

SENATE BILL NO. 170—SENATORS ROBERSON,
FORD, LIPPARELLI AND HARRIS

FEBRUARY 17, 2015

JOINT SPONSORS: ASSEMBLYMEN KIRKPATRICK
AND HAMBRICK

Referred to Committee on Revenue and
Economic Development

SUMMARY—Provides for a partial abatement of certain taxes for new or expanding data centers and related businesses in this State. (BDR 32-765)

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; authorizing a person who locates or expands a data center in this State to apply to the Office of Economic Development for a partial abatement of certain property taxes and local sales and use taxes; establishing criteria by which a data center may qualify for such a partial abatement; establishing the maximum duration and percentage of such partial abatements; requiring the Office to approve an application for a partial abatement if the applicant meets the criteria for eligibility; authorizing the Office to approve a partial abatement of taxes for certain qualified businesses that collocate with a data center for which a partial abatement has been approved; revising provisions governing eligibility for a partial abatement of certain property taxes and sales and use taxes for a data center that is or will be located in a historically underutilized business zone, a redevelopment area, an area eligible for a community development block grant or an enterprise community; and providing other matters properly relating thereto.



* S B 1 7 0 R 1 *

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 1** of this bill authorizes the Office of Economic Development to
 6 grant a partial abatement of property taxes and local sales and use taxes to a data
 7 center that locates or expands in this State and meets certain qualifications. **Section**
 8 **1** establishes the criteria by which a data center must demonstrate eligibility for a
 9 partial abatement, including requirements concerning the number of full-time
 10 employees that must be employed by a data center and minimum requirements for
 11 capital investment. If the Office of Economic Development approves a partial
 12 abatement for a data center, **section 1** authorizes the Office of Economic
 13 Development to grant the same partial abatement to certain businesses that colocate
 14 with the data center. **Section 5** of this bill specifies that the amount of the
 15 abatement must not exceed 75 percent of the amount of personal property taxes
 16 payable by a data center for eligible equipment and machinery located in the data
 17 center. **Section 6** of this bill specifies the duration of the partial abatement
 18 applicable to the local sales and use taxes otherwise payable by a data center for
 19 eligible equipment and machinery located in the data center.

20 **Section 6** prohibits the Office of Economic Development from approving any
 21 abatements pursuant to the provisions of **sections 1-6, 7-9 and 10-12** of this bill on
 22 or after January 1, 2036, but, pursuant to **section 13** of this bill, the provisions of
 23 **sections 1-6, 7-9 and 10-12** will remain effective until December 31, 2056, so that
 24 the Office of Economic Development and the Department of Taxation may
 25 continue to administer the law with regard to any abatements approved pursuant to
 26 the provisions of this bill and in effect on January 1, 2036.

27 Existing law authorizes the Office of Economic Development to grant, for a
 28 period of at least 1 year but not more than 5 years, a partial abatement of property
 29 taxes and sales and use taxes to an eligible business that is or will be located in a
 30 historically underutilized business zone, a redevelopment area, an area eligible for a
 31 community development block grant or an enterprise community. Under existing
 32 law, a data center that locates in such an area is eligible for such partial abatements
 33 for a period of at least 1 year but not more than 15 years. (NRS 274.310, 274.320,
 34 274.330, 374.358) **Sections 6.5, 9.3-9.7 and 12.5** of this bill delete the provisions
 35 which apply specifically to a data center which is or will be located in a historically
 36 underutilized business zone, a redevelopment area, an area eligible for a community
 37 development block grant or an enterprise community.

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

1 **Section 1.** Chapter 360 of NRS is hereby amended by adding
 2 thereto a new section to read as follows:

3 *1. A person who intends to locate or expand a data center in*
 4 *this State may apply to the Office of Economic Development*
 5 *pursuant to this section for a partial abatement of one or more of*
 6 *the taxes imposed on the new or expanded data center pursuant to*
 7 *chapter 361 or 374 of NRS.*



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

4 (a) *The application is consistent with the State Plan for*
5 *Economic Development developed by the Executive Director of the*
6 *Office of Economic Development pursuant to subsection 2 of NRS*
7 *231.053 and any guidelines adopted by the Executive Director of*
8 *the Office to implement the State Plan for Economic Development.*

9 (b) *The applicant has executed an agreement with the Office*
10 *of Economic Development which must:*

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

12 (2) *State the date on which the abatement becomes*
13 *effective, as agreed to by the applicant and the Office of Economic*
14 *Development, which must not be earlier than the date on which*
15 *the Office received the application;*

16 (3) *State that the data center will, after the date on which*
17 *the abatement becomes effective, continue in operation in this*
18 *State for a period specified by the Office of Economic*
19 *Development, which must be at least 10 years, and will continue to*
20 *meet the eligibility requirements set forth in this subsection; and*

21 (4) *Bind the successors in interest of the applicant for the*
22 *specified period.*

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

27 (d) *If the applicant is seeking a partial abatement for a period*
28 *of not more than 10 years, the applicant meets the following*
29 *requirements:*

