

ASSEMBLY BILL NO. 449—ASSEMBLYWOMAN BENITEZ-THOMPSON

APRIL 5, 2021

Referred to Committee on Revenue

SUMMARY—Revises provisions governing economic development. (BDR 32-359)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

~

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

AN ACT relating to economic development; revising provisions governing the approval of applications for tax abatements by the Office of Economic Development; revising provisions governing the duration of tax abatements approved by the Office; creating and prescribing the duties of the Division of Small Business Development within the Office; requiring businesses receiving certain abatements of taxes to pay a certain percentage of the amount of the partial abatement to the Department of Taxation for deposit in the Account for Affordable Housing; prescribing the use of such payments; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law requires the Office of Economic Development to approve
2 applications for the abatement of certain taxes if the Office determines that an
3 applicant business has satisfied certain requirements. (NRS 274.310-274.330,
4 360.750-360.754, 360.890, 360.950) Among the requirements which a business
5 must satisfy to receive an abatement of taxes from the Office is to have executed an
6 agreement with Office that includes the provisions specified by law. (NRS 274.310-
7 274.330, 360.750-360.754, 360.890, 360.950) Existing law requires a business
8 whose abatement has been approved by the Office to repay the amount of the
9 abatement if the business ceases to meet the requirements for the abatement or
10 ceases to operate before the time specified in the agreement between the business
11 and the Office. (NRS 274.310-274.330, 360.750-360.754, 360.894, 360.970)
12 **Sections 1-6 and 13-15** of this bill make the approval of such applications upon
13 determining that a business has satisfied the applicable requirements permissive
14 rather than mandatory.

15 Under existing law, for the purpose of any partial tax abatement which the
16 Office is required or authorized to approve, the Office is deemed to have approved



17 the partial tax abatement: (1) upon approval by the Board of Economic
18 Development for partial tax abatements with a projected value to a single entity of
19 \$250,000 or more; and (2) upon approval by the Executive Director of the Office
20 for partial tax abatements with a projected value to a single entity of less than
21 \$250,000. (NRS 231.0695) **Section 12** of this bill removes the \$250,000 threshold
22 so that the Office is deemed to have approved a partial tax abatement only upon
23 approval of the partial tax abatement by the Board.

24 **Sections 1, 3 and 4** of this bill require the Office, in determining whether to
25 approve an application for certain partial abatements of taxes for an expanding
26 business, to consider the number of employees of the business enrolled in Medicaid
27 and the costs to this State to provide Medicaid coverage to those employees.

28 Existing law creates the Account for Affordable Housing and requires money
29 deposited in the Account to be used for certain purposes related to affordable
30 housing. (NRS 319.500, 319.510) **Sections 1, 3 and 4** of this bill require the
31 agreement entered into between the Office and an applicant for certain partial tax
32 abatements to include a statement that the applicant will, for each fiscal year in
33 which the abatement is in effect, pay to the Department of Taxation an amount
34 equal to 10 percent of the dollar amount of the abatement for that fiscal year, which
35 the Department is required to transmit to the State Controller for deposit in the
36 Account for Affordable Housing. **Section 16** of this bill requires money which is
37 deposited in the Account pursuant to an agreement between the Office and a
38 business which has received a tax abatement to be used in the county in which the
39 business operates. **Sections 1, 3 and 4** require a business whose partial abatement
40 has been approved by the Office to repay the amount of the abatement if it fails to
41 make the payment to the Department for deposit in the Account for Affordable
42 Housing.

43 Existing law provides that a business which makes a capital investment of at
44 least \$1,000,000 in a program at the University of Nevada, Reno, the University of
45 Nevada, Las Vegas, or the Desert Research Institute for the support of research,
46 development or training related to the field of endeavor of the business and which
47 meets certain other requirements is eligible to apply for a partial abatement of
48 personal property taxes. If the business makes a capital investment of at least
49 \$500,000 in the Nevada State College or certain other institutions within the
50 Nevada System of Higher Education in support of college certification or research
51 or training related to the field of endeavor of the business and the business meets
52 certain other requirements, the business is also eligible to apply for a partial
53 abatement of personal property taxes. (NRS 360.752) **Section 2** of this bill revises
54 the criteria to be eligible for these partial abatements of personal property taxes by:
55 (1) reducing from \$1,000,000 to \$500,000 the amount of capital investment which a
56 business must make in a program at the University of Nevada, Reno, the University
57 of Nevada, Las Vegas, or the Desert Research institute; (2) increasing the average
58 hourly wage that must be paid by the business to its new employees in this State
59 from at least 100 percent of certain average hourly wage rates to at least 110
60 percent of certain average hourly wage rates; and (3) removing the requirement to
61 employ a certain number of full-time employees for the duration of the abatement.

62 Under existing law, if the Office approves certain partial abatements of
63 property taxes, the Office determines the duration of the partial abatement of
64 property taxes, but the duration of such a partial abatement must be at least 1 year
65 but not more than 10 years. (NRS 361.0687) If the partial abatement approved by
66 the Office is a partial abatement of the personal property taxes imposed on a data
67 center, the duration of the partial abatement of such taxes may also be for a
68 duration of at least 10 years but not more than 20 years if certain requirements are
69 met. (NRS 361.0683) **Section 7** of this bill limits the duration of a partial abatement
70 of the personal property taxes imposed on a data center to a period of at least 1 year
71 but not more than 10 years.



72 Under existing law, if the Office approves certain partial abatements of the
73 modified business tax, the partial abatement must equal 50 percent of the amount of
74 modified business tax otherwise due during the first 4 years of the operation of the
75 business. (NRS 363B.120) **Section 8** of this bill requires the partial abatement to be
76 for any period of at least 1 year but not more than 4 years.

77 **Sections 9-11** of this bill create the Division of Small Business Development
78 within the Office of Economic Development and prescribe the duties of the
79 Division relating to encouraging the creation, cultivation and growth of small
80 businesses in this State.

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

1 **Section 1.** NRS 360.750 is hereby amended to read as follows:

2 360.750 1. A person who intends to locate or expand a
3 business in this State may apply to the Office of Economic
4 Development pursuant to this section for a partial abatement of one
5 or more of the taxes imposed on the:

6 (a) New business pursuant to chapter 361, 363B or 374 of NRS.

