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SECOND REPRINT

S.B. 170

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 colocate 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.



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 employed by a data center who must be residents of Nevada and
 11 minimum requirements for capital investment. If the Office of Economic
 12 Development approves a partial abatement for a data center, **section 1** authorizes
 13 the Office of Economic Development to grant the same partial abatement to certain
 14 businesses that colocate with the data center. **Section 5** of this bill specifies that the
 15 amount of the abatement must not exceed 75 percent of the amount of personal
 16 property taxes payable by a data center for eligible equipment and machinery
 17 located in the data center. **Section 6** of this bill specifies the duration of the partial
 18 abatement applicable to the local sales and use taxes otherwise payable by a data
 19 center for eligible equipment and machinery located in the data center. **Section 10.5**
 20 of this bill provides that any such abatement of the local sales and use taxes must
 21 not include, for Fiscal Year 2015-2016, an abatement of the local school support
 22 tax.

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

30 Existing law authorizes the Office of Economic Development to grant, for a
 31 period of at least 1 year but not more than 5 years, a partial abatement of property
 32 taxes and sales and use taxes to an eligible business that is or will be located in a
 33 historically underutilized business zone, a redevelopment area, an area eligible for a
 34 community development block grant or an enterprise community. Under existing
 35 law, a data center that locates in such an area is eligible for such partial abatements
 36 for a period of at least 1 year but not more than 15 years. (NRS 274.310, 274.320,
 37 274.330, 374.358) **Sections 6.5, 9.3-9.7 and 12.5** of this bill delete the provisions
 38 which apply specifically to a data center which is or will be located in a historically
 39 underutilized business zone, a redevelopment area, an area eligible for a community
 40 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 10 or more full-time employees who are*
33 *residents of Nevada and who will be employed at the data center*
34 *and will continue to employ 10 or more full-time employees who*
35 *are residents of Nevada at the data center until at least the date*
36 *which is 10 years after the date on which the abatement becomes*
37 *effective.*

38 (2) *Establishing or expanding the data center will require*
39 *the data center or any combination of the data center and one or*
40 *more colocated businesses to make in each county in this State in*
41 *which the data center is located, by not later than the date which is*
42 *5 years after the date on which the abatement becomes effective, a*
43 *cumulative capital investment of at least \$25,000,000 in capital*
44 *assets that will be used or located at the data center.*



1 (3) *The average hourly wage that will be paid by the data*
2 *center to its employees in this State is at least 100 percent of the*
3 *average statewide hourly wage as established by the Employment*
4 *Security Division of the Department of Employment, Training and*
5 *Rehabilitation on July 1 of each fiscal year and:*

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

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

15 (4) *At least 50 percent of the employees engaged or*
16 *anticipated to be engaged in the construction of the data center*
17 *are residents of Nevada, unless waived by the Executive Director*
18 *of the Office of Economic Development upon proof satisfactory to*
19 *the Executive Director of the Office of Economic Development*
20 *that there is an insufficient number of residents of Nevada*
21 *available and qualified for such employment.*

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

25 (1) *The data center will, by not later than the date that is 5*
26 *years after the date on which the abatement becomes effective,*
27 *have or have added 50 or more full-time employees who are*
28 *residents of Nevada and who will be employed at the data center*
29 *and will continue to employ 50 or more full-time employees who*
30 *are residents of Nevada at the data center until at least the date*
31 *which is 20 years after the date on which the abatement becomes*
32 *effective.*

33 (2) *Establishing or expanding the data center will require*
34 *the data center or any combination of the data center and one or*
35 *more colocated businesses to make in each county in this State in*
36 *which the data center is located, by not later than the date which is*
37 *5 years after the date on which the abatement becomes effective, a*
38 *cumulative capital investment of at least \$100,000,000 in capital*
39 *assets that will be used or located at the data center.*

40 (3) *The average hourly wage that will be paid by the data*
41 *center to its employees in this State is at least 100 percent of the*
42 *average statewide hourly wage as established by the Employment*
43 *Security Division of the Department of Employment, Training and*
44 *Rehabilitation on July 1 of each fiscal year and:*



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

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

10 (4) At least 50 percent of the employees engaged or
11 anticipated to be engaged in the construction of the data center
12 are residents of Nevada, unless waived by the Executive Director
13 of the Office of Economic Development upon proof satisfactory to
14 the Executive Director of the Office of Economic Development
15 that there is an insufficient number of residents of Nevada
16 available and qualified for such employment.

17 (f) The applicant has provided in the application an estimate of
18 the total number of new employees which the data center
19 anticipates hiring in this State if the Office of Economic
20 Development approves the application.