30 (1) *The data center will, by not later than the date that is 5*
31 *years after the date on which the abatement becomes effective,*
32 *have or have added 25 or more full-time employees who will be*
33 *employed at the data center and will continue to employ 25 or*
34 *more full-time employees at the data center until at least the date*
35 *which is 10 years after the date on which the abatement becomes*
36 *effective.*

37 (2) *Establishing or expanding the data center will require*
38 *the data center or any combination of the data center and one or*
39 *more colocated businesses to make, by not later than the date*
40 *which is 5 years after the date on which the abatement becomes*
41 *effective, a cumulative capital investment of at least \$50,000,000*
42 *in this State in capital assets that will be used or located at the data*
43 *center.*

44 (3) *The average hourly wage that will be paid by the data*
45 *center to its employees in this State is at least 100 percent of the*



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

4 (I) *The data center will, by not later than the date which*
5 *is 2 years after the date on which the abatement becomes effective,*
6 *provide a health insurance plan for all employees employed at the*
7 *data center that includes an option for health insurance coverage*
8 *for dependents of the employees; and*

9 (II) *The health care benefits provided to employees*
10 *employed at the data center will meet the minimum requirements*
11 *for health care benefits established by the Office of Economic*
12 *Development by regulation pursuant to subsection 10.*

13 (e) *If the applicant is seeking a partial abatement for a period*
14 *of 10 years or more but not more than 20 years, the applicant*
15 *meets the following requirements:*

16 (1) *The data center will, by not later than the date that is 5*
17 *years after the date on which the abatement becomes effective,*
18 *have or have added 50 or more full-time employees who will be*
19 *employed at the data center and will continue to employ 50 or*
20 *more full-time employees at the data center until at least the date*
21 *which is 20 years after the date on which the abatement becomes*
22 *effective.*

23 (2) *Establishing or expanding the data center will require*
24 *the data center or any combination of the data center and one or*
25 *more colocated businesses to make, by not later than the date*
26 *which is 5 years after the date on which the abatement becomes*
27 *effective, a cumulative capital investment of at least \$100,000,000*
28 *in this State in capital assets that will be used or located at the data*
29 *center.*

30 (3) *The average hourly wage that will be paid by the data*
31 *center 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 data center will, by not later than the date which*
36 *is 2 years after the date on which the abatement becomes effective,*
37 *provide a health insurance plan for all employees employed at the*
38 *data center that includes an option for health insurance coverage*
39 *for dependents of the employees; and*

40 (II) *The health care benefits provided to employees*
41 *employed at the data center will meet the minimum requirements*
42 *for health care benefits established by the Office of Economic*
43 *Development by regulation pursuant to subsection 10.*

44 (f) *The applicant has provided in the application an estimate of*
45 *the total number of new employees which the data center*



1 anticipates hiring in this State if the Office of Economic
2 Development approves the application.

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

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

10 (b) Shall consider the level of health care benefits provided to
11 employees employed at the data center, the projected economic
12 impact of the data center and the projected tax revenue of the data
13 center after deducting projected revenue from the abated taxes.

14 (c) May, if the Office of Economic Development determines
15 that such action is necessary:

16 (1) Approve an application for a partial abatement
17 pursuant to this section by a data center that does not meet the
18 requirements set forth in paragraph (d) or (e) of subsection 2;

19 (2) Make the requirements set forth in paragraph (d) and
20 (e) of subsection 2 more stringent; or

21 (3) Add additional requirements that an applicant must
22 meet to qualify for a partial abatement pursuant to this section.

23 4. If the Office of Economic Development approves an
24 application for a partial abatement pursuant to this section, the
25 Office shall immediately forward a certificate of eligibility for the
26 abatement to:

27 (a) The Department;

28 (b) The Nevada Tax Commission; and

29 (c) If the partial abatement is from the property tax imposed
30 pursuant to chapter 361 of NRS, the county treasurer of each
31 county in which the data center is or will be located.

32 5. If the Office of Economic Development approves an
33 application for a partial abatement pursuant to this section, the
34 Office may also approve a partial abatement of taxes for each
35 colocated business that enters into a contract to use or occupy, for
36 a period of at least 2 years, all or a portion of the new or expanded
37 data center. The percentage amount of a partial abatement
38 approved for a colocated business pursuant to this subsection must
39 not exceed the percentage amount of the partial abatement
40 approved for the data center. The duration of a partial abatement
41 approved for a colocated business pursuant to this subsection must
42 not exceed the duration of the contract or contracts entered into
43 between the colocated business and the data center, including the
44 duration of any contract or contracts extended or renewed by the
45 parties. If a colocated business ceases to meet the requirements set