7 (b) Expanded business pursuant to chapter 361 or 363B of NRS
8 or the local sales and use taxes. As used in this paragraph, "local
9 sales and use taxes" means the taxes imposed on the gross receipts
10 of any retailer from the sale of tangible personal property sold at
11 retail, or stored, used or otherwise consumed, in the political
12 subdivision in which the business is to be located or expanded,
13 except the taxes imposed by the Sales and Use Tax Act and the
14 Local School Support Tax Law.

15 2. The Office of Economic Development ~~[shall]~~ *may* approve
16 an application for a partial abatement pursuant to this section if the
17 Office makes the following determinations:

18 (a) The business offers primary jobs and is consistent with:

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

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

24 (b) The applicant has executed an agreement with the Office
25 which must:

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

27 (2) State the date on which the abatement becomes effective,
28 as agreed to by the applicant and the Office, which must not be
29 earlier than the date on which the Office received the application;

30 (3) State that the business will, after the date on which the
31 abatement becomes effective, continue in operation in this State for
32 a period specified by the Office, which must be at least 5 years, and



1 will continue to meet the eligibility requirements set forth in this
2 subsection;

3 (4) State that the business will offer primary jobs; ~~and~~

4 (5) *State that the business will, for each fiscal year in which*
5 *the partial abatement is in effect, pay to the Department of*
6 *Taxation an amount equal to 10 percent of the dollar amount of*
7 *the partial abatement for that fiscal year, which the Department*
8 *shall transmit to the State Controller for deposit in the Account for*
9 *Affordable Housing created by NRS 319.500; and*

10 (6) Bind the successors in interest of the business for the
11 *period* specified ~~[period.]~~ *pursuant to subparagraph (3).*

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) Except as otherwise provided in subsection 4 or 5, the
17 average hourly wage that will be paid by the business to its new
18 employees in this State is at least 100 percent of the average
19 statewide hourly wage as established by the Employment Security
20 Division of the Department of Employment, Training and
21 Rehabilitation on July 1 of each fiscal year.

22 (e) The business will, by the eighth calendar quarter following
23 the calendar quarter in which the abatement becomes effective, offer
24 a health insurance plan for all employees that includes an option for
25 health insurance coverage for dependents of the employees, and the
26 health care benefits the business offers to its employees in this State
27 will meet the minimum requirements for health care benefits
28 established by the Office.

29 (f) Except as otherwise provided in this subsection and NRS
30 361.0687, if the business is a new business in a county whose
31 population is 100,000 or more or a city whose population is 60,000
32 or more, the business meets at least one of the following
33 requirements:

34 (1) The business will have 50 or more full-time employees
35 on the payroll of the business by the eighth calendar quarter
36 following the calendar quarter in which the abatement becomes
37 effective who will be employed at the location of the business in
38 that county or city until at least the date which is 5 years after the
39 date on which the abatement becomes effective.

40 (2) Establishing the business will require the business to
41 make, not later than the date which is 2 years after the date on which
42 the abatement becomes effective, a capital investment of at least
43 \$1,000,000 in this State in capital assets that will be retained at
44 the location of the business in that county or city until at least the date



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

3 (g) Except as otherwise provided in NRS 361.0687, if the
4 business is a new business in a county whose population is less than
5 100,000, in an area of a county whose population is 100,000 or more
6 that is located within the geographic boundaries of an area that is
7 designated as rural by the United States Department of Agriculture
8 and at least 20 miles outside of the geographic boundaries of an area
9 designated as urban by the United States Department of Agriculture,
10 or in a city whose population is less than 60,000, the business meets
11 at least one of the following requirements:

12 (1) The business will have 10 or more full-time employees
13 on the payroll of the business by the eighth calendar quarter
14 following the calendar quarter in which the abatement becomes
15 effective who will be employed at the location of the business in
16 that county or city until at least the date which is 5 years after the
17 date on which the abatement becomes effective.

18 (2) Establishing the business will require the business to
19 make, not later than the date which is 2 years after the date on which
20 the abatement becomes effective, a capital investment of at least
21 \$250,000 in this State in capital assets that will be retained at the
22 location of the business in that county or city until at least the date
23 which is 5 years after the date on which the abatement becomes
24 effective.

25 (h) If the business is an existing business, the business meets at
26 least one of the following requirements:

27 (1) For a business in:

28 (I) Except as otherwise provided in sub-subparagraph (II),
29 a county whose population is 100,000 or more or a city whose
30 population is 60,000 or more, the business will, by the eighth
31 calendar quarter following the calendar quarter in which the
32 abatement becomes effective, increase the number of employees on
33 its payroll in that county or city by 10 percent more than it
34 employed in the fiscal year immediately preceding the fiscal year in
35 which the abatement becomes effective or by twenty-five
36 employees, whichever is greater, who will be employed at the
37 location of the business in that county or city until at least the date
38 which is 5 years after the date on which the abatement becomes
39 effective; or

40 (II) A county whose population is less than 100,000, an
41 area of a county whose population is 100,000 or more that is located
42 within the geographic boundaries of an area that is designated as
43 rural by the United States Department of Agriculture and at least 20
44 miles outside of the geographic boundaries of an area designated as
45 urban by the United States Department of Agriculture, or a city



1 whose population is less than 60,000, the business will, by the
2 eighth calendar quarter following the calendar quarter in which the
3 abatement becomes effective, increase the number of employees on
4 its payroll in that county or city by 10 percent more than it
5 employed in the fiscal year immediately preceding the fiscal year in
6 which the abatement becomes effective or by six employees,
7 whichever is greater, who will be employed at the location of the
8 business in that county or city until at least the date which is 5 years
9 after the date on which the abatement becomes effective.

10 (2) The business will expand by making a capital investment
11 in this State, not later than the date which is 2 years after the date on
12 which the abatement becomes effective, in an amount equal to at
13 least 20 percent of the value of the tangible property possessed by
14 the business in the fiscal year immediately preceding the fiscal year
15 in which the abatement becomes effective, and the capital
16 investment will be in capital assets that will be retained at the
17 location of the business in that county or city until at least the date
18 which is 5 years after the date on which the abatement becomes
19 effective. The determination of the value of the tangible property
20 possessed by the business in the immediately preceding fiscal year
21 must be made by the:

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

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

25 (i) The applicant has provided in the application an estimate of
26 the total number of new employees which the business anticipates
27 hiring in this State by the eighth calendar quarter following the
28 calendar quarter in which the abatement becomes effective if the
29 Office approves the application.

