

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



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

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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 ~~the~~  
10 ~~certificate of eligibility for~~ the abatement ~~is issued pursuant to~~  
11 ~~subsection 4,~~ *becomes effective*, continue in operation in this State  
12 for a period specified by the Office, which must be at least 5 years,  
13 and will 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



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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. 3.5.** NRS 360.757 is hereby amended to read as follows:

8 360.757 1. The Office of Economic Development shall not  
9 take any action on an application for any abatement of taxes  
10 pursuant to NRS 274.310, 274.320, 274.330 or 360.750 or any other  
11 specific statute unless the Office:

12 (a) Takes that action at a public ~~hearing~~ *meeting* conducted for  
13 that purpose; and

14 (b) At least 30 days before the ~~hearing~~ *meeting*, provides  
15 notice of the application to:

16 (1) The governing body of the county, the board of trustees  
17 of the school district and the governing body of the city or town, if  
18 any, in which the pertinent business is or will be located;

19 (2) The governing body of any other political subdivision  
20 that could be affected by the abatement; and

21 (3) The general public.

22 2. The notice required by this section must set forth the date,  
23 time and location of the ~~hearing~~ *meeting* at which the Office of  
24 Economic Development will consider the application.

25 3. The Office of Economic Development shall adopt  
26 regulations relating to the notice required by this section.

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

28 361.0687 1. A person who intends to locate or expand a  
29 business in this State may, pursuant to NRS 360.750, apply to the  
30 Office of Economic Development for a partial abatement from the  
31 taxes imposed by this chapter.

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

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

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

43 (I) *At least \$50,000,000 if the business is an industrial or*  
44 *manufacturing business ; or that*



1           **(II) At least \$5,000,000 if the business is not an industrial**  
2 **or manufacturing business ~~††~~,**

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

6           (2) 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 as established by the Employment  
9 Security Division of the Department of Employment, Training and  
10 Rehabilitation on July 1 of each fiscal year.

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

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

17           **(I) At least \$5,000,000 if the business is an industrial or**  
18 **manufacturing business ; or ~~†††~~**

19           **(II) At least \$500,000 if the business is not an industrial**  
20 **or manufacturing business ~~††~~,**

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

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

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

33           (a) The partial abatement must:

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

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

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

40           (b) The Executive Director of the Office of Economic  
41 Development shall notify the county assessor of the county in which  
42 the business is **or will be** located of the approval of the partial  
43 abatement, including, without limitation, the duration and  
44 percentage of the partial abatement that the Office granted. The  
45 Executive Director shall, on or before April 15 of each year, advise



1 the county assessor of each county in which a business qualifies for  
2 a partial abatement during the current fiscal year as to whether the  
3 business is still eligible for the partial abatement in the next  
4 succeeding fiscal year.

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

6 361.0687 1. A person who intends to locate or expand a  
7 business in this State may, pursuant to NRS 360.750, apply to the  
8 Office of Economic Development for a partial abatement from the  
9 taxes imposed by this chapter.

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

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

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

21 (I) At least ~~150,000,000~~ **\$5,000,000** if the business is an  
22 industrial or manufacturing business; or

23 (II) At least ~~5,000,000~~ **\$1,000,000** if the business is not  
24 an industrial or manufacturing business,

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

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

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

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

39 (I) At least ~~5,000,000~~ **\$1,000,000** if the business is an  
40 industrial or manufacturing business; or

41 (II) At least ~~500,000~~ **\$250,000** if the business is not an  
42 industrial or manufacturing business,

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



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

7 3. Except as otherwise provided in *subsection 4 and* NRS  
8 701A.210, if a partial abatement from the taxes imposed by this  
9 chapter is approved by the Office of Economic Development  
10 pursuant to NRS 360.750:

11 (a) The partial abatement must:

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

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

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

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

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

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

35 (b) *Not exceed 60 percent of the taxes on personal property*  
36 *payable by a business each year pursuant to this chapter.*

37 *5. As used in this section, "foreign trade zone" means a*  
38 *foreign trade zone established, operated and maintained in*  
39 *accordance with chapter 237A of NRS and any applicable federal*  
40 *laws.*