1 *forth in this subsection, the colocated business shall repay the*
2 *amount of the abatement that was allowed in the same manner in*
3 *which a data center is required by subsection 7 to repay the*
4 *Department or a county treasurer. If a data center ceases to meet*
5 *the requirements of subsection 2 or ceases operation before the*
6 *time specified in the agreement described in paragraph (b) of*
7 *subsection 2, any partial abatement approved for a colocated*
8 *business ceases to be in effect, but the colocated business is not*
9 *required to repay the amount of the abatement that was allowed*
10 *before the date on which the abatement ceases to be in effect. A*
11 *data center shall provide the Executive Director of the Office and*
12 *the Department with a list of the colocated businesses that are*
13 *qualified to receive a partial abatement pursuant to this subsection*
14 *and shall notify the Executive Director within 30 days after any*
15 *change to the list. The Executive Director shall provide the list and*
16 *any updates to the list to the Department and the county treasurer*
17 *of each affected county.*

18 *6. An applicant for a partial abatement pursuant to this*
19 *section or a data center whose partial abatement is in effect shall,*
20 *upon the request of the Executive Director of the Office of*
21 *Economic Development, furnish the Executive Director with*
22 *copies of all records necessary to verify that the applicant meets*
23 *the requirements of subsection 2.*

24 *7. If a data center whose partial abatement has been*
25 *approved pursuant to this section and is in effect ceases:*

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

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

29 *↳ the data center shall repay to the Department or, if the partial*
30 *abatement was from the property tax imposed pursuant to chapter*
31 *361 of NRS, to the county treasurer, the amount of the abatement*
32 *that was allowed pursuant to this section before the failure of the*
33 *data center to comply unless the Nevada Tax Commission*
34 *determines that the data center has substantially complied with the*
35 *requirements of this section. Except as otherwise provided in NRS*
36 *360.232 and 360.320, the data center shall, in addition to the*
37 *amount of the abatement required to be repaid pursuant to this*
38 *subsection, pay interest on the amount due at the rate most*
39 *recently established pursuant to NRS 99.040 for each month, or*
40 *portion thereof, from the last day of the month following the*
41 *period for which the payment would have been made had the*
42 *partial abatement not been approved until the date of payment of*
43 *the tax.*

44 *8. A county treasurer:*



1 (a) Shall deposit any money that he or she receives pursuant to
2 subsection 5 or 7 in one or more of the funds established by a local
3 government of the county pursuant to NRS 354.6113 or 354.6115;
4 and

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

7 9. An applicant for a partial abatement pursuant to this
8 section who is aggrieved by a final decision of the Office of
9 Economic Development may petition for judicial review in the
10 manner provided in chapter 233B of NRS.

11 10. The Office of Economic Development:

12 (a) Shall adopt regulations relating to the minimum level of
13 health care benefits that a data center must provide to its
14 employees to meet the requirement set forth in paragraph (d) or
15 (e) of subsection 2;

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

18 (c) Shall not approve any application for a partial abatement
19 submitted pursuant to this section which is received on or after
20 January 1, 2036.

21 11. The Nevada Tax Commission:

22 (a) Shall adopt regulations regarding:

23 (1) The capital investment necessary to meet the
24 requirement set forth in paragraph (d) or (e) of subsection 2; and

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

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

30 12. As used in this section, unless the context otherwise
31 requires:

32 (a) "Colocated business" means a person who enters into a
33 contract with a data center that is qualified to receive an
34 abatement pursuant to this section to use or occupy all or part of
35 the data center.

36 (b) "Data center" means one or more buildings located at one
37 or more physical locations in this State which house a group of
38 networked server computers for the purpose of centralizing the
39 storage, management and dissemination of data and information
40 pertaining to one or more businesses and includes any modular or
41 preassembled components, associated telecommunications and
42 storage systems and, if the data center includes more than one
43 building or physical location, any network or connection between
44 such buildings or physical locations.



1 (c) *“Full-time employee” means a person who is in a*
2 *permanent position of employment and works an average of 30*
3 *hours per week during the applicable period set forth in paragraph*
4 *(d) or (e) of subsection 2.*

5 **Sec. 2.** NRS 360.225 is hereby amended to read as follows:

6 360.225 1. During the course of an investigation undertaken
7 pursuant to NRS 360.130 of a person claiming:

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

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

11 (c) A deferral of the payment of taxes on the sale of eligible
12 property pursuant to NRS 372.397 or 374.402;

13 (d) An abatement of taxes on the gross receipts from the sale,
14 storage, use or other consumption of eligible machinery or
15 equipment pursuant to NRS 374.357;

16 (e) A partial abatement of taxes pursuant to NRS 360.752; ~~or~~

17 (f) *A partial abatement of taxes pursuant to section 1 of this*
18 *act; or*

19 (g) An abatement of taxes pursuant to NRS 360.950,

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

23 2. If the Department finds that the person does not meet the
24 eligibility requirements for the abatement, exemption or deferral
25 which the person is claiming, the Department shall report its
26 findings to the Office of Economic Development and take any other
27 necessary actions.