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

32 (a) Shall not consider an application for a partial abatement
33 pursuant to this section unless the Office has requested a letter of
34 acknowledgment of the request for the abatement from any affected
35 county, school district, city or town.

36 (b) Shall consider the level of health care benefits provided by
37 the business to its employees, the projected economic impact of the
38 business and the projected tax revenue of the business after
39 deducting projected revenue from the abated taxes.

40 (c) *Shall, if the applicant for a partial abatement pursuant to*
41 *this section is an existing business in this State, consider the*
42 *number of employees of the business enrolled in Medicaid and the*
43 *costs to this State to provide coverage under Medicaid for those*
44 *employees.*

45 (d) May, if the Office determines that such action is necessary:



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

4 (2) Make any of the requirements set forth in paragraphs (d)
5 to (h), inclusive, of subsection 2 more stringent; or

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

8 4. Notwithstanding any other provision of law, the Office of
9 Economic Development shall not approve an application for a
10 partial abatement pursuant to this section if:

11 (a) The applicant intends to locate or expand in a county in
12 which the rate of unemployment is 7 percent or more and the
13 average hourly wage that will be paid by the applicant to its new
14 employees in this State is less than 70 percent of the average
15 statewide hourly wage, as established by the Employment Security
16 Division of the Department of Employment, Training and
17 Rehabilitation on July 1 of each fiscal year.

18 (b) The applicant intends to locate or expand in a county in
19 which the rate of unemployment is less than 7 percent and the
20 average hourly wage that will be paid by the applicant to its new
21 employees in this State is less than 85 percent of the average
22 statewide hourly wage, as established by the Employment Security
23 Division of the Department of Employment, Training and
24 Rehabilitation on July 1 of each fiscal year.

25 (c) The applicant intends to locate in a county but has already
26 received a partial abatement pursuant to this section for locating that
27 business in that county.

28 (d) The applicant intends to expand in a county but has already
29 received a partial abatement pursuant to this section for expanding
30 that business in that county.

31 (e) The applicant has changed the name or identity of the
32 business to evade the provisions of paragraph (c) or (d).

33 5. Notwithstanding any other provision of law, if the Office of
34 Economic Development approves an application for a partial
35 abatement pursuant to this section, in determining the types of taxes
36 imposed on a new or expanded business for which the partial
37 abatement will be approved and the amount of the partial abatement:

38 (a) If the new or expanded business is located in a county in
39 which the rate of unemployment is 7 percent or more and the
40 average hourly wage that will be paid by the business to its new
41 employees in this State is less than 85 percent of the average
42 statewide hourly wage, as established by the Employment Security
43 Division of the Department of Employment, Training and
44 Rehabilitation on July 1 of each fiscal year, the Office shall not:



1 (1) Approve an abatement of the taxes imposed pursuant to
2 chapter 361 of NRS which exceeds 25 percent of the taxes on
3 personal property payable by the business each year.

4 (2) Approve an abatement of the taxes imposed pursuant to
5 chapter 363B of NRS which exceeds 25 percent of the amount of
6 tax otherwise due pursuant to NRS 363B.110.

7 (b) If the new or expanded business is located in a county in
8 which the rate of unemployment is less than 7 percent and the
9 average hourly wage that will be paid by the business to its new
10 employees in this State is less than 100 percent of the average
11 statewide hourly wage, as established by the Employment Security
12 Division of the Department of Employment, Training and
13 Rehabilitation on July 1 of each fiscal year, the Office shall not:

14 (1) Approve an abatement of the taxes imposed pursuant to
15 chapter 361 of NRS which exceeds 25 percent of the taxes on
16 personal property payable by the business each year.

17 (2) Approve an abatement of the taxes imposed pursuant to
18 chapter 363B of NRS which exceeds 25 percent of the amount of
19 tax otherwise due pursuant to NRS 363B.110.

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

24 (a) The Department;

25 (b) The Nevada Tax Commission; and

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

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

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

36 (a) ~~It~~ *Ceases to* meet the requirements set forth in subsection
37 2; ~~or~~

38 (b) ~~Operation~~ *Ceases operation* before the time specified in
39 the agreement described in paragraph (b) of subsection 2 ~~;~~ ; *or*

40 (c) *Fails to make a payment to the Department of Taxation*
41 *required by the agreement described in paragraph (b) of*
42 *subsection 2,*

43 ↪ the business shall repay to the Department or, if the partial
44 abatement was from the property tax imposed pursuant to chapter
45 361 of NRS, to the county treasurer, the amount of the partial



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

12 9. A county treasurer:

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

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

19 10. The Office of Economic Development may adopt such
20 regulations as the Office of Economic Development determines to
21 be necessary to carry out the provisions of this section and
22 NRS 360.755.

23 11. The Nevada Tax Commission:

24 (a) Shall adopt regulations regarding:

25 (1) The capital investment that a new business must make to
26 meet the requirement set forth in paragraph (f) or (g) of subsection
27 2; and

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

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

33 12. An applicant for a partial abatement pursuant to this section
34 who is aggrieved by a final decision of the Office of Economic
35 Development may petition for judicial review in the manner
36 provided in chapter 233B of NRS.

37 13. For the purposes of this section, an employee is a "full-time
38 employee" if he or she is in a permanent position of employment
39 and works an average of 30 hours per week during the applicable
40 period set forth in subsection 2.

41 **Sec. 2.** NRS 360.752 is hereby amended to read as follows:

42 360.752 1. A person who intends to locate or expand a
43 business in this State may apply to the Office of Economic
44 Development pursuant to this section for a partial abatement of the



1 tax imposed on the new or expanded business pursuant to chapter
2 361 of NRS.

3 2. The Office of Economic Development ~~[shall]~~ *may* approve
4 an application for a partial abatement pursuant to this section if the
5 Office makes the following determinations:

6 (a) The business is in one or more of the industry sectors for
7 economic development promoted, identified or otherwise approved
8 by the Governor's Workforce Investment Board described in
9 NRS 232.935.

10 (b) The business is consistent with:

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

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

16 (c) The applicant has executed an agreement with the Office
17 which must:

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

19 (2) Require the business to submit to the Department the
20 reports required by paragraph (c) of subsection 1 of NRS 218D.355;

21 (3) State the agreed terms of the partial abatement, which
22 must comply with the requirements of subsection 4;

23 (4) State the date on which the abatement becomes effective,
24 as agreed to by the applicant and the Office, which must not be
25 earlier than the date on which the Office received the application;

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

32 (6) Bind the successors in interest of the business for the
33 *period* specified ~~[period.]~~ *pursuant to subparagraph (5).*

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

38 (e) The business does not receive:

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

41 (2) Any real or personal property from a governmental entity
42 at no cost or at a reduced cost.