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 pursuant to this section unless the Office of Economic
25 Development has requested a letter of acknowledgment of the
26 request for the abatement from each affected county, school
27 district, city or town.

28 (b) Shall consider the level of health care benefits provided to
29 employees employed at the data center, the projected economic
30 impact of the data center and the projected tax revenue of the data
31 center after deducting projected revenue from the abated taxes.

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

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

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

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

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

45 (a) The Department;



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

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

5 5. *If the Office of Economic Development approves an*
6 *application for a partial abatement pursuant to this section, the*
7 *Office may also approve a partial abatement of taxes for each*
8 *colocated business that enters into a contract to use or occupy, for*
9 *a period of at least 2 years, all or a portion of the new or expanded*
10 *data center. Each such colocated business shall obtain a state*
11 *business license issued by the Secretary of State. The percentage*
12 *amount of a partial abatement approved for a colocated business*
13 *pursuant to this subsection must not exceed the percentage*
14 *amount of the partial abatement approved for the data center. The*
15 *duration of a partial abatement approved for a colocated business*
16 *pursuant to this subsection must not exceed the duration of the*
17 *contract or contracts entered into between the colocated business*
18 *and the data center, including the duration of any contract or*
19 *contracts extended or renewed by the parties. If a colocated*
20 *business ceases to meet the requirements set forth in this*
21 *subsection, the colocated business shall repay the amount of the*
22 *abatement that was allowed in the same manner in which a data*
23 *center is required by subsection 7 to repay the Department or a*
24 *county treasurer. If a data center ceases to meet the requirements*
25 *of subsection 2 or ceases operation before the time specified in the*
26 *agreement described in paragraph (b) of subsection 2, any partial*
27 *abatement approved for a colocated business ceases to be in effect,*
28 *but the colocated business is not required to repay the amount of*
29 *the abatement that was allowed before the date on which the*
30 *abatement ceases to be in effect. A data center shall provide the*
31 *Executive Director of the Office and the Department with a list of*
32 *the colocated businesses that are qualified to receive a partial*
33 *abatement pursuant to this subsection and shall notify the*
34 *Executive Director within 30 days after any change to the list. The*
35 *Executive Director shall provide the list and any updates to the list*
36 *to the Department and the county treasurer of each affected*
37 *county.*

38 6. *An applicant for a partial abatement pursuant to this*
39 *section or a data center whose partial abatement is in effect shall,*
40 *upon the request of the Executive Director of the Office of*
41 *Economic Development, furnish the Executive Director with*
42 *copies of all records necessary to verify that the applicant meets*
43 *the requirements of subsection 2.*

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



1 (a) To meet the requirements set forth in subsection 2; or
2 (b) Operation before the time specified in the agreement
3 described in paragraph (b) of subsection 2,
4 ↪ the data center shall repay to the Department or, if the partial
5 abatement was from the property tax imposed pursuant to chapter
6 361 of NRS, to the county treasurer, the amount of the abatement
7 that was allowed pursuant to this section before the failure of the
8 data center to comply unless the Nevada Tax Commission
9 determines that the data center has substantially complied with the
10 requirements of this section. Except as otherwise provided in NRS
11 360.232 and 360.320, the data center shall, in addition to the
12 amount of the abatement required to be repaid pursuant to this
13 subsection, pay interest on the amount due at the rate most
14 recently established pursuant to NRS 99.040 for each month, or
15 portion thereof, from the last day of the month following the
16 period for which the payment would have been made had the
17 partial abatement not been approved until the date of payment of
18 the tax.

19 8. A county treasurer:

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

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

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

30 10. For an employee to be considered a resident of Nevada
31 for the purposes of this section, a data center must maintain the
32 following documents in the personnel file of the employee:

33 (a) A copy of the current and valid Nevada driver's license of
34 the employee or a current and valid identification card for the
35 employee issued by the Department of Motor Vehicles;

36 (b) If the employee is a registered owner of one or more motor
37 vehicles in Nevada, a copy of the current motor vehicle
38 registration of at least one of those vehicles;

39 (c) Proof that the employee is a full-time employee; and

40 (d) Proof that the employee is covered by the health insurance
41 plan which the data center is required to provide pursuant to sub-
42 subparagraph (I) of subparagraph (3) of paragraph (d) of
43 subsection 2 or sub-subparagraph (I) of subparagraph (3) of
44 paragraph (e) of subsection 2.