28 **Sec. 3.** NRS 360.755 is hereby amended to read as follows:

29 360.755 1. If the Office of Economic Development approves
30 an application by a business for an abatement of taxes pursuant to
31 NRS 360.950 or a partial abatement pursuant to NRS 360.750 or
32 360.752 ~~H~~ *or section 1 of this act*, the agreement with the Office
33 must provide that the business:

34 (a) Agrees to allow the Department to conduct audits of the
35 business to determine whether the business is in full compliance
36 with the requirements for the abatement or partial abatement; and

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

39 2. If the Department conducts an audit of the business to
40 determine whether the business is in full compliance with the
41 requirements for the abatement or partial abatement, the Department
42 shall, upon request, provide the audit report to the Office of
43 Economic Development.

44 3. Until the business has exhausted all appeals to the
45 Department and the Nevada Tax Commission relating to the audit,



1 the information contained in the audit report provided to the Office
2 of Economic Development:

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

4 (b) Is not a public record; and

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

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

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

12 (b) Upon request by any person, the Executive Director of the
13 Office of Economic Development shall disclose the audit report to
14 the person who made the request, except for any information in
15 the audit report that is protected from disclosure pursuant to
16 subsection 5.

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

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

29 (b) Is not a public record;

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

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

35 **Sec. 4.** NRS 360.757 is hereby amended to read as follows:

36 360.757 1. The Office of Economic Development shall not
37 take any action on an application for any abatement of taxes
38 pursuant to NRS 274.310, 274.320, 274.330 or 360.750 *or section 1*
39 *of this act* or any other specific statute unless the Office:

40 (a) Takes that action at a public meeting conducted for that
41 purpose; and

42 (b) At least 30 days before the meeting, provides notice of the
43 application to:



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

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

6 (3) The general public.

7 2. The notice required by this section must set forth the date,
8 time and location of the meeting at which the Office of Economic
9 Development will consider the application.

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

12 **Sec. 5.** Chapter 361 of NRS is hereby amended by adding
13 thereto a new section to read as follows:

14 *1. A person who intends to locate or expand a data center in
15 this State may, pursuant to section 1 of this act, apply to the Office
16 of Economic Development for a partial abatement from the taxes
17 imposed by this chapter on personal property located at the data
18 center.*

19 *2. If a partial abatement from the taxes imposed by this
20 chapter on personal property located at the data center is approved
21 by the Office of Economic Development pursuant to section 1 of
22 this act:*

23 *(a) The partial abatement must:*

24 *(1) For an applicant seeking an abatement pursuant to
25 paragraph (d) of subsection 2 of section 1 of this act:*

26 *(I) Be for a duration of at least 1 year but not more than
27 10 years; and*

28 *(II) Not exceed 75 percent of the taxes payable by the
29 data center each year pursuant to this chapter on personal
30 property located at the data center;*

31 *(2) For an applicant seeking an abatement pursuant to
32 paragraph (e) of subsection 2 of section 1 of this act:*

33 *(I) Be for a duration of at least 10 years but not more
34 than 20 years; and*

35 *(II) Not exceed 75 percent of the taxes payable by the
36 data center each year pursuant to this chapter on personal
37 property located at the data center; and*

38 *(3) Be administered and carried out in the manner set forth
39 in section 1 of this act.*

40 *(b) The Executive Director of the Office of Economic
41 Development shall notify the county assessor of each county in
42 which the data center is 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 and
45 the applicability of the partial abatement to any colocated*



1 *business. The Executive Director shall, on or before April 15 of*
2 *each year, advise the county assessor of each county in which a*
3 *data center qualifies for a partial abatement during the current*
4 *fiscal year as to whether the data center or any colocated business*
5 *is still eligible for the partial abatement in the next succeeding*
6 *fiscal year.*

7 **3. As used in this section:**

8 (a) *“Colocated business” has the meaning ascribed to it in*
9 *section 1 of this act.*

10 (b) *“Data center” has the meaning ascribed to it in section 1 of*
11 *this act.*

12 **Sec. 6.** Chapter 374 of NRS is hereby amended by adding
13 thereto a new section to read as follows:

14 **1.** *A person who intends to locate or expand a data center in*
15 *this State may, pursuant to section 1 of this act, apply to the Office*
16 *of Economic Development for a partial abatement from the taxes*
17 *imposed by this chapter on the gross receipts from the sale, and*
18 *the storage, use or other consumption, of eligible machinery or*
19 *equipment for use at a data center which has been approved for a*
20 *partial abatement pursuant to section 1 of this act.*

21 **2.** *If an application for a partial abatement is approved:*

22 (a) *For an applicant seeking an abatement pursuant to*
23 *paragraph (d) of subsection 2 of section 1 of this act, the data*
24 *center and any colocated business is eligible for an abatement*
25 *from the tax imposed by this chapter for a period of not more than*
26 *10 years.*

27 (b) *For an applicant seeking an abatement pursuant to*
28 *paragraph (e) of subsection 2 of section 1 of this act, the data*
29 *center and any colocated business is eligible for an abatement*
30 *from the tax imposed by this chapter for a period of not more than*
31 *20 years.*