43 (f) The average hourly wage that will be paid by the business to
44 its new employees in this State is at least ~~[100]~~ *110* percent of the
45 average statewide hourly wage or the average countywide hourly



1 wage, whichever is less, as established by the Employment Security
2 Division of the Department of Employment, Training and
3 Rehabilitation on July 1 of each fiscal year.

4 (g) The business will offer a health insurance plan for all full-
5 time employees that includes an option for health insurance
6 coverage for dependents of those employees, or will abide by all
7 applicable provisions of the Patient Protection and Affordable Care
8 Act, Public Law 111-148, or both, and the benefits the business
9 offers to its employees in this State will meet the minimum
10 requirements for benefits established by the Office.

11 (h) The business meets the following requirements:

12 (1) The business makes a capital investment of at least
13 ~~[\$1,000,000]~~ \$500,000 in a program of the University of Nevada,
14 Reno, the University of Nevada, Las Vegas, or the Desert Research
15 Institute to be used in support of research, development or training
16 related to the field of endeavor of the business.

17 (2) ~~[The business will employ 15 or more full-time~~
18 ~~employees for the duration of the abatement.~~

19 ~~—(3)]~~ (3) The business will employ two or more graduate students
20 from the program in which the capital investment is made on a part-
21 time basis during years 2 through 5, inclusive, of the abatement.

22 ~~[(4)]~~ (3) The business submits with its application for a
23 partial abatement:

24 (I) A letter of support from the institution in which the
25 capital investment is made, which is signed by the chief
26 administrative officer of the institution and the director or chair of
27 the program or the appropriate department, and which includes,
28 without limitation, a summary of the financial and other resources
29 the business will provide to the program and an agreement that the
30 institution will provide to the Office periodic reports, at such times
31 and containing such information as the Office may require,
32 regarding the use of those resources; and

33 (II) A letter of support which is signed by the chair of the
34 board of directors of the regional economic development authority
35 within whose jurisdiction the institution is located and which
36 includes, without limitation, a summary of the role the business will
37 play in diversifying the economy and, if applicable, in achieving the
38 broader goals of the regional economic development authority for
39 economic development and diversification.

40 (i) In lieu of meeting the requirements of paragraph (h), the
41 business meets the following requirements:

42 (1) The business makes a capital investment of at least
43 \$500,000 in the Nevada State College or an institution of the
44 Nevada System of Higher Education other than those set forth in
45 subparagraph (1) of paragraph (h), to be used in support of college



1 certification or in support of research or training related to the field
2 of endeavor of the business.

3 (2) ~~[(The business will employ 15 or more full time~~
4 ~~employees for the duration of the abatement.~~

5 ~~—(3)]~~ The business will employ two or more students from the
6 college or institution in which the capital investment is made on a
7 full-time basis during years 2 through 5, inclusive, of the abatement.

8 ~~[(4)]~~ (3) The business submits with its application for a
9 partial abatement:

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

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

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

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

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

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



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

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

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

7 (1) Fifty percent of the amount of the taxes imposed on the
8 personal property of the business pursuant to chapter 361 of NRS
9 during the period of the abatement; or

10 (2) Fifty percent of the amount of the capital investment by
11 the business,

12 ↪ whichever amount is less;

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

14 (c) The abatement applies only to the business for which the
15 abatement was approved pursuant to this section and the property
16 used in connection with that business.

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

21 (a) The Department;

22 (b) The Nevada Tax Commission; and

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

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

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

37 (a) The business shall repay to the county treasurer the amount
38 of the partial abatement that was allowed pursuant to this section
39 before the failure of the business to comply unless the Nevada Tax
40 Commission determines that the business has substantially complied
41 with the requirements of this section. Except as otherwise provided
42 in NRS 360.232 and 360.320, the business shall, in addition to the
43 amount of the partial abatement required to be paid pursuant to this
44 subsection, pay interest on the amount due at the rate most recently
45 established pursuant to NRS 99.040 for each month, or portion



1 thereof, from the last day of the month following the period for
2 which the payment would have been made had the partial abatement
3 not been approved until the date of payment of the tax.

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

7 8. A county treasurer:

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

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

14 9. The Office of Economic Development:

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

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

20 10. The Nevada Tax Commission:

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

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

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

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

38 **Sec. 3.** NRS 360.753 is hereby amended to read as follows:

39 360.753 1. An owner of a business or a person who intends
40 to locate or expand a business in this State may apply to the Office
41 of Economic Development pursuant to this section for a partial
42 abatement of one or more of:

43 (a) The personal property taxes imposed on an aircraft and the
44 personal property used to own, operate, manufacture, service,



1 maintain, test, repair, overhaul or assemble an aircraft or any
2 component of an aircraft; and

3 (b) The local sales and use taxes imposed on the purchase of
4 tangible personal property used to operate, manufacture, service,
5 maintain, test, repair, overhaul or assemble an aircraft or any
6 component of an aircraft.

7 2. Notwithstanding the provisions of any law to the contrary
8 and except as otherwise provided in subsections 3 and 4, the Office
9 of Economic Development ~~{shall}~~ *may* approve an application for a
10 partial abatement if the Office makes the following determinations:

11 (a) The applicant has executed an agreement with the Office
12 which:

13 (1) Complies with the requirements of NRS 360.755;

14 (2) States the date on which the abatement becomes
15 effective, as agreed to by the applicant and the Office, which must
16 not be earlier than the date on which the Office received the
17 application;

18 (3) States that the business will, after the date on which a
19 certificate of eligibility for the partial abatement is issued pursuant
20 to subsection 5, continue in operation in this State for a period
21 specified by the Office, which must be not less than 5 years, and
22 will continue to meet the eligibility requirements set forth in this
23 subsection; ~~{and}~~

24 (4) *States that the business will, for each fiscal year in*
25 *which the partial abatement is in effect, pay to the Department of*
26 *Taxation an amount equal to 10 percent of the dollar amount of*
27 *the partial abatement for that fiscal year, which the Department*
28 *shall transmit to the State Controller for deposit in the Account for*
29 *Affordable Housing created by NRS 319.500; and*