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

42 372.397 1. ~~Payment of the tax on the sale of capital goods~~  
43 ~~for a sales price of \$100,000 or more may be deferred without~~  
44 ~~interest in accordance with this section. If the sales price is:~~



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

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

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

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

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

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

14 ~~—2.] A person may apply to the Office of Economic~~  
15 ~~Development for ~~{such}~~ a deferment ~~{}~~ of the payment of the tax on~~  
16 ~~the sale of eligible property for a sales price of \$1,000,000 or more~~  
17 ~~for use by the person in a business in this State. If a purchase is~~  
18 ~~made outside of the State from a retailer who is not registered with~~  
19 ~~the Department, an application for a deferment must be made in~~  
20 ~~advance or, if the purchase has been made, within 60 days after the~~  
21 ~~date on which the tax is due. If a purchase is made in this State from~~  
22 ~~a retailer who is registered with the Department and to whom the tax~~  
23 ~~is paid, an application must be made within 60 days after the~~  
24 ~~payment of the tax. If the application for a deferment is approved,~~  
25 ~~the taxpayer is eligible for a refund of the tax paid.~~

26 ~~{3-} 2.~~ The Office of Economic Development shall certify the  
27 person's eligibility for a deferment *pursuant to this section* if:

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

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

34 ~~{(b)}~~ (c) The Office determines that ~~{the}~~ :

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

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

41 → Upon certification, the Office shall immediately forward the  
42 deferment to the Nevada Tax Commission.

43 ~~{4-} 3.~~ Upon receipt of such a certification, the Nevada Tax  
44 Commission shall verify the sale, the price paid, ~~{and}~~ the date of  
45 the sale and ~~{assign}~~ the applicable period for payment of the





1 deferred tax. It may require security for the payment in an amount  
2 which does not exceed the amount of tax deferred.

3 ~~5.1~~ 4. *If the Office of Economic Development certifies a*  
4 *person's eligibility for a deferment pursuant to this section:*

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

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

14 5. The Nevada Tax Commission shall adopt regulations  
15 governing:

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

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

20 6. *As used in this section, "eligible property" does not include*  
21 *any of the following capital assets:*

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

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

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

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

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

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

28 374.402 1. ~~Payment of the tax on the sale of capital goods~~  
29 ~~for a sales price of \$100,000 or more may be deferred without~~  
30 ~~interest in accordance with this section. If the sales price is:~~

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

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

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

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

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

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

44 ~~2.~~ A person may apply to the Office of Economic  
45 Development for ~~such~~ a deferment ~~of~~ *of the payment of the tax on*



1 *the sale of eligible property for a sales price of \$1,000,000 or more*  
2 *for use by the person in a business in this State.* If a purchase is  
3 made outside of the State from a retailer who is not registered with  
4 the Department, an application for a deferment must be made in  
5 advance or, if the purchase has been made, within 60 days after the  
6 date on which the tax is due. If a purchase is made in this State from  
7 a retailer who is registered with the Department and to whom the tax  
8 is paid, an application must be made within 60 days after the  
9 payment of the tax. If the application for a deferment is approved,  
10 the taxpayer is eligible for a refund of the tax paid.

11 ~~3-~~ 2. The Office of Economic Development shall certify the  
12 person's eligibility for a deferment *pursuant to this section* if:

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

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

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

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

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

26 ➤ Upon certification, the Office shall immediately forward the  
27 deferment to the Nevada Tax Commission.

28 ~~4-~~ 3. Upon receipt of such a certification, the Nevada Tax  
29 Commission shall verify the sale, the price paid, ~~and~~ the date of  
30 the sale and ~~assign~~ the applicable period for payment of the  
31 deferred tax. It may require security for the payment in an amount  
32 which does not exceed the amount of tax deferred.

