 8. The Office of Economic Development:

32 (a) Shall adopt regulations relating to the minimum level of
33 benefits that a business must provide to its employees if the business
34 is going to use benefits paid to employees as a basis to qualify for a
35 partial abatement; and

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

39 9. The Nevada Tax Commission:

40 (a) Shall adopt regulations regarding:

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

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



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

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

7 **Sec. 3.** NRS 360.750 is hereby amended to read as follows:

8 360.750 1. A person who intends to locate or expand a
9 business in this State may apply to the Office of Economic
10 Development for a partial abatement of one or more of the taxes
11 imposed on the new or expanded business pursuant to chapter 361,
12 363B or 374 of NRS.

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

16 (a) The business is consistent with:

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

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

22 (b) The applicant has executed an agreement with the Office
23 which must:

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

25 (2) State that the business will, after the date on which ~~the~~
26 ~~certificate of eligibility for the abatement is issued pursuant to~~
27 ~~subsection 4,~~ *the abatement becomes effective*, continue in
28 operation in this State for a period specified by the Office, which
29 must be at least 5 years, and will continue to meet the eligibility
30 requirements set forth in this subsection; and

31 (3) Bind the successors in interest of the business for the
32 specified period.

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

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

41 (1) The business will have ~~75~~ 50 or more full-time
42 employees on the payroll of the business by the fourth *calendar*
43 quarter ~~that it is in operation,~~ *following the calendar quarter in*
44 *which the abatement becomes effective who will be employed at*
45 *the location of the business in that county or city until at least the*



1 *date which is 5 years after the date on which the abatement*
2 *becomes effective.*

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

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

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

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

24 (e) Except as otherwise provided in NRS 361.0687, if the
25 business is a new business in a county whose population is less than
26 100,000 or a city whose population is less than 60,000, the business
27 meets at least two of the following requirements:

28 (1) The business will have ~~H5~~ *10* or more full-time
29 employees on the payroll of the business by the fourth *calendar*
30 *quarter* ~~that it is in operation.~~ *following the calendar quarter in*
31 *which the abatement becomes effective who will be employed at*
32 *the location of the business in that county or city until at least the*
33 *date which is 5 years after the date on which the abatement*
34 *becomes effective.*

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

42 (3) The average hourly wage that will be paid by the new
43 business to its employees in this State is at least 100 percent of the
44 average statewide hourly wage or the average countywide hourly
45 wage, whichever is less, as established by the Employment Security



1 Division of the Department of Employment, Training and
2 Rehabilitation on July 1 of each fiscal year and:

3 (I) The business will , *by the fourth calendar quarter*
4 *following the calendar quarter in which the abatement becomes*
5 *effective*, provide a health insurance plan for all employees that
6 includes an option for health insurance coverage for dependents of
7 the employees; and

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

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

14 (1) ~~The~~ *For a business in:*

15 (I) *A county whose population is 100,000 or more or a*
16 *city whose population is 60,000 or more, the business will, by the*
17 *fourth calendar quarter following the calendar quarter in which*
18 *the abatement becomes effective, increase the number of*
19 *employees on its payroll in that county or city by 10 percent more*
20 *than it employed in the fiscal year immediately preceding the fiscal*
21 *year in which the abatement becomes effective or by twenty-five*
22 *employees, whichever is greater, who will be employed at the*
23 *location of the business in that county or city until at least the date*
24 *which is 5 years after the date on which the abatement becomes*
25 *effective; or*

26 (II) *A county whose population is less than 100,000 or a*
27 *city whose population is less than 60,000, the business will , by the*
28 *fourth calendar quarter following the calendar quarter in which*
29 *the abatement becomes effective, increase the number of employees*
30 *on its payroll in that county or city by 10 percent more than it*
31 *employed in the ~~immediately preceding~~ fiscal year ~~immediately~~*
32 *preceding the fiscal year in which the abatement becomes effective*
33 *or by six employees, whichever is greater ~~H~~ , who will be employed*
34 *at the location of the business in that county or city until at least*
35 *the date which is 5 years after the date on which the abatement*
36 *becomes effective.*

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



1 *on which the abatement becomes effective.* The determination of
2 the value of the tangible property possessed by the business in the
3 immediately preceding fiscal year must be made by the:

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

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

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

12 (I) The business will , *by the fourth calendar quarter*
13 *following the calendar quarter in which the abatement becomes*
14 *effective*, provide a health insurance plan for all new employees that
15 includes an option for health insurance coverage for dependents of
16 the employees; and

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

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

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

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

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

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

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

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

38 (a) The Department;

39 (b) The Nevada Tax Commission; and

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

42 5. An applicant for a partial abatement pursuant to this section
43 or an existing business whose partial abatement is in effect shall,
44 upon the request of the Executive Director of the Office of
45 Economic Development, furnish the Executive Director with copies



1 of all records necessary to verify that the applicant meets the
2 requirements of subsection 2.