30 (5) Binds any successor in interest of the applicant for the
31 *period* specified ~~{period;}~~ *pursuant to subparagraph (3);*

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

36 (c) The business owns, operates, manufactures, services,
37 maintains, tests, repairs, overhauls or assembles an aircraft or any
38 component of an aircraft;

39 (d) The average hourly wage that will be paid by the business to
40 its employees in this State during the period of partial abatement is
41 not less than 100 percent of the average statewide hourly wage as
42 established by the Employment Security Division of the Department
43 of Employment, Training and Rehabilitation on July 1 of each fiscal
44 year;



1 (e) The business will, by the eighth calendar quarter following
2 the calendar quarter in which the abatement becomes effective, offer
3 a health insurance plan for all employees that includes an option for
4 health insurance coverage for dependents of the employees, and the
5 health care benefits the business offers to its employees in this State
6 will meet the minimum requirements for health care benefits
7 established by the Office;

8 (f) If the business is:

9 (1) A new business, that it will have five or more full-time
10 employees on the payroll of the business within 1 year after
11 receiving its certificate of eligibility for a partial abatement; or

12 (2) An existing business, that it will increase its number of
13 full-time employees on the payroll of the business in this State by 3
14 percent or three employees, whichever is greater, within 1 year after
15 receiving its certificate of eligibility for a partial abatement;

16 (g) The business meets at least one of the following
17 requirements:

18 (1) The business will make a new capital investment of at
19 least \$250,000 in this State within 1 year after receiving its
20 certificate of eligibility for a partial abatement;

21 (2) The business will maintain and possess in this State
22 tangible personal property having a value of not less than
23 \$5,000,000 during the period of partial abatement;

24 (3) The business develops, refines or owns a patent or other
25 intellectual property, or has been issued a type certificate by the
26 Federal Aviation Administration pursuant to 14 C.F.R. Part 21; and

27 (h) If the application is for the partial abatement of the taxes
28 imposed by the Local School Support Tax Law, the application has
29 been approved by a vote of at least two-thirds of the members of the
30 Board of Economic Development created by NRS 231.033.

31 3. The Office of Economic Development:

32 (a) Shall approve or deny an application submitted pursuant to
33 this section and notify the applicant of its decision not later than 45
34 days after receiving the application.

35 (b) Must not:

36 (1) Consider an application for a partial abatement unless the
37 Office has requested a letter of acknowledgment of the request for
38 the partial abatement from any affected county, school district, city
39 or town and has complied with the requirements of NRS 360.757; or

40 (2) Approve a partial abatement for any applicant for a
41 period of more than 10 years.

42 (c) *Shall, if the applicant for a partial abatement pursuant to*
43 *this section is an existing business in this State, consider the*
44 *number of employees of the business enrolled in Medicaid and the*



1 *costs to this State to provide coverage under Medicaid for those*
2 *employees.*

3 4. The Office of Economic Development must not approve a
4 partial abatement of personal property taxes for a business whose
5 physical property is collectively valued and centrally assessed
6 pursuant to NRS 361.320 and 361.3205.

7 5. If the Office of Economic Development approves an
8 application for a partial abatement pursuant to this section, the
9 Office shall immediately forward a certificate of eligibility for the
10 partial abatement to:

11 (a) The Department;

12 (b) The Nevada Tax Commission; and

13 (c) If the partial abatement is from personal property taxes, the
14 appropriate county treasurer.

15 6. An applicant for a partial abatement pursuant to this section
16 or an existing business whose partial abatement is in effect shall,
17 upon the request of the Executive Director of the Office of
18 Economic Development, furnish the Executive Director with copies
19 of all records necessary to verify that the applicant meets the
20 requirements of subsection 2.

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

24 (a) ~~ceases~~ *Ceases to* meet the requirements set forth in subsection
25 2; ~~or~~

26 (b) ~~operation~~ *Ceases operation* before the time specified in
27 the agreement described in paragraph (a) of subsection 2 ~~;~~ *or*

28 (c) *Fails to make a payment to the Department of Taxation*
29 *required by the agreement described in paragraph (a) of*
30 *subsection 2,*

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



1 8. The Office of Economic Development may adopt such
2 regulations as the Office determines to be necessary to carry out the
3 provisions of this section.

4 9. The Nevada Tax Commission may adopt such regulations as
5 the Commission determines are necessary to carry out the provisions
6 of this section.

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

11 11. If the Office of Economic Development approves an
12 application for a partial abatement of local sales and use taxes
13 pursuant to this section, the Department shall issue to the business a
14 document certifying the partial abatement which can be presented to
15 retailers and customers of the business at the time of sale. The
16 document must clearly state that the purchaser is only required to
17 pay sales and use taxes imposed in this State at the rate of 2 percent.

18 12. As used in this section:

19 (a) "Aircraft" means any fixed-wing, rotary-wing or unmanned
20 aerial vehicle.

21 (b) "Component of an aircraft" means any:

22 (1) Element that makes up the physical structure of an
23 aircraft, or is affixed thereto;

24 (2) Mechanical, electrical or other system of an aircraft,
25 including, without limitation, any component thereof; and

26 (3) Raw material or processed material, part, machinery,
27 tool, chemical, gas or equipment used to operate, manufacture,
28 service, maintain, test, repair, overhaul or assemble an aircraft or
29 component of an aircraft.

30 (c) "Full-time employee" means a person who is in a permanent
31 position of employment and works an average of 30 hours per week
32 during the applicable period set forth in subparagraph (3) of
33 paragraph (a) of subsection 2.

34 (d) "Local sales and use taxes" means any taxes imposed on the
35 gross receipts of any retailer from the sale of tangible personal
36 property sold at retail, or stored, used or otherwise consumed, in any
37 political subdivision of this State, except the taxes imposed by the
38 Sales and Use Tax Act.

39 (e) "Personal property taxes" means any taxes levied on
40 personal property by the State or a local government pursuant to
41 chapter 361 of NRS.

42 **Sec. 4.** NRS 360.754 is hereby amended to read as follows:

43 360.754 1. A person who intends to locate or expand a data
44 center in this State may apply to the Office of Economic
45 Development pursuant to this section for a partial abatement of one



1 or more of the taxes imposed on the new or expanded data center
2 pursuant to chapter 361 or 374 of NRS.