32 (c) *The abatement must be administered and carried out in the*
33 *manner set forth in section 1 of this act.*

34 **3. As used in this section:**

35 (a) *“Colocated business” has the meaning ascribed to it in*
36 *section 1 of this act.*

37 (b) *“Data center” has the meaning ascribed to it in section 1 of*
38 *this act.*

39 (c) *“Eligible machinery or equipment” means machinery or*
40 *equipment for which a deduction is authorized pursuant to 26*
41 *U.S.C. § 179. The term does not include buildings or the structural*
42 *components of buildings.*

43 **Sec. 6.5.** NRS 374.358 is hereby amended to read as follows:

44 374.358 **1.** A person who maintains a business or intends to
45 locate a business in a historically underutilized business zone, as



1 defined in 15 U.S.C. § 632, redevelopment area created pursuant to
2 NRS 279.382 to 279.685, inclusive, area eligible for a community
3 development block grant pursuant to 24 C.F.R. Part 570 or
4 enterprise community established pursuant to 24 C.F.R. Part 597 in
5 this State may, pursuant to the applicable provisions of NRS
6 274.310, 274.320 or 274.330, apply to the Office of Economic
7 Development for an abatement from the taxes imposed by this
8 chapter on the gross receipts from the sale, and the storage, use or
9 other consumption, of eligible machinery or equipment for use by a
10 business which has been approved for an abatement pursuant to
11 NRS 274.310, 274.320 or 274.330.

12 2. If an application for an abatement is approved pursuant to
13 NRS 274.310, 274.320 or 274.330:

14 (a) The taxpayer is eligible for an abatement from the tax
15 imposed by this chapter for †

16 ~~— (1) Except as otherwise provided in subparagraph (2), † a~~
17 ~~duration of not less than 1 year but not more than 5 † years; or~~

18 ~~— (2) If the business is a data center that has invested or~~
19 ~~commits to invest during the period in which the abatement is~~
20 ~~effective, a minimum of \$100,000,000 in the historically~~
21 ~~underutilized business zone, as defined in 15 U.S.C. § 632,~~
22 ~~redevelopment area created pursuant to NRS 279.382 to 279.685,~~
23 ~~inclusive, area eligible for a community development block grant~~
24 ~~pursuant to 24 C.F.R. Part 570 or enterprise community established~~
25 ~~pursuant to 24 C.F.R. Part 597, a duration of not less than 1 year but~~
26 ~~not more than 15 † years.~~

27 (b) The abatement must be administered and carried out in the
28 manner set forth in the applicable provisions of NRS 274.310,
29 274.320 or 274.330.

30 3. As used in this section, unless the context otherwise requires
31 †

32 ~~— (a) “Data center” has the meaning ascribed to it in~~
33 ~~NRS 274.025.~~

34 ~~— (b) “Eligible † , “eligible~~ machinery or equipment” means
35 machinery or equipment for which a deduction is authorized
36 pursuant to 26 U.S.C. § 179. The term does not include:

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

42 **Sec. 7.** NRS 218D.355 is hereby amended to read as follows:
43 218D.355 1. Except as otherwise provided in NRS 360.965
44 † and section 1 of this act, any state legislation enacted on or after
45 July 1, 2012, which authorizes or requires the Office of Economic



1 Development to approve any abatement of taxes or increases the
2 amount of any abatement of taxes which the Office is authorized or
3 required to approve:

4 (a) Expires by limitation 10 years after the effective date of that
5 legislation.

6 (b) Does not apply to:

7 (1) Any taxes imposed pursuant to NRS 374.110 or 374.190;
8 or

9 (2) Any entity that receives:

10 (I) Any funding from a governmental entity, other than
11 any private activity bonds as defined in 26 U.S.C. § 141; or

12 (II) Any real or personal property from a governmental
13 entity at no cost or at a reduced cost.

14 (c) Requires each recipient of the abatement to submit to the
15 Department of Taxation, on or before the last day of each even-
16 numbered year, a report on whether the recipient is in compliance
17 with the terms of the abatement. The Department of Taxation shall
18 establish a form for the report and may adopt such regulations as it
19 determines to be appropriate to carry out this paragraph. The report
20 must include, without limitation:

21 (1) The date the recipient commenced operation in this State;

22 (2) The number of employees actually employed by the
23 recipient and the average hourly wage of those employees;

24 (3) An accounting of any fees paid by the recipient to the
25 State and to local governmental entities;

26 (4) An accounting of the property taxes paid by the recipient
27 and the amount of those taxes that would have been due if not for
28 the abatement;

29 (5) An accounting of the sales and use taxes paid by the
30 recipient and the amount of those taxes that would have been due if
31 not for the abatement;

32 (6) An accounting of the total capital investment made in
33 connection with the project to which the abatement applies; and

34 (7) An accounting of the total investment in personal
35 property made in connection with the project to which the
36 abatement applies.