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

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

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

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

22 7. A county treasurer:

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

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

29 8. The Office of Economic Development:

30 (a) Shall adopt regulations relating to the minimum level of
31 benefits that a business must provide to its employees if the business
32 is going to use benefits paid to employees as a basis to qualify for a
33 partial abatement; and

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

37 9. The Nevada Tax Commission:

38 (a) Shall adopt regulations regarding:

39 (1) The capital investment that a new business must make to
40 meet the requirement set forth in paragraph (d) or (e) of subsection
41 2; and

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



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

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

7 **Sec. 4.** NRS 361.0687 is hereby amended to read as follows:

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

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

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

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

23 (I) *At least \$50,000,000* if the business is an industrial or
24 manufacturing business ; or ~~fat~~

25 (II) *At least \$5,000,000* if the business is not an industrial
26 or manufacturing business ~~fat~~ ,

27 *↪ in capital assets that will be retained at the location of the*
28 *business in that county or city until at least the date which is 5*
29 *years after the date on which the abatement becomes effective;* and

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

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

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

41 (I) *At least \$5,000,000* if the business is an industrial or
42 manufacturing business ; or ~~fat~~

43 (II) *At least \$500,000* if the business is not an industrial
44 or manufacturing business ~~fat~~ ,



1 ↪ *in capital assets that will be retained at the location of the*
2 *business in that county or city until at least the date which is 5*
3 *years after the date on which the abatement becomes effective; and*

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

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

13 (a) The partial abatement must:

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

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

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

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

30 **Sec. 5.** NRS 361.0687 is hereby amended to read as follows:

31 361.0687 1. A person who intends to locate or expand a
32 business in this State may, pursuant to NRS 360.750, apply to the
33 Office of Economic Development for a partial abatement from the
34 taxes imposed by this chapter.

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

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

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



1 (I) At least \$50,000,000 if the business is an industrial or
2 manufacturing business; or

3 (II) At least \$5,000,000 if the business is not an industrial
4 or manufacturing business,

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

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

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

16 (1) The business will, not later than the date which is 2 years
17 after the date on which the abatement becomes effective, make a
18 capital investment in the county or city of:

19 (I) At least \$5,000,000 if the business is an industrial or
20 manufacturing business; or

21 (II) At least \$500,000 if the business is not an industrial
22 or manufacturing business,

23 ➤ in capital assets that will be retained at the location of the
24 business in that county or city until at least the date which is 5 years
25 after the date on which the abatement becomes effective; and

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

32 3. Except as otherwise provided in *subsection 4 and* NRS
33 701A.210, if a partial abatement from the taxes imposed by this
34 chapter is approved by the Office of Economic Development
35 pursuant to NRS 360.750:

36 (a) The partial abatement must:

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

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

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

43 (b) The Executive Director of the Office of Economic
44 Development shall notify the county assessor of the county in which
45 the business is or will be located of the approval of the partial



1 abatement, including, without limitation, the duration and
2 percentage of the partial abatement that the Office granted. The
3 Executive Director shall, on or before April 15 of each year, advise
4 the county assessor of each county in which a business qualifies for
5 a partial abatement during the current fiscal year as to whether the
6 business is still eligible for the partial abatement in the next
7 succeeding fiscal year.