1 *11. For the purpose of obtaining from the Executive Director*
2 *of the Office of Economic Development any waiver of the*
3 *requirements set forth in sub-paragraph (4) of paragraph (d) of*
4 *subsection 2 or subparagraph (4) of paragraph (e) of subsection 2,*
5 *a data center must submit to the Executive Director of the Office*
6 *of Economic Development written documentation of the efforts to*
7 *meet the requirements and documented proof that an insufficient*
8 *number of Nevada residents is available and qualified for*
9 *employment.*

10 *12. The Office of Economic Development:*

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

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

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

20 *13. The Nevada Tax Commission:*

21 *(a) Shall adopt regulations regarding:*

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

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

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

29 *14. As used in this section, unless the context otherwise*
30 *requires:*

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

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

44 *(c) "Full-time employee" means a person who is in a*
45 *permanent position of employment and works an average of 30*



1 *hours per week during the applicable period set forth in paragraph*
2 *(d) or (e) of subsection 2.*

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

4 360.225 1. During the course of an investigation undertaken
5 pursuant to NRS 360.130 of a person claiming:

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

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

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

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

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

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

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

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

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

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

27 360.755 1. If the Office of Economic Development approves
28 an application by a business for an abatement of taxes pursuant to
29 NRS 360.950 or a partial abatement pursuant to NRS 360.750 or
30 360.752 ~~;~~ *or section 1 of this act*, the agreement with the Office
31 must provide that the business:

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

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

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

42 3. Until the business has exhausted all appeals to the
43 Department and the Nevada Tax Commission relating to the audit,
44 the information contained in the audit report provided to the Office
45 of Economic Development:



- 1 (a) Is confidential proprietary information of the business;
2 (b) Is not a public record; and
3 (c) Must not be disclosed to any person who is not an officer or
4 employee of the Office of Economic Development unless the
5 business consents to the disclosure.

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

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

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

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

- 26 (a) Is confidential proprietary information of the business;
27 (b) Is not a public record;
28 (c) Must be redacted by the Executive Director from any audit
29 report that is disclosed to the public; and
30 (d) Must not be disclosed to any person who is not an officer or
31 employee of the Office of Economic Development unless the
32 business consents to the disclosure.

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

34 360.757 1. The Office of Economic Development shall not
35 take any action on an application for any abatement of taxes
36 pursuant to NRS 274.310, 274.320, 274.330 or 360.750 *or section 1*
37 *of this act* or any other specific statute unless the Office:

38 (a) Takes that action at a public meeting conducted for that
39 purpose; and

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

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



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

3 (3) The general public.

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

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

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

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

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

20 *(a) The partial abatement must:*

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

23 *(I) Be for a duration of at least 1 year but not more than
24 10 years; and*

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

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

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

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

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

37 *(b) The Executive Director of the Office of Economic
38 Development shall notify the county assessor of each county in
39 which the data center is located of the approval of the partial
40 abatement, including, without limitation, the duration and
41 percentage of the partial abatement that the Office granted and
42 the applicability of the partial abatement to any colocated
43 business. The Executive Director shall, on or before April 15 of
44 each year, advise the county assessor of each county in which a
45 data center qualifies for a partial abatement during the current*



1 *fiscal year as to whether the data center or any colocated business*
2 *is still eligible for the partial abatement in the next succeeding*
3 *fiscal year.*

4 3. *As used in this section:*

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

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

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

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

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

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

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

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

31 3. *As used in this section:*

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

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

36 (c) *“Eligible machinery or equipment” means machinery or*
37 *equipment necessary to and specifically related to the business of*
38 *the data center or colocated business. The term does not include*
39 *vehicles, buildings or the structural components of buildings.*

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

41 374.358 1. A person who maintains a business or intends to
42 locate a business in a historically underutilized business zone, as
43 defined in 15 U.S.C. § 632, redevelopment area created pursuant to
44 NRS 279.382 to 279.685, inclusive, area eligible for a community
45 development block grant pursuant to 24 C.F.R. Part 570 or



1 enterprise community established pursuant to 24 C.F.R. Part 597 in
2 this State may, pursuant to the applicable provisions of NRS
3 274.310, 274.320 or 274.330, apply to the Office of Economic
4 Development for an abatement from the taxes imposed by this
5 chapter on the gross receipts from the sale, and the storage, use or
6 other consumption, of eligible machinery or equipment for use by a
7 business which has been approved for an abatement pursuant to
8 NRS 274.310, 274.320 or 274.330.

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

11 (a) The taxpayer is eligible for an abatement from the tax
12 imposed by this chapter for ~~†~~

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

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

24 (b) The abatement must be administered and carried out in the
25 manner set forth in the applicable provisions of NRS 274.310,
26 274.320 or 274.330.