37 2. On or before January 15 of each odd-numbered year, the
38 Department of Taxation shall:

39 (a) Based upon the information submitted to the Department of
40 Taxation pursuant to paragraph (c) of subsection 1, prepare a written
41 report of its findings regarding whether the costs of the abatement
42 exceed the benefits of the abatement; and

43 (b) Submit the report to the Director for transmittal to the
44 Legislature.



1 **Sec. 8.** NRS 231.0685 is hereby amended to read as follows:

2 231.0685 The Office shall, on or before January 15 of each
3 odd-numbered year, prepare and submit to the Director of the
4 Legislative Counsel Bureau for transmission to the Legislature a
5 report concerning the abatements from taxation that the Office
6 approved pursuant to NRS 274.310, 274.320, 274.330, 360.750 or
7 360.752 **H** or *section 1 of this act*. The report must set forth, for
8 each abatement from taxation that the Office approved during the
9 fiscal years which are 3 fiscal years and 6 fiscal years immediately
10 preceding the submission of the report:

11 1. The dollar amount of the abatement;

12 2. The location of the business for which the abatement was
13 approved;

14 3. The value of infrastructure included as an incentive for the
15 business;

16 4. If applicable, the number of employees that the business for
17 which the abatement was approved employs or will employ;

18 5. Whether the business for which the abatement was approved
19 is a new business or an existing business;

20 6. The economic sector in which the business operates, the
21 number of primary jobs related to the business, the average wage
22 paid to employees of the business and the assessed values of
23 personal property and real property of the business; and

24 7. Any other information that the Office determines to be
25 useful.

26 **Sec. 9.** NRS 231A.170 is hereby amended to read as follows:

27 231A.170 1. For the purpose of NRS 231A.110, a qualified
28 active low-income community business is limited to those
29 businesses meeting the Small Business Administration size
30 eligibility standards established in 13 C.F.R. §§ 121.101 to 201,
31 inclusive, at the time the qualified low-income community
32 investment is made. A business must be considered a qualified
33 active low-income community business for the duration of the
34 qualified community development entity's investment in, or loan to,
35 the business if the entity reasonably expects, at the time it makes the
36 investment or loan, that the business will continue to satisfy the
37 requirements for being a qualified active low-income community
38 business, other than the Small Business Administration size
39 standards, throughout the entire period of the investment or loan.

40 2. Except as otherwise provided in this subsection, the
41 businesses limited by this section do not include any business that
42 derives or projects to derive 15 percent or more of its annual
43 revenue from the rental or sale of real estate. This exclusion does
44 not apply to a business that is controlled by, or under common
45 control with, another business if the second business:



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1 (a) Does not derive or project to derive 15 percent or more of its
2 annual revenue from the rental or sale of real estate; and

3 (b) Is the primary tenant of the real estate leased from the first
4 business.

5 3. The following businesses are not qualified active low-
6 income community businesses:

7 (a) A business that has received an abatement from taxation
8 pursuant to NRS 274.310, 274.320, 274.330 or 360.750 **H or**
9 **section 1 of this act.**

10 (b) An entity that has liability for insurance premium tax on a
11 premium tax report filed pursuant to NRS 680B.030.

12 (c) A business engaged in banking or lending.

13 (d) A massage parlor.

14 (e) A bath house.

15 (f) A tanning salon.

16 (g) A country club.

17 (h) A business operating under a nonrestricted license for
18 gaming issued pursuant to NRS 463.170.

19 (i) A liquor store.

20 (j) A golf course.

21 **Sec. 9.3.** NRS 274.310 is hereby amended to read as follows:

22 274.310 1. A person who intends to locate a business in this
23 State within:

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

26 (b) A redevelopment area created pursuant to chapter 279 of
27 NRS;

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

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

32 ➔ may submit a request to the governing body of the county, city or
33 town in which the business would operate for an endorsement of an
34 application by the person to the Office of Economic Development
35 for a partial abatement of one or more of the taxes imposed pursuant
36 to chapter 361 or 374 of NRS. The governing body of the county,
37 city or town shall provide notice of the request to the board of
38 trustees of the school district in which the business would operate.
39 The notice must set forth the date, time and location of the hearing
40 at which the governing body will consider whether to endorse the
41 application.

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

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



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

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

9 (a) The business is consistent with:

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

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

14 (b) The applicant has executed an agreement with the Office
15 which states that the business will, after the date on which the
16 abatement becomes effective:

17 (1) Commence operation and continue in operation in the
18 historically underutilized business zone, as defined in 15 U.S.C. §
19 632, redevelopment area created pursuant to chapter 279 of NRS,
20 area eligible for a community development block grant pursuant to
21 24 C.F.R. Part 570 or enterprise community established pursuant to
22 24 C.F.R. Part 597 for a period specified by the Office, which must
23 be at least 5 years; and

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

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

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

32 (d) The applicant invested or commits to invest a minimum of
33 \$500,000 in capital assets that will be retained at the location of the
34 business in the historically underutilized business zone, as defined
35 in 15 U.S.C. § 632, redevelopment area created pursuant to chapter
36 279 of NRS, area eligible for a community development block grant
37 pursuant to 24 C.F.R. Part 570 or enterprise community established
38 pursuant to 24 C.F.R. Part 597 until at least the date which is 5 years
39 after the date on which the abatement becomes effective.