8 *4. Except as otherwise provided in NRS 701A.210, if a partial*
9 *abatement from the taxes imposed by this chapter is approved by*
10 *the Office of Economic Development pursuant to NRS 360.750 for*
11 *a business which is or will be located in a foreign trade zone in*
12 *this State, the partial abatement must:*

13 *(a) Be for a duration of at least 1 year but not more than 15*
14 *years; and*

15 *(b) Not exceed 85 percent of the taxes on personal property*
16 *payable by a business each year pursuant to this chapter.*

17 *5. As used in this section, "foreign trade zone" means a*
18 *foreign trade zone established, operated and maintained in*
19 *accordance with chapter 237A of NRS and any applicable federal*
20 *laws.*

21 **Sec. 6.** NRS 372.397 is hereby amended to read as follows:

22 372.397 1. ~~Payment of the tax on the sale of capital goods~~
23 ~~for a sales price of \$100,000 or more may be deferred without~~
24 ~~interest in accordance with this section. If the sales price is:~~

25 ~~—(a) At least \$100,000 but less than \$350,000, the tax must be~~
26 ~~paid within 12 months.~~

27 ~~—(b) At least \$350,000 but less than \$600,000, the tax must be~~
28 ~~paid within 24 months.~~

29 ~~—(c) At least \$600,000 but less than \$850,000, the tax must be~~
30 ~~paid within 36 months.~~

31 ~~—(d) At least \$850,000 but less than \$1,000,000, the tax must be~~
32 ~~paid within 48 months.~~

33 ~~—(e) One million dollars or more, the tax must be paid within 60~~
34 ~~months.~~

35 ~~→ Payment must be made in each month at a rate which is at least~~
36 ~~sufficient to result in payment of the total obligation within the~~
37 ~~permitted period.~~

38 ~~2.]~~ A person may apply to the Office of Economic
39 Development for ~~such~~ a deferment ~~of the payment of the tax on~~
40 *the sale of eligible property for a sales price of \$1,000,000 or more*
41 *for use by the person in a business in this State.* If a purchase is
42 made outside of the State from a retailer who is not registered with
43 the Department, an application for a deferment must be made in
44 advance or, if the purchase has been made, within 60 days after the
45 date on which the tax is due. If a purchase is made in this State from



1 a retailer who is registered with the Department and to whom the tax
2 is paid, an application must be made within 60 days after the
3 payment of the tax. If the application for a deferment is approved,
4 the taxpayer is eligible for a refund of the tax paid.

5 ~~3-1~~ 2. The Office of Economic Development shall certify the
6 person's eligibility for a deferment *pursuant to this section* if:

7 (a) *The person meets the eligibility requirements set forth in*
8 *NRS 360.750 for a partial abatement of the taxes imposed on the*
9 *person pursuant to chapter 374 of NRS;*

10 (b) The purchase is consistent with the State Plan for Economic
11 Development developed by the Executive Director of the Office
12 pursuant to subsection 2 of NRS 231.053; and

13 ~~(b)~~ (c) The Office determines that ~~the~~ :

14 (1) *The deferment is a significant factor in the decision of the*
15 *person to locate or expand a business in this State* ~~H~~ ; and

16 (2) *The eligible property will be retained at the location of*
17 *the person's business in this State until at least the date which is 5*
18 *years after the date on which the Office certifies the person's*
19 *eligibility for the deferment.*

20 ➤ Upon certification, the Office shall immediately forward the
21 deferment to the Nevada Tax Commission.

22 ~~4-1~~ 3. Upon receipt of such a certification, the Nevada Tax
23 Commission shall verify the sale, the price paid , ~~and~~ the date of
24 the sale and ~~assign~~ the applicable period for payment of the
25 deferred tax. It may require security for the payment in an amount
26 which does not exceed the amount of tax deferred.

27 ~~5-1~~ 4. *If the Office of Economic Development certifies a*
28 *person's eligibility for a deferment pursuant to this section:*

29 (a) *Payment of the total amount of tax due on the sale of the*
30 *eligible property must be deferred without interest for the 60-*
31 *month period beginning on the date the Office makes that*
32 *certification; and*

33 (b) *Payment of the tax must be made in each month, beginning*
34 *not later than the date which is 1 year after the date on which the*
35 *Office makes that certification, at a rate which is at least sufficient*
36 *to result in payment of the total obligation within the period*
37 *described in paragraph (a).*

38 5. The Nevada Tax Commission shall adopt regulations
39 governing:

40 (a) The aggregation of related purchases which are made to
41 expand a business, establish a new business, or renovate or replace
42 ~~capital equipment;~~ *eligible property;* and

43 (b) The period within which such purchases may be aggregated.