27 3. As used in this section, unless the context otherwise requires
28 ~~†~~

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

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

34 ~~†(1)~~ (a) Buildings or the structural components of buildings;

35 ~~†(2)~~ (b) Equipment used by a public utility;

36 ~~†(3)~~ (c) Equipment used for medical treatment;

37 ~~†(4)~~ (d) Machinery or equipment used in mining; or

38 ~~†(5)~~ (e) Machinery or equipment used in gaming.

39 **Sec. 7.** NRS 218D.355 is hereby amended to read as follows:

40 218D.355 1. Except as otherwise provided in NRS 360.965
41 ~~†~~ *and section 1 of this act*, any state legislation enacted on or after
42 July 1, 2012, which authorizes or requires the Office of Economic
43 Development to approve any abatement of taxes or increases the
44 amount of any abatement of taxes which the Office is authorized or
45 required to approve:



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

3 (b) Does not apply to:

4 (1) Any taxes imposed pursuant to NRS 374.110 or 374.190;
5 or

6 (2) Any entity that receives:

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

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

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

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

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

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

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

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

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

31 (7) An accounting of the total investment in personal
32 property made in connection with the project to which the
33 abatement applies.

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


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

40 (b) Submit the report to the Director for transmittal to the
41 Legislature.

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

43 231.0685 The Office shall, on or before January 15 of each
44 odd-numbered year, prepare and submit to the Director of the
45 Legislative Counsel Bureau for transmission to the Legislature a



1 report concerning the abatements from taxation that the Office
2 approved pursuant to NRS 274.310, 274.320, 274.330, 360.750 or
3 360.752  or section 1 of this act. The report must set forth, for
4 each abatement from taxation that the Office approved during the
5 fiscal years which are 3 fiscal years and 6 fiscal years immediately
6 preceding the submission of the report:

7 1. The dollar amount of the abatement;

8 2. The location of the business for which the abatement was
9 approved;

10 3. The value of infrastructure included as an incentive for the
11 business;

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

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

16 6. The economic sector in which the business operates, the
17 number of primary jobs related to the business, the average wage
18 paid to employees of the business and the assessed values of
19 personal property and real property of the business; and

20 7. Any other information that the Office determines to be
21 useful.

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

23 231A.170 1. For the purpose of NRS 231A.110, a qualified
24 active low-income community business is limited to those
25 businesses meeting the Small Business Administration size
26 eligibility standards established in 13 C.F.R. §§ 121.101 to 201,
27 inclusive, at the time the qualified low-income community
28 investment is made. A business must be considered a qualified
29 active low-income community business for the duration of the
30 qualified community development entity's investment in, or loan to,
31 the business if the entity reasonably expects, at the time it makes the
32 investment or loan, that the business will continue to satisfy the
33 requirements for being a qualified active low-income community
34 business, other than the Small Business Administration size
35 standards, throughout the entire period of the investment or loan.

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

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

44 (b) Is the primary tenant of the real estate leased from the first
45 business.



1 3. The following businesses are not qualified active low-
2 income community businesses:

3 (a) A business that has received an abatement from taxation
4 pursuant to NRS 274.310, 274.320, 274.330 or 360.750 ~~§~~ *or*
5 *section 1 of this act.*

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

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

9 (d) A massage parlor.

10 (e) A bath house.

11 (f) A tanning salon.

12 (g) A country club.

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

15 (i) A liquor store.

16 (j) A golf course.

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

18 274.310 1. A person who intends to locate a business in this
19 State within:

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

22 (b) A redevelopment area created pursuant to chapter 279 of
23 NRS;

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

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

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

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

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

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



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

6 (a) The business is consistent with:

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

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

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

14 (1) Commence operation and continue in operation in the
15 historically underutilized business zone, as defined in 15 U.S.C. §
16 632, redevelopment area created pursuant to chapter 279 of NRS,
17 area eligible for a community development block grant pursuant to
18 24 C.F.R. Part 570 or enterprise community established pursuant to
19 24 C.F.R. Part 597 for a period specified by the Office, which must
20 be at least 5 years; and

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

23 ➤ The agreement must bind successors in interest of the business
24 for the specified period.

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

29 (d) The applicant invested or commits to invest a minimum of
30 \$500,000 in capital assets that will be retained at the location of the
31 business in the historically underutilized business zone, as defined
32 in 15 U.S.C. § 632, redevelopment area created pursuant to chapter
33 279 of NRS, area eligible for a community development block grant
34 pursuant to 24 C.F.R. Part 570 or enterprise community established
35 pursuant to 24 C.F.R. Part 597 until at least the date which is 5 years
36 after the date on which the abatement becomes effective.