3 2. The Office of Economic Development ~~[shall]~~ *may* approve
4 an application for a partial abatement pursuant to this section if the
5 Office makes the following determinations:

6 (a) The application is consistent with the State Plan for
7 Economic Development developed by the Executive Director of the
8 Office of Economic Development pursuant to subsection 2 of NRS
9 231.053 and any guidelines adopted by the Executive Director of the
10 Office to implement the State Plan for Economic Development.

11 (b) The applicant has executed an agreement with the Office of
12 Economic Development which must:

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

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

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

23 (4) *State that the data center will, for each fiscal year in*
24 *which the partial abatement is in effect, pay to the Department of*
25 *Taxation an amount equal to 10 percent of the dollar amount of*
26 *the partial abatement for that fiscal year, which the Department*
27 *shall transmit to the State Controller for deposit in the Account for*
28 *Affordable Housing created by NRS 319.500; and*

29 (5) Bind the successors in interest of the applicant for the
30 *period* specified ~~[period.]~~ *pursuant to subparagraph (3).*

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

35 (d) If the applicant is seeking a partial abatement for a period of
36 not more than 10 years, the applicant meets the following
37 requirements:

38 (1) The data center will, by not later than the date that is 5
39 years after the date on which the abatement becomes effective, have
40 or have added 10 or more full-time employees who are residents of
41 Nevada and who will be employed at the data center and will
42 continue to employ 10 or more full-time employees who are
43 residents of Nevada at the data center until at least the date which is
44 10 years after the date on which the abatement becomes effective.



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

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

13 (I) The data center will, by not later than the date which is
14 2 years after the date on which the abatement becomes effective,
15 provide a health insurance plan for all employees employed at the
16 data center that includes an option for health insurance coverage for
17 dependents of the employees; and

18 (II) The health care benefits provided to employees
19 employed at the data center will meet the minimum requirements for
20 health care benefits established by the Office of Economic
21 Development by regulation pursuant to subsection 12.

22 (4) At least 50 percent of the employees engaged in the
23 construction of the data center are residents of Nevada, unless
24 waived by the Executive Director of the Office of Economic
25 Development upon proof satisfactory to the Executive Director of
26 the Office of Economic Development that there is an insufficient
27 number of residents of Nevada available and qualified for such
28 employment.

29 (e) If the applicant is seeking a partial abatement *of the taxes*
30 *imposed pursuant to chapter 374 of NRS* for a period of 10 years or
31 more but not more than 20 years, the applicant meets the following
32 requirements:

33 (1) The data center will, by not later than the date that is 5
34 years after the date on which the abatement becomes effective, have
35 or have added 50 or more full-time employees who are residents of
36 Nevada and who will be employed at the data center and will
37 continue to employ 50 or more full-time employees who are
38 residents of Nevada at the data center until at least the date which is
39 20 years after the date on which the abatement becomes effective.

40 (2) Establishing or expanding the data center will require the
41 data center or any combination of the data center and one or more
42 colocated businesses to make in each county in this State in which
43 the data center is located, by not later than the date which is 5 years
44 after the date on which the abatement becomes effective, a



1 cumulative capital investment of at least \$100,000,000 in capital
2 assets that will be used or located at the data center.

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

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

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

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

24 (f) The applicant has provided in the application an estimate of
25 the total number of new employees which the data center anticipates
26 hiring in this State if the Office of Economic Development approves
27 the application.

28 (g) If the applicant is seeking a partial abatement of the taxes
29 imposed by the Local School Support Tax Law, the application has
30 been approved by a vote of at least two-thirds of the members of the
31 Board of Economic Development created by NRS 231.033.

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

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

38 (b) Shall consider the level of health care benefits provided to
39 employees employed at the data center, the projected economic
40 impact of the data center and the projected tax revenue of the data
41 center after deducting projected revenue from the abated taxes.

42 (c) *Shall, if the applicant for a partial abatement pursuant to*
43 *this section is an existing business in this State, consider the*
44 *number of employees of the business enrolled in Medicaid and the*



1 *costs to this State to provide coverage under Medicaid for those*
2 *employees.*

3 (d) May, if the Office of Economic Development determines
4 that such action is necessary:

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

8 (2) Make the requirements set forth in paragraphs (d) and (e)
9 of subsection 2 more stringent; or

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

12 4. If the Office of Economic Development approves an
13 application for a partial abatement pursuant to this section, the
14 Office shall immediately forward a certificate of eligibility for the
15 abatement to:

16 (a) The Department;

17 (b) The Nevada Tax Commission; and

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

21 5. If the Office of Economic Development approves an
22 application for a partial abatement pursuant to this section, the
23 Office may also approve a partial abatement of taxes for each
24 colocated business that enters into a contract to use or occupy, for a
25 period of at least 2 years, all or a portion of the new or expanded
26 data center. Each such colocated business shall obtain a state
27 business license issued by the Secretary of State. The percentage
28 amount of a partial abatement approved for a colocated business
29 pursuant to this subsection must not exceed the percentage amount
30 of the partial abatement approved for the data center. The duration
31 of a partial abatement approved for a colocated business pursuant to
32 this subsection must not exceed the duration of the contract or
33 contracts entered into between the colocated business and the data
34 center, including the duration of any contract or contracts extended
35 or renewed by the parties. If a colocated business ceases to meet the
36 requirements set forth in this subsection, the colocated business
37 shall repay the amount of the abatement that was allowed in the
38 same manner in which a data center is required by subsection 7 to
39 repay the Department or a county treasurer. If a data center ceases to
40 meet the requirements of subsection 2, ~~for~~ ceases operation before
41 the time specified in the agreement described in paragraph (b) of
42 subsection 2 ~~or~~ *or fails to make a payment to the Department of*
43 *Taxation required by the agreement described in paragraph (b) of*
44 *subsection 2*, any partial abatement approved for a colocated
45 business ceases to be in effect, but the colocated business is not



1 required to repay the amount of the abatement that was allowed
2 before the date on which the abatement ceases to be in effect. A data
3 center shall provide the Executive Director of the Office and the
4 Department with a list of the colocated businesses that are qualified
5 to receive a partial abatement pursuant to this subsection and shall
6 notify the Executive Director within 30 days after any change to the
7 list. The Executive Director shall provide the list and any updates to
8 the list to the Department and the county treasurer of each affected
9 county.