33 ~~5-~~ 4. *If the Office of Economic Development certifies a*  
34 *person's eligibility for a deferment pursuant to this section:*

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

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

44 5. The Nevada Tax Commission shall adopt regulations  
45 governing:



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

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

5 **6. As used in this section, "eligible property" does not include**  
6 **any of the following capital assets:**

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

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

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

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

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

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

13 274.310 1. A person who intends to locate a business in this  
14 State within:

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

17 (b) A redevelopment area created pursuant to NRS 279.382 to  
18 279.685, inclusive;

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

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

23 ↪ may submit a request to the governing body of the county, city or  
24 town in which the business would operate for an endorsement of an  
25 application by the person to the Office of Economic Development  
26 for a partial abatement of one or more of the taxes imposed pursuant  
27 to chapter 361 or 374 of NRS. The governing body of the county,  
28 city or town shall provide notice of the request to the board of  
29 trustees of the school district in which the business would operate.  
30 The notice must set forth the date, time and location of the hearing  
31 at which the governing body will consider whether to endorse the  
32 application.

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

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

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

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

45 (a) The business is consistent with:



\* A B 3 8 R 1 \*

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

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

5 (b) The applicant has executed an agreement with the Office  
6 which states that the business will, after the date on which ~~the~~  
7 ~~certificate of eligibility for~~ the abatement ~~is issued pursuant to~~  
8 ~~subsection 4;~~ *becomes effective:*

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

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

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

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

24 (d) The applicant invested or commits to invest a minimum of  
25 \$500,000 in capital ~~H~~ *assets that will be retained at the location of*  
26 *the business in the historically underutilized business zone, as*  
27 *defined in 15 U.S.C. § 632, redevelopment area created pursuant*  
28 *to NRS 279.382 to 279.685, inclusive, area eligible for a*  
29 *community development block grant pursuant to 24 C.F.R. Part*  
30 *570 or enterprise community established pursuant to 24 C.F.R.*  
31 *Part 597 until at least the date which is 5 years after the date on*  
32 *which the abatement becomes effective.*

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

36 (a) The Department of Taxation;

37 (b) The Nevada Tax Commission; and

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

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

43 (a) To meet the eligibility requirements for the partial  
44 abatement; or



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

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

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

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

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

24 274.320 1. A person who intends to expand a business in this  
25 State within:

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

28 (b) A redevelopment area created pursuant to NRS 279.382 to  
29 279.685, inclusive;

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

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

34 ↪ may submit a request to the governing body of the county, city or  
35 town in which the business operates for an endorsement of an  
36 application by the person to the Office of Economic Development  
37 for a partial abatement of the taxes imposed on capital equipment  
38 pursuant to chapter 374 of NRS. The governing body of the county,  
39 city or town shall provide notice of the request to the board of  
40 trustees of the school district in which the business operates. The  
41 notice must set forth the date, time and location of the hearing at  
42 which the governing body will consider whether to endorse the  
43 application.

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



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

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

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

11 (a) The business is consistent with:

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

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

16 (b) The applicant has executed an agreement with the Office  
17 which states that the business will, after the date on which ~~the~~  
18 ~~certificate of eligibility for~~ the abatement ~~is issued pursuant to~~  
19 ~~subsection 4;~~ *becomes effective:*

20 (1) Continue in operation in the historically underutilized  
21 business zone, as defined in 15 U.S.C. § 632, redevelopment area  
22 created pursuant to NRS 279.382 to 279.685, inclusive, area eligible  
23 for a community development block grant pursuant to 24 C.F.R.  
24 Part 570 or enterprise community established pursuant to 24 C.F.R.  
25 Part 597 for a period specified by the Office, which must be at least  
26 5 years; and

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

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

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

35 (d) The applicant invested or commits to invest a minimum of  
36 \$250,000 in capital equipment ~~that~~ *that will be retained at the*  
37 *location of the business in the historically underutilized business*  
38 *zone, as defined in 15 U.S.C. § 632, redevelopment area created*  
39 *pursuant to NRS 279.382 to 279.685, inclusive, area eligible for a*  
40 *community development block grant pursuant to 24 C.F.R. Part*  
41 *570 or enterprise community established pursuant to 24 C.F.R.*  
42 *Part 597 until at least the date which is 5 years after the date on*  
43 *which the abatement becomes effective.*



1 4. If the Office of Economic Development approves an  
2 application for a partial abatement, the Office shall immediately  
3 forward a certificate of eligibility for the abatement to:

4 (a) The Department of Taxation; and

5 (b) The Nevada Tax Commission.