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 of Taxation;

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 of the county
44 in which the business will be 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 ~~be~~:

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 ~~[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 historically~~
9 ~~underutilized business zone, as defined in 15 U.S.C. § 632,~~
10 ~~redevelopment area created pursuant to chapter 279 of NRS, area~~
11 ~~eligible for a community development block grant pursuant to 24~~
12 ~~C.F.R. Part 570 or enterprise community established pursuant to 24~~
13 ~~C.F.R. Part 597, be for a duration of not less than 1 year but not~~
14 ~~more than 15] years.~~

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

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

21 (a) To meet the eligibility requirements for the partial
22 abatement; or

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

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

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

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



1 **Sec. 9.5.** NRS 274.320 is hereby amended to read as follows:
2 274.320 1. A person who intends to expand a business in this
3 State within:

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

6 (b) A redevelopment area created pursuant to chapter 279 of
7 NRS;

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

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

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

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

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

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

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

34 (a) The business is consistent with:

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

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

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

42 (1) Continue in operation in the historically underutilized
43 business zone, as defined in 15 U.S.C. § 632, redevelopment area
44 created pursuant to chapter 279 of NRS, area eligible for a
45 community development block grant pursuant to 24 C.F.R. Part 570



1 or enterprise community established pursuant to 24 C.F.R. Part 597
2 for a period specified by the Office, which must be at least 5 years;
3 and

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

6 ↪ The agreement must bind successors in interest of the business
7 for the specified period.

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

12 (d) The applicant invested or commits to invest a minimum of
13 \$250,000 in capital equipment that will be retained at the location of
14 the business in the historically underutilized business zone, as
15 defined in 15 U.S.C. § 632, redevelopment area created pursuant to
16 chapter 279 of NRS, area eligible for a community development
17 block grant pursuant to 24 C.F.R. Part 570 or enterprise community
18 established pursuant to 24 C.F.R. Part 597 until at least the date
19 which is 5 years after the date on which the abatement becomes
20 effective.

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

24 (a) The Department of Taxation; and

25 (b) The Nevada Tax Commission.

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

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

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

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

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

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



1 (a) To meet the eligibility requirements for the partial
2 abatement; or

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

5 ↪ the business shall repay to the Department of Taxation the
6 amount of the exemption that was allowed pursuant to this section
7 before the 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 7. 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 8. 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. 9.7.** NRS 274.330 is hereby amended to read as follows:

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

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

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

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

43 3. A person whose application has been endorsed by the
44 governing body of the county, city or town, as applicable, pursuant
45 to this section may submit the application to the Office of Economic



1 Development. The Office shall approve the application if the Office
2 makes the following determinations:

3 (a) The business is consistent with:

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

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

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

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

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

15 ➔ The agreement must bind successors in interest of the business
16 for the 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) The business:

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

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

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

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

33 (b) Immediately forward a certificate of eligibility for the
34 abatement to:

35 (1) The Department of Taxation;

36 (2) The Nevada Tax Commission; and

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

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

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

43 ~~(1) Except as otherwise provided in subparagraph (2),]~~ be for
44 a duration of not less than 1 year but not more than 5 ~~[years; or~~



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

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

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

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

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

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

7. The Office of Economic Development:

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

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

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

9. As used in this section, "dislocated worker" means a person who:

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

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



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

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

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

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

9 353.207 1. The Chief shall:

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

22 (b) Require each office to report in writing to the Chief the
23 results of the analysis conducted by the office pursuant to paragraph
24 (a); and

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

30 2. Each report prepared for the Chief pursuant to this section is
31 a public record and is open to inspection pursuant to the provisions
32 of NRS 239.010.

33 **Sec. 10.5.** Notwithstanding the provisions of sections 1 and 6
34 of this act, if the Office of Economic Development approves an
35 application for a partial abatement pursuant to section 1 of this act,
36 of the taxes imposed pursuant to chapter 374 of NRS, any such
37 partial abatement must not include, for Fiscal Year 2015-2016, an
38 abatement of the local school support tax imposed by chapter 374 of
39 NRS.

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

43 **Sec. 12.** The Legislature hereby finds that each abatement
44 provided by this act from any ad valorem tax on property or excise



1 tax on the sale, storage, use or other consumption of tangible
2 personal property sold at retail:

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

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

12 **Sec. 12.5.** NRS 274.025 is hereby repealed.

13 **Sec. 13.** 1. This act becomes effective:

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

17 (b) On January 1, 2016, for all other purposes.

18 2. Sections 6.5, 9.3, 9.5 and 9.7 of this act expire by limitation
19 on June 30, 2032.

20 3. Sections 1 to 6, inclusive, 7, 8, 9 and 10 to 12, inclusive, of
21 this act 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.