44 6. *As used in this section, unless the context otherwise*
45 *requires, "eligible property" means any of the following capital*



1 *assets for which a deduction is authorized pursuant to 26 U.S.C. §*
2 *179:*

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

8 **Sec. 7.** NRS 374.402 is hereby amended to read as follows:

9 374.402 1. ~~Payment of the tax on the sale of capital goods~~
10 ~~for a sales price of \$100,000 or more may be deferred without~~
11 ~~interest in accordance with this section. If the sales price is:~~

12 ~~—(a) At least \$100,000 but less than \$350,000, the tax must be~~
13 ~~paid within 12 months.~~

14 ~~—(b) At least \$350,000 but less than \$600,000, the tax must be~~
15 ~~paid within 24 months.~~

16 ~~—(c) At least \$600,000 but less than \$850,000, the tax must be~~
17 ~~paid within 36 months.~~

18 ~~—(d) At least \$850,000 but less than \$1,000,000, the tax must be~~
19 ~~paid within 48 months.~~

20 ~~—(e) One million dollars or more, the tax must be paid within 60~~
21 ~~months.~~

22 ~~Payment must be made in each month at a rate which is at least~~
23 ~~sufficient to result in payment of the total obligation within the~~
24 ~~permitted period.~~

25 ~~2.~~ A person may apply to the Office of Economic
26 Development for ~~such~~ a deferment ~~of the payment of the tax on~~
27 ~~the sale of eligible property for a sales price of \$1,000,000 or more~~
28 ~~for use by the person in a business in this State.~~ If a purchase is
29 made outside of the State from a retailer who is not registered with
30 the Department, an application for a deferment must be made in
31 advance or, if the purchase has been made, within 60 days after the
32 date on which the tax is due. If a purchase is made in this State from
33 a retailer who is registered with the Department and to whom the tax
34 is paid, an application must be made within 60 days after the
35 payment of the tax. If the application for a deferment is approved,
36 the taxpayer is eligible for a refund of the tax paid.

37 ~~3.~~ 2. The Office of Economic Development shall certify the
38 person's eligibility for a deferment *pursuant to this section* if:

39 (a) *The person meets the eligibility requirements set forth in*
40 *NRS 360.750 for a partial abatement of the taxes imposed on the*
41 *person pursuant to this chapter;*

42 (b) The purchase is consistent with the State Plan for Economic
43 Development developed by the Executive Director of the Office
44 pursuant to subsection 2 of NRS 231.053; and

45 ~~(b)~~ (c) The Office determines that ~~the~~ :



1 ***(1) The*** deferment is a significant factor in the decision of the
2 person to locate or expand a business in this State ~~H~~; ***and***

3 ***(2) The eligible property will be retained at the location of***
4 ***the person's business in this State until at least the date which is 5***
5 ***years after the date on which the Office certifies the person's***
6 ***eligibility for the deferment.***

7 ↳ Upon certification, the Office shall immediately forward the
8 deferment to the Nevada Tax Commission.

9 ~~14~~ 3. Upon receipt of such a certification, the Nevada Tax
10 Commission shall verify the sale, the price paid, ~~and~~ the date of
11 the sale and ~~assign~~ the applicable period for payment of the
12 deferred tax. It may require security for the payment in an amount
13 which does not exceed the amount of tax deferred.

14 ~~15~~ 4. ***If the Office of Economic Development certifies a***
15 ***person's eligibility for a deferment pursuant to this section:***

16 ***(a) Payment of the total amount of tax due on the sale of the***
17 ***eligible property must be deferred without interest for the 60-***
18 ***month period beginning on the date the Office makes that***
19 ***certification; and***

20 ***(b) Payment of the tax must be made in each month, beginning***
21 ***not later than the date which is 1 year after the date on which the***
22 ***Office makes that certification, at a rate which is at least sufficient***
23 ***to result in payment of the total obligation within the period***
24 ***described in paragraph (a).***

25 5. The Nevada Tax Commission shall adopt regulations
26 governing:

27 (a) The aggregation of related purchases which are made to
28 expand a business, establish a new business, or renovate or replace
29 ~~capital equipment;~~ ***eligible property;*** and

30 (b) The period within which such purchases may be aggregated.