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

8 (a) To meet the eligibility requirements for the partial  
9 abatement; or

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

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

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

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

30 **Sec. 9.5.** NRS 274.330 is hereby amended to read as follows:

31 274.330 1. A person who owns a business which is located  
32 within an enterprise community established pursuant to 24 C.F.R.  
33 Part 597 in this State may submit a request to the governing body of  
34 the county, city or town in which the business is located for an  
35 endorsement of an application by the person to the Office of  
36 Economic Development for a partial abatement of one or more of  
37 the taxes imposed pursuant to chapter 361 or 374 of NRS. The  
38 governing body of the county, city or town shall provide notice of  
39 the request to the board of trustees of the school district in which the  
40 business operates. The notice must set forth the date, time and  
41 location of the hearing at which the governing body will consider  
42 whether to endorse the application.

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



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

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

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

11 (a) The business is consistent with:

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

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

16 (b) The applicant has executed an agreement with the Office  
17 which states that the business will, after the date on which ~~the~~  
18 ~~certificate of eligibility for~~ the abatement ~~is issued pursuant to~~  
19 ~~subsection 4;~~ *becomes effective:*

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

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

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

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

30 (d) The business:

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

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

37 4. If the Office of Economic Development approves an  
38 application for a partial abatement, the Office shall:

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

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

44 (1) The Department of Taxation;

45 (2) The Nevada Tax Commission; and





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

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

6 (a) To meet the eligibility requirements for the partial  
7 abatement; or

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

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

24 6. The Office of Economic Development:

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

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

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

33 8. As used in this section, "dislocated worker" means a person  
34 who:

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

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

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

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

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



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

2       701A.365 1. Except as otherwise provided in subsection 2,  
3 the Director, in consultation with the Office of Economic  
4 Development, shall approve an application for a partial abatement  
5 pursuant to NRS 701A.300 to 701A.390, inclusive, if the Director,  
6 in consultation with the Office of Economic Development, makes  
7 the following determinations:

8       (a) The applicant has executed an agreement with the Director  
9 which must:

10       (1) State that the facility will, after the date on which ~~the~~  
11 ~~certificate of eligibility for~~ the abatement ~~is issued pursuant to~~  
12 ~~NRS 701A.370,~~ *becomes effective*, continue in operation in this  
13 State for a period specified by the Director, which must be at least  
14 10 years, and will continue to meet the eligibility requirements for  
15 the abatement; and

16       (2) Bind the successors in interest in the facility for the  
17 specified period.

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

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

26       (d) If the facility will be located in a county whose population is  
27 100,000 or more or a city whose population is 60,000 or more, the  
28 facility meets the following requirements:

29       (1) There will be 75 or more full-time employees working on  
30 the construction of the facility during the second quarter of  
31 construction, including, unless waived by the Director for good  
32 cause, at least 30 percent who are residents of Nevada;

33       (2) Establishing the facility will require the facility to make a  
34 capital investment of at least \$10,000,000 in this State ~~+~~ *in capital*  
35 *assets that will be retained at the location of the facility until at*  
36 *least the date which is 5 years after the date on which the*  
37 *abatement becomes effective;*

38       (3) The average hourly wage that will be paid by the facility  
39 to its employees in this State is at least 110 percent of the average  
40 statewide hourly wage, excluding management and administrative  
41 employees, as established by the Employment Security Division of  
42 the Department of Employment, Training and Rehabilitation on  
43 July 1 of each fiscal year; and

44       (4) The average hourly wage of the employees working on  
45 the construction of the facility will be at least 150 percent of the



1 average statewide hourly wage, excluding management and  
2 administrative employees, as established by the Employment  
3 Security Division of the Department of Employment, Training and  
4 Rehabilitation on July 1 of each fiscal year and:

5 (I) The employees working on the construction of the  
6 facility must be provided a health insurance plan that includes an  
7 option for health insurance coverage for dependents of the  
8 employees; and

9 (II) The cost of the benefits provided to the employees  
10 working on the construction of the facility will meet the minimum  
11 requirements for benefits established by the Director by regulation  
12 pursuant to NRS 701A.390.