10 6. An applicant for a partial abatement pursuant to this section
11 or a data center whose partial abatement is in effect shall, upon the
12 request of the Executive Director of the Office of Economic
13 Development, furnish the Executive Director with copies of all
14 records necessary to verify that the applicant meets the requirements
15 of subsection 2.

16 7. If a data center whose partial abatement has been approved
17 pursuant to this section and is in effect : ~~{ceases:}~~

18 (a) ~~{Ff}~~ *Ceases to* meet the requirements set forth in subsection
19 2; ~~{or}~~

20 (b) ~~{Operation}~~ *Ceases operation* before the time specified in
21 the agreement described in paragraph (b) of subsection 2 ~~{;}~~ ; *or*

22 (c) *Fails to make a payment to the Department of Taxation*
23 *required by the agreement described in paragraph (b) of*
24 *subsection 2,*

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

40 8. A county treasurer:

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



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

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

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

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

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

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

17 (d) Proof that the employee is covered by the health insurance
18 plan which the data center is required to provide pursuant to sub-
19 subparagraph (I) of subparagraph (3) of paragraph (d) of subsection
20 2 or sub-subparagraph (I) of subparagraph (3) of paragraph (e) of
21 subsection 2.

22 11. For the purpose of obtaining from the Executive Director
23 of the Office of Economic Development any waiver of the
24 requirements set forth in subparagraph (4) of paragraph (d) of
25 subsection 2 or subparagraph (4) of paragraph (e) of subsection 2, a
26 data center must submit to the Executive Director of the Office of
27 Economic Development written documentation of the efforts to
28 meet the requirements and documented proof that an insufficient
29 number of Nevada residents is available and qualified for
30 employment.

31 12. The Office of Economic Development:

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

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

38 (c) Shall not approve any application for a partial abatement
39 submitted pursuant to this section which is received on or after
40 January 1, 2036 ~~;~~ **and**

41 *(d) Shall not approve a partial abatement of the taxes imposed*
42 *pursuant to chapter 361 of NRS for any applicant for a period of*
43 *more than 10 years.*

44 13. The Nevada Tax Commission:

45 (a) Shall adopt regulations regarding:



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

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

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

8 14. As used in this section, unless the context otherwise
9 requires:

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

14 (b) "Data center" means one or more buildings located at one or
15 more physical locations in this State which house a group of
16 networked server computers for the purpose of centralizing the
17 storage, management and dissemination of data and information
18 pertaining to one or more businesses and includes any modular or
19 preassembled components, associated telecommunications and
20 storage systems and, if the data center includes more than one
21 building or physical location, any network or connection between
22 such buildings or physical locations.

23 (c) "Full-time employee" means a person who is in a permanent
24 position of employment and works an average of 30 hours per week
25 during the applicable period set forth in paragraph (d) or (e) of
26 subsection 2.

27 **Sec. 5.** NRS 360.890 is hereby amended to read as follows:

28 360.890 1. If the Office of Economic Development receives
29 an application pursuant to NRS 360.889, the Office:

30 (a) Shall not consider the application unless the Office has
31 requested a letter of acknowledgment of the request for a partial
32 abatement from any county, school district, city or town which the
33 Office determines may experience a direct economic effect as a
34 result of the partial abatement.

35 (b) Shall not take any action on the application unless the Office
36 takes that action at a public meeting conducted for that purpose.

37 (c) Shall, at least 30 days before any public meeting conducted
38 for the purpose of taking any action on the application, provide
39 notice of the application and the date, time and location of the public
40 meeting at which the Office will consider the application to:

- 41 (1) Each participant in the project;
42 (2) The Department;
43 (3) The Nevada Gaming Control Board;



1 (4) 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 project will be located;

4 (5) The governing body of any other political subdivision
5 that the Office determines could experience a direct economic effect
6 as a result of the abatement; and

7 (6) The general public.

8 2. The date of the public meeting to consider an application
9 submitted pursuant to NRS 360.889 must be not later than 60 days
10 after the date on which the Office receives the completed
11 application.

12 3. The Office ~~[shall]~~ *may* approve an application submitted
13 pursuant to NRS 360.889 if the Office finds that the project is a
14 qualified project. The Office shall issue a decision on the application
15 not later than 30 days after the conclusion of the public meeting on
16 the application. Not later than 30 days after the Office issues a
17 decision approving an application submitted pursuant to NRS
18 360.889 in which the lead participant applies for a certificate of
19 eligibility for the transferable tax credits described in paragraph (a)
20 of subsection 1 of NRS 360.889, the Office must submit a written
21 request to the Interim Finance Committee for approval of the
22 issuance of the transferable tax credits.

23 4. The lead participant in a qualified project shall submit all
24 accountings and other required information to the Office and the
25 Department not later than 30 days after a date specified in the
26 decision issued by the Office. If the Office or the Department
27 determines that information submitted pursuant to this subsection is
28 incomplete, the lead participant shall, not later than 30 days after
29 receiving notice that the information is incomplete, provide to the
30 Office or the Department, as applicable, all additional information
31 required by the Office or the Department.

32 5. Until the Office of Economic Development provides notice
33 of the application and the public meeting pursuant to paragraph (c)
34 of subsection 1, the information contained in the application
35 provided to the Office of Economic Development:

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

37 (b) Is not a public record; and

38 (c) Must not be disclosed to any person who is not an officer or
39 employee of the Office of Economic Development unless the lead
40 participant consents to the disclosure.

41 6. After the Office provides notice of the application and the
42 public meeting pursuant to paragraph (c) of subsection 1:

43 (a) The application is a public record; and

44 (b) Upon request by any person, the Executive Director of the
45 Office shall disclose the application to the person who made the



1 request, except for any information in the application that is
2 protected from disclosure pursuant to subsection 7.

3 7. Before the Executive Director of the Office discloses the
4 application to the public, the lead participant may submit a request
5 to the Executive Director of the Office to protect from disclosure
6 any information in the application which, under generally accepted
7 business practices, would be considered a trade secret or other
8 confidential proprietary information of the business. After
9 consulting with the business, the Executive Director of the Office
10 shall determine whether to protect the information from disclosure.
11 The decision of the Executive Director of the Office is final and is
12 not subject to judicial review. If the Executive Director of the Office
13 determines to protect the information from disclosure, the protected
14 information:

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

16 (b) Is not a public record;

17 (c) Must be redacted by the Executive Director of the Office
18 from any copy of the application that is disclosed to the public; and

19 (d) Must not be disclosed to any person who is not an officer or
20 employee of the Office of Economic Development unless the lead
21 participant consents to the disclosure.