31 6. ***As used in this section, unless the context otherwise***
32 ***requires, "eligible property" means any of the following capital***
33 ***assets for which a deduction is authorized pursuant to 26 U.S.C. §***
34 ***179:***

35 ***(a) Buildings or the structural components of buildings;***

36 ***(b) Equipment used by a public utility;***

37 ***(c) Equipment used for medical treatment;***

38 ***(d) Machinery or equipment used in mining; or***

39 ***(e) Machinery or equipment used in gaming.***

40 **Sec. 8.** NRS 274.310 is hereby amended to read as follows:

41 274.310 1. A person who intends to locate a business in this
42 State within:

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



1 (b) A redevelopment area created pursuant to NRS 279.382 to
2 279.685, inclusive;

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

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

7 ▶ may submit a request to the governing body of the county, city or
8 town in which the business would operate for an endorsement of an
9 application by the person to the Office of Economic Development
10 for a partial abatement of one or more of the taxes imposed pursuant
11 to chapter 361 or 374 of NRS. The governing body of the county,
12 city or town shall provide notice of the request to the board of
13 trustees of the school district in which the business would operate.
14 The notice must set forth the date, time and location of the hearing
15 at which the governing body will consider whether to endorse the
16 application.

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

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

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

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

29 (a) The business is consistent with:

30 (1) The State Plan for Economic Development developed by
31 the Administrator pursuant to subsection 2 of NRS 231.053; and

32 (2) Any guidelines adopted by the Administrator to
33 implement the State Plan for Economic Development.

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

38 (1) Commence operation and continue in operation in the
39 historically underutilized business zone, as defined in 15 U.S.C. §
40 632, redevelopment area created pursuant to NRS 279.382 to
41 279.685, inclusive, area eligible for a community development
42 block grant pursuant to 24 C.F.R. Part 570 or enterprise community
43 established pursuant to 24 C.F.R. Part 597 for a period specified by
44 the Office, which must be at least 5 years; and



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

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

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

9 (d) The applicant invested or commits to invest a minimum of
10 \$500,000 in capital **H** *assets that will be retained at the location of*
11 *the business in the historically underutilized business zone, as*
12 *defined in 15 U.S.C. § 632, redevelopment area created pursuant*
13 *to NRS 279.382 to 279.685, inclusive, area eligible for a*
14 *community development block grant pursuant to 24 C.F.R. Part*
15 *570 or enterprise community established pursuant to 24 C.F.R.*
16 *Part 597 until at least the date which is 5 years after the date on*
17 *which a certificate of eligibility for the abatement is issued*
18 *pursuant to subsection 4.*

19 4. If the Office of Economic Development approves an
20 application for a partial abatement, the Office shall immediately
21 forward a certificate of eligibility for the abatement to:

- 22 (a) The Department of Taxation;
- 23 (b) The Nevada Tax Commission; and

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

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

29 (a) To meet the eligibility requirements for the partial
30 abatement; or

31 (b) Operation before the time specified in the agreement
32 described in paragraph (b) of subsection 3,

33 ➤ the business shall repay to the Department of Taxation or, if the
34 partial abatement was from the property tax imposed pursuant to
35 chapter 361 of NRS, to the county treasurer, the amount of the
36 exemption that was allowed pursuant to this section before the
37 failure of the business to comply unless the Nevada Tax
38 Commission determines that the business has substantially complied
39 with the requirements of this section. Except as otherwise provided
40 in NRS 360.232 and 360.320, the business shall, in addition to the
41 amount of the exemption required to be paid pursuant to this
42 subsection, pay interest on the amount due at the rate most recently
43 established pursuant to NRS 99.040 for each month, or portion
44 thereof, from the last day of the month following the period for



1 which the payment would have been made had the partial abatement
2 not been approved until the date of payment of the tax.

3 6. The Office of Economic Development may adopt such
4 regulations as the Office determines to be necessary or advisable to
5 carry out the provisions of this section.

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

9 **Sec. 9.** NRS 274.320 is hereby amended to read as follows:

10 274.320 1. A person who intends to expand a business in this
11 State within:

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

14 (b) A redevelopment area created pursuant to NRS 279.382 to
15 279.685, inclusive;

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

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

20 ↪ may submit a request to the governing body of the county, city or
21 town in which the business operates for an endorsement of an
22 application by the person to the Office of Economic Development
23 for a partial abatement of the taxes imposed on capital equipment
24 pursuant to chapter 374 of NRS. The governing body of the county,
25 city or town shall provide notice of the request to the board of
26 trustees of the school district in which the business operates. The
27 notice must set forth the date, time and location of the hearing at
28 which the governing body will consider whether to endorse the
29 application.