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

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

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

25 (3) The average hourly wage that will be paid by the facility  
26 to its employees in this State is at least 110 percent of the average  
27 statewide hourly wage, excluding management and administrative  
28 employees, as established by the Employment Security Division of  
29 the Department of Employment, Training and Rehabilitation on  
30 July 1 of each fiscal year; and

31 (4) The average hourly wage of the employees working on  
32 the construction of the facility will be at least 150 percent of the  
33 average statewide hourly wage, excluding management and  
34 administrative employees, as established by the Employment  
35 Security Division of the Department of Employment, Training and  
36 Rehabilitation on July 1 of each fiscal year and:

37 (I) The employees working on the construction of the  
38 facility must be provided a health insurance plan that includes an  
39 option for health insurance coverage for dependents of the  
40 employees; and

41 (II) The cost of the benefits provided to the employees  
42 working on the construction of the facility will meet the minimum  
43 requirements for benefits established by the Director by regulation  
44 pursuant to NRS 701A.390.



1 (f) The financial benefits that will result to this State from the  
2 employment by the facility of the residents of this State and from  
3 capital investments by the facility in this State will exceed the loss  
4 of tax revenue that will result from the abatement.

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

8 2. The Director shall not approve an application for a partial  
9 abatement of the taxes imposed pursuant to chapter 361 of NRS  
10 submitted pursuant to NRS 701A.360 by a facility for the generation  
11 of electricity from geothermal resources unless the application is  
12 approved pursuant to this subsection. The board of county  
13 commissioners of a county must approve or deny the application not  
14 later than 30 days after the board receives a copy of the application.  
15 The board of county commissioners must not condition the approval  
16 of the application on a requirement that the facility for the  
17 generation of electricity from geothermal resources agree to  
18 purchase, lease or otherwise acquire in its own name or on behalf of  
19 the county any infrastructure, equipment, facilities or other property  
20 in the county that is not directly related to or otherwise necessary for  
21 the construction and operation of the facility. If the board of county  
22 commissioners does not approve or deny the application within 30  
23 days after the board receives the application, the application shall be  
24 deemed denied.

25 3. Notwithstanding the provisions of subsection 1, the Director,  
26 in consultation with the Office of Economic Development, may, if  
27 the Director, in consultation with the Office, determines that such  
28 action is necessary:

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

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

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

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

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

44 1. Will achieve a bona fide social or economic purpose and that  
45 the benefits of the exemption are expected to exceed any adverse



1 effect of the exemption on the provision of services to the public by  
2 the State or a local government that would otherwise receive  
3 revenue from the tax from which the exemption would be granted;  
4 and

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

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

14 2. The expiration of section 5 of this act by limitation pursuant  
15 to section 15 of this act does not affect any abatement of taxes  
16 approved by the Office of Economic Development before July 1,  
17 2017.

18 **Sec. 13.** Notwithstanding the provisions of NRS 274.310,  
19 274.320, 360.750, 361.0687, 363B.120, 374.357, 701A.210 and  
20 701A.300 to 701A.390, inclusive, a person is not, after June 30,  
21 2032, entitled to any abatement of taxes approved by the Office of  
22 Economic Development or the Director of the Office of Energy  
23 pursuant to those provisions on or after July 1, 2013, and before  
24 July 1, 2032.

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

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

28 (a) Upon passage and approval for the purpose of adopting any  
29 regulations and performing any other preparatory administrative  
30 tasks necessary to carry out the provisions of this act; and

31 (b) On July 1, 2013, for all other purposes.

32 2. Section 5 of this act expires by limitation on June 30, 2017.

33 3. Sections 3, 4, 8, 9 and 10 of this act expire by limitation on  
34 June 30, 2032.