40 4. If the Office of Economic Development approves an
41 application for a partial abatement, the Office shall immediately
42 forward a certificate of eligibility for the abatement to:

43 (a) The Department of Taxation;

44 (b) The Nevada Tax Commission; and



1 (c) 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 will be located.

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

6 (a) The partial abatement must ~~be~~:

7 ~~— (1) Except as otherwise provided in subparagraph (2),~~ be for
8 a duration of not less than 1 year but not more than 5 ~~years; or~~

9 ~~— (2) If the business is a data center that has invested or~~
10 ~~commits to invest during the period in which the abatement is~~
11 ~~effective a minimum of \$100,000,000 in the historically~~
12 ~~underutilized business zone, as defined in 15 U.S.C. § 632,~~
13 ~~redevelopment area created pursuant to chapter 279 of NRS, area~~
14 ~~eligible for a community development block grant pursuant to 24~~
15 ~~C.F.R. Part 570 or enterprise community established pursuant to 24~~
16 ~~C.F.R. Part 597, be for a duration of not less than 1 year but not~~
17 ~~more than 15} years.~~

18 (b) If the abatement is from the property tax imposed pursuant
19 to chapter 361 of NRS, the partial abatement must not exceed 75
20 percent of the taxes on personal property payable by a business each
21 year pursuant to that chapter.

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

24 (a) To meet the eligibility requirements for the partial
25 abatement; or

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

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

42 7. The Office of Economic Development may adopt such
43 regulations as the Office determines to be necessary or advisable to
44 carry out the provisions of this section.



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

4 **Sec. 9.5.** NRS 274.320 is hereby amended to read as follows:

5 274.320 1. A person who intends to expand a business in this
6 State within:

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

9 (b) A redevelopment area created pursuant to chapter 279 of
10 NRS;

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

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

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

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

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

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

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

37 (a) The business is consistent with:

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

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

42 (b) The applicant has executed an agreement with the Office
43 which states that the business will, after the date on which the
44 abatement becomes effective:



1 (1) Continue in operation in the historically underutilized
2 business zone, as defined in 15 U.S.C. § 632, redevelopment area
3 created pursuant to chapter 279 of NRS, area eligible for a
4 community development block grant pursuant to 24 C.F.R. Part 570
5 or enterprise community established pursuant to 24 C.F.R. Part 597
6 for a period specified by the Office, which must be at least 5 years;
7 and

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

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

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

16 (d) The applicant invested or commits to invest a minimum of
17 \$250,000 in capital equipment that will be retained at the location of
18 the business in the historically underutilized business zone, as
19 defined in 15 U.S.C. § 632, redevelopment area created pursuant to
20 chapter 279 of NRS, area eligible for a community development
21 block grant pursuant to 24 C.F.R. Part 570 or enterprise community
22 established pursuant to 24 C.F.R. Part 597 until at least the date
23 which is 5 years after the date on which the abatement becomes
24 effective.

25 4. If the Office of Economic Development approves an
26 application for a partial abatement, the Office shall immediately
27 forward a certificate of eligibility for the abatement to:

- 28 (a) The Department of Taxation; and
- 29 (b) The Nevada Tax Commission.

30 5. If the Office of Economic Development approves an
31 application for a partial abatement pursuant to this section:

- 32 (a) The partial abatement must ~~be~~:

33 ~~— (1) Except as otherwise provided in subparagraph (2),~~ be for
34 a duration of not less than 1 year but not more than 5 ~~years;~~ or

35 ~~— (2) If the business is a data center that has invested or~~
36 ~~commits to invest during the period in which the abatement is~~
37 ~~effective a minimum of \$100,000,000 in the historically~~
38 ~~underutilized business zone, as defined in 15 U.S.C. § 632,~~
39 ~~redevelopment area created pursuant to chapter 279 of NRS, area~~
40 ~~eligible for a community development block grant pursuant to 24~~
41 ~~C.F.R. Part 570 or enterprise community established pursuant to 24~~
42 ~~C.F.R. Part 597, be for a duration of not less than 1 year but not~~
43 ~~more than 15} years.~~

44 (b) If the abatement is from the property tax imposed pursuant
45 to chapter 361 of NRS, the partial abatement must not exceed 75



1 percent of the taxes on personal property payable by a business each
2 year pursuant to that chapter.

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 eligibility requirements for the partial
6 abatement; or

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

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

21 7. The Office of Economic Development may adopt such
22 regulations as the Office determines to be necessary or advisable to
23 carry out the provisions of this section.