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

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

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

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

42 (a) The business is consistent with:

43 (1) The State Plan for Economic Development developed by
44 the Administrator pursuant to subsection 2 of NRS 231.053; and



1 (2) Any guidelines adopted by the Administrator to
2 implement the State Plan for Economic Development.

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

7 (1) Continue in operation in the historically underutilized
8 business zone, as defined in 15 U.S.C. § 632, redevelopment area
9 created pursuant to NRS 279.382 to 279.685, inclusive, area eligible
10 for a community development block grant pursuant to 24 C.F.R.
11 Part 570 or enterprise community established pursuant to 24 C.F.R.
12 Part 597 for a period specified by the Office, which must be at least
13 5 years; and

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

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

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

22 (d) The applicant invested or commits to invest a minimum of
23 \$250,000 in capital equipment **† that will be retained at the**
24 **location of the business in the historically underutilized business**
25 **zone, as defined in 15 U.S.C. § 632, redevelopment area created**
26 **pursuant to NRS 279.382 to 279.685, inclusive, area eligible for a**
27 **community development block grant pursuant to 24 C.F.R. Part**
28 **570 or enterprise community established pursuant to 24 C.F.R.**
29 **Part 597 until at least the date which is 5 years after the date on**
30 **which a certificate of eligibility for the abatement is issued**
31 **pursuant to subsection 4.**

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

- 35 (a) The Department of Taxation; and
36 (b) The Nevada Tax Commission.

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

39 (a) To meet the eligibility requirements for the partial
40 abatement; or

41 (b) Operation before the time specified in the agreement
42 described in paragraph (b) of subsection 3,

43 ➔ the business shall repay to the Department of Taxation the
44 amount of the exemption that was allowed pursuant to this section
45 before the failure of the business to comply unless the Nevada Tax



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

10 6. The Office of Economic Development may adopt such
11 regulations as the Office determines to be necessary or advisable to
12 carry out the provisions of this section.

13 7. An applicant for an abatement who is aggrieved by a final
14 decision of the Office of Economic Development may petition for
15 judicial review in the manner provided in chapter 233B of NRS.

16 **Sec. 10.** NRS 701A.365 is hereby amended to read as follows:

17 701A.365 1. Except as otherwise provided in subsection 2,
18 the Director, in consultation with the Office of Economic
19 Development, shall approve an application for a partial abatement
20 pursuant to NRS 701A.300 to 701A.390, inclusive, if the Director,
21 in consultation with the Office of Economic Development, makes
22 the following determinations:

23 (a) The applicant has executed an agreement with the Director
24 which must:

25 (1) State that the facility will, after the date on which a
26 certificate of eligibility for the abatement is issued pursuant to NRS
27 701A.370, continue in operation in this State for a period specified
28 by the Director, which must be at least 10 years, and will continue to
29 meet the eligibility requirements for the abatement; and

30 (2) Bind the successors in interest in the facility for the
31 specified period.

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

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

40 (d) If the facility will be located in a county whose population is
41 100,000 or more or a city whose population is 60,000 or more, the
42 facility meets the following requirements:

43 (1) There will be 75 or more full-time employees working on
44 the construction of the facility during the second quarter of



1 construction, including, unless waived by the Director for good
2 cause, at least 30 percent who are residents of Nevada;

3 (2) Establishing the facility will require the facility to make a
4 capital investment of at least \$10,000,000 in this State **† in capital**
5 **assets that will be retained at the location of the facility until**
6 **at least the date which is 5 years after the date on which a**
7 **certificate of eligibility for the abatement is issued pursuant to**
8 **NRS 701A.370;**

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

15 (4) The average hourly wage of the employees working on
16 the construction of the facility will be at least 150 percent of the
17 average statewide hourly wage, excluding management and
18 administrative employees, as established by the Employment
19 Security Division of the Department of Employment, Training and
20 Rehabilitation on July 1 of each fiscal year and:

21 (I) The employees working on the construction of the
22 facility must be provided a health insurance plan that includes an
23 option for health insurance coverage for dependents of the
24 employees; and

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

29 (e) If the facility will be located in a county whose population is
30 less than 100,000 or a city whose population is less than 60,000, the
31 facility meets the following requirements:

32 (1) There will be 50 or more full-time employees working on
33 the construction of the facility during the second quarter of
34 construction, including, unless waived by the Director for good
35 cause, at least 30 percent who are residents of Nevada;

36 (2) Establishing the facility will require the facility to make a
37 capital investment of at least \$3,000,000 in this State **† in capital**
38 **assets that will be retained at the location of the facility until**
39 **at least the date which is 5 years after the date on which a**
40 **certificate of eligibility for the abatement is issued pursuant to**
41 **NRS 701A.370;**

42 (3) The average hourly wage that will be paid by the facility
43 to its employees in this State is at least 110 percent of the average
44 statewide hourly wage, excluding management and administrative
45 employees, as established by the Employment Security Division of



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

3 (4) The average hourly wage of the employees working on
4 the construction of the facility will be at least 150 percent of the
5 average statewide hourly wage, excluding management and
6 administrative employees, as established by the Employment
7 Security Division of the Department of Employment, Training and
8 Rehabilitation on July 1 of each fiscal year and:

9 (I) The employees working on the construction of the
10 facility must be provided a health insurance plan that includes an
11 option for health insurance coverage for dependents of the
12 employees; and

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

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

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

24 2. The Director shall not approve an application for a partial
25 abatement of the taxes imposed pursuant to chapter 361 of NRS
26 submitted pursuant to NRS 701A.360 by a facility for the generation
27 of electricity from geothermal resources unless the application is
28 approved pursuant to this subsection. The board of county
29 commissioners of a county must approve or deny the application not
30 later than 30 days after the board receives a copy of the application.
31 The board of county commissioners must not condition the approval
32 of the application on a requirement that the facility for the
33 generation of electricity from geothermal resources agree to
34 purchase, lease or otherwise acquire in its own name or on behalf of
35 the county any infrastructure, equipment, facilities or other property
36 in the county that is not directly related to or otherwise necessary for
37 the construction and operation of the facility. If the board of county
38 commissioners does not approve or deny the application within 30
39 days after the board receives the application, the application shall be
40 deemed denied.

41 3. Notwithstanding the provisions of subsection 1, the Director,
42 in consultation with the Office of Economic Development, may, if
43 the Director, in consultation with the Office, determines that such
44 action is necessary:



1 (a) Approve an application for a partial abatement for a facility
2 that does not meet the requirements set forth in paragraph (d) or (e)
3 of subsection 1; or

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

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

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

12 **Sec. 11.** The Legislature hereby finds that each exemption
13 provided by this act from any ad valorem tax on property or excise
14 tax on the sale, storage, use or consumption of tangible personal
15 property sold at retail:

16 1. Will achieve a bona fide social or economic purpose and that
17 the benefits of the exemption are expected to exceed any adverse
18 effect of the exemption on the provision of services to the public by
19 the State or a local government that would otherwise receive
20 revenue from the tax from which the exemption would be granted;
21 and

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

26 **Sec. 12.** 1. The amendatory provisions of sections 1 to 10,
27 inclusive, of this act do not apply to or otherwise affect any
28 abatement of taxes or deferment of the payment of taxes approved
29 by the Office of Economic Development or the Director of the
30 Office of Energy before July 1, 2013.

31 2. The expiration of section 5 of this act by limitation pursuant
32 to section 15 of this act does not affect any abatement of taxes
33 approved by the Office of Economic Development before July 1,
34 2017.

35 **Sec. 13.** Notwithstanding the provisions of NRS 274.310,
36 274.320, 360.750, 361.0687, 363B.120, 374.357, 701A.210 and
37 701A.300 to 701A.390, inclusive, a person is not, after June 30,
38 2032, entitled to any abatement of taxes approved by the Office of
39 Economic Development or the Director of the Office of Energy
40 pursuant to those provisions on or after July 1, 2013, and before
41 July 1, 2032.

42 **Sec. 14.** The provisions of NRS 218D.355 do not apply to this
43 act.

44 **Sec. 15.** 1. This act becomes effective:



- 1 (a) Upon passage and approval for the purpose of adopting any
2 regulations and performing any other preparatory administrative
3 tasks necessary to carry out the provisions of this act; and
4 (b) On July 1, 2013, for all other purposes.
- 5 2. Section 5 of this act expires by limitation on June 30, 2017.
6 3. Sections 3, 4, 8, 9 and 10 of this act expire by limitation on
7 June 30, 2032.

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