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

27 **Sec. 9.7.** NRS 274.330 is hereby amended to read as follows:

28 274.330 1. A person who owns a business which is located
29 within an enterprise community established pursuant to 24 C.F.R.
30 Part 597 in this State may submit a request to the governing body of
31 the county, city or town in which the business is located for an
32 endorsement of an application by the person to the Office of
33 Economic Development for a partial abatement of one or more of
34 the taxes imposed pursuant to chapter 361 or 374 of NRS. The
35 governing body of the county, city or town shall provide notice of
36 the request to the board of trustees of the school district in which the
37 business operates. The notice must set forth the date, time and
38 location of the hearing at which the governing body will consider
39 whether to endorse the application.

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

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



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

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

9 (a) The business is consistent with:

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

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

14 (b) The applicant has executed an agreement with the Office
15 which states that the business will, after the date on which the
16 abatement becomes effective:

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

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

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

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

27 (d) The business:

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

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

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

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

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

41 (1) The Department of Taxation;

42 (2) The Nevada Tax Commission; and

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



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

3 (a) The partial abatement must ~~f:~~

4 ~~— (1) Except as otherwise provided in subparagraph (2),~~ be for
5 a duration of not less than 1 year but not more than 5 ~~f~~years; or

6 ~~— (2) If the business is a data center that has invested or~~
7 ~~commits to invest during the period in which the abatement is~~
8 ~~effective a minimum of \$100,000,000 in the enterprise community~~
9 ~~established pursuant to 24 C.F.R. Part 597, be for a duration of not~~
10 ~~less than 1 year but not more than 15~~ years.

11 (b) If the abatement is from the property tax imposed pursuant
12 to chapter 361 of NRS, the partial abatement must not exceed 75
13 percent of the taxes on personal property payable by a business each
14 year pursuant to that chapter.

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

17 (a) To meet the eligibility requirements for the partial
18 abatement; or

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

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

35 7. The Office of Economic Development:

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

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

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

44 9. As used in this section, “dislocated worker” means a person
45 who:



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

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

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

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

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

12 **Sec. 10.** NRS 353.207 is hereby amended to read as follows:

13 353.207 1. The Chief shall:

14 (a) Require the Office of Economic Development and the Office
15 of Energy each periodically to conduct an analysis of the relative
16 costs and benefits of each incentive for economic development
17 previously approved by the respective office and in effect during the
18 immediately preceding 2 fiscal years, including, without limitation,
19 any abatement of taxes approved by the Office of Economic
20 Development pursuant to NRS 274.310, 274.320, 274.330, 360.750,
21 360.752, 360.950, 361.0687, 374.357 or 701A.210 ~~§~~ *or section 1*
22 *of this act*, to assist the Governor and the Legislature in determining
23 whether the economic benefits of the incentive have accomplished
24 the purposes of the statute pursuant to which the incentive was
25 approved and warrant additional incentives of that kind;

26 (b) Require each office to report in writing to the Chief the
27 results of the analysis conducted by the office pursuant to paragraph
28 (a); and

29 (c) Establish a schedule for performing and reporting the results
30 of the analysis required by paragraph (a) which ensures that the
31 results of the analysis reported by each office are included in the
32 proposed budget prepared pursuant to NRS 353.205, as required by
33 that section.

34 2. Each report prepared for the Chief pursuant to this section is
35 a public record and is open to inspection pursuant to the provisions
36 of NRS 239.010.

37 **Sec. 11.** The provisions of subsection 1 of NRS 218D.380 do
38 not apply to any provision of this act which adds or revises a
39 requirement to submit a report to the Legislature.

40 **Sec. 12.** The Legislature hereby finds that each abatement
41 provided by this act from any ad valorem tax on property or excise
42 tax on the sale, storage, use or other consumption of tangible
43 personal property sold at retail:

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



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- 1 of the abatement on the provision of services to the public by the
2 State or a local government that would otherwise receive revenue
3 from the tax from which the abatement would be granted; and
4 2. Will not impair adversely the ability of the State or a local
5 government to pay, when due, all interest and principal on any
6 outstanding bonds or any other obligations for which revenue from
7 the tax from which the abatement would be granted was pledged.
8 **Sec. 12.5.** NRS 274.025 is hereby repealed.
9 **Sec. 13.** 1. This act becomes effective:
10 (a) Upon passage and approval for the purpose of adopting any
11 regulations and performing any other preparatory administrative
12 tasks necessary to carry out the provisions of this act; and
13 (b) On January 1, 2016, for all other purposes.
14 2. Sections 6.5, 9.3, 9.5 and 9.7 of this act expire by limitation
15 on June 30, 2032.
16 3. Sections 1 to 6, inclusive, 7, 8, 9, 10, 11 and 12 of this act
17 expire by limitation on December 31, 2056.

TEXT OF REPEALED SECTION

274.025 “Data center” defined. “Data center” means one or more buildings located at one physical location which house a group of networked server computers for the purpose of centralizing the storage, management and dissemination of data and information pertaining to a particular business and includes the associated telecommunications and storage systems at the location.