22 **Sec. 6.** NRS 360.950 is hereby amended to read as follows:

23 360.950 1. If the Office of Economic Development receives
24 an application pursuant to NRS 360.945, the Office:

25 (a) Shall not consider the application unless the Office has
26 requested a letter of acknowledgment of the request for an
27 abatement from any county, school district, city or town which the
28 Office determines may experience a direct economic effect as a
29 result of the abatement.

30 (b) Shall not take any action on the application unless the Office
31 takes that action at a public meeting conducted for that purpose.

32 (c) Shall, at least 30 days before any public meeting conducted
33 for the purpose of taking any action on the application, provide
34 notice of the application and the date, time and location of the public
35 meeting at which the Office will consider the application to:

36 (1) Each participant in the project;

37 (2) The Department;

38 (3) The Nevada Gaming Control Board;

39 (4) The governing body of the county, the board of trustees
40 of the school district and the governing body of the city or town, if
41 any, in which the project will be located;

42 (5) The governing body of any other political subdivision
43 that the Office determines could experience a direct economic effect
44 as a result of the abatement; and

45 (6) The general public.



1 2. The date of the public meeting to consider an application
2 submitted pursuant to NRS 360.945 must be not later than 60 days
3 after the date on which the Office receives the completed
4 application.

5 3. The Office ~~[shall]~~ *may* approve an application submitted
6 pursuant to NRS 360.945 if the Office finds that the project is a
7 qualified project. The Office shall issue a decision on the application
8 not later than 30 days after the conclusion of the public meeting on
9 the application.

10 4. The lead participant in a qualified project shall submit all
11 accountings and other required information to the Office and the
12 Department not later than 30 days after a date specified in the
13 decision issued by the Office. If the Office or the Department
14 determines that information submitted pursuant to this subsection is
15 incomplete, the lead participant shall, not later than 30 days after
16 receiving notice that the information is incomplete, provide to the
17 Office or the Department, as applicable, all additional information
18 required by the Office or the Department.

19 5. Until the Office of Economic Development provides notice
20 of the application and the public meeting pursuant to paragraph (c)
21 of subsection 1, the information contained in the application
22 provided to the Office of Economic Development:

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

24 (b) Is not a public record; and

25 (c) Must not be disclosed to any person who is not an officer or
26 employee of the Office of Economic Development unless the lead
27 participant consents to the disclosure.

28 6. After the Office provides notice of the application and the
29 public meeting pursuant to paragraph (c) of subsection 1:

30 (a) The application is a public record; and

31 (b) Upon request by any person, the Executive Director of the
32 Office shall disclose the application to the person who made the
33 request, except for any information in the application that is
34 protected from disclosure pursuant to subsection 7.

35 7. Before the Executive Director of the Office discloses the
36 application to the public, the lead participant may submit a request
37 to the Executive Director of the Office to protect from disclosure
38 any information in the application which, under generally accepted
39 business practices, would be considered a trade secret or other
40 confidential proprietary information of the business. After
41 consulting with the business, the Executive Director of the Office
42 shall determine whether to protect the information from disclosure.
43 The decision of the Executive Director of the Office is final and is
44 not subject to judicial review. If the Executive Director of the Office



1 determines to protect the information from disclosure, the protected
2 information:

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

4 (b) Is not a public record;

5 (c) Must be redacted by the Executive Director of the Office
6 from any copy of the application that is disclosed to the public; and

7 (d) Must not be disclosed to any person who is not an officer or
8 employee of the Office of Economic Development unless the lead
9 participant consents to the disclosure.

10 **Sec. 7.** NRS 361.0683 is hereby amended to read as follows:

11 361.0683 1. A person who intends to locate or expand a data
12 center in this State may, pursuant to NRS 360.754, apply to the
13 Office of Economic Development for a partial abatement from
14 the taxes imposed by this chapter on personal property located at the
15 data center.

16 2. If a partial abatement from the taxes imposed by this chapter
17 on personal property located at the data center is approved by the
18 Office of Economic Development pursuant to NRS 360.754:

19 (a) The partial abatement must:

20 (1) For an applicant seeking an abatement pursuant to
21 paragraph (d) of subsection 2 of NRS 360.754:

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

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

27 (2) ~~For an applicant seeking an abatement pursuant to~~
28 ~~paragraph (c) of subsection 2 of NRS 360.754:~~

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

31 ~~(II) Subject to any limitation on the abatement set forth in~~
32 ~~NRS 360.750, not exceed 75 percent of the taxes payable by the~~
33 ~~data center each year pursuant to this chapter on personal property~~
34 ~~located at the data center; and~~

35 ~~(3)] Be administered and carried out in the manner set forth~~
36 ~~in NRS 360.754.~~

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 the
42 applicability of the partial abatement to any colocated business. The
43 Executive Director shall, on or before April 15 of each year, advise
44 the county assessor of each county in which a data center qualifies
45 for a partial abatement during the current fiscal year as to whether



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

3 3. As used in this section:

4 (a) "Colocated business" has the meaning ascribed to it in
5 NRS 360.754.

6 (b) "Data center" has the meaning ascribed to it in
7 NRS 360.754.

8 **Sec. 8.** NRS 363B.120 is hereby amended to read as follows:

9 363B.120 1. Except as otherwise provided in NRS 360.750,
10 an employer that qualifies pursuant to the provisions of NRS
11 360.750 is entitled to an exemption of 50 percent of the amount of
12 tax otherwise due pursuant to NRS 363B.110 ~~[during the first]~~ *for a*
13 *period of at least 1 year but not more than* 4 years . ~~[of its~~
14 ~~operation.]~~

15 2. If a partial abatement from the taxes otherwise due pursuant
16 to NRS 363B.110 is approved by the Office of Economic
17 Development pursuant to NRS 360.750, the partial abatement must
18 be administered and carried out in the manner set forth in
19 NRS 360.750.

20 **Sec. 9.** Chapter 231 of NRS is hereby amended by adding
21 thereto a new section to read as follows:

22 *1. There is hereby created within the Office of Economic*
23 *Development the Division of Small Business Development.*

24 *2. The Division of Small Business Development shall:*

25 *(a) Provide assistance and advise concerning any aspect of*
26 *starting a small business in this State or operating a small*
27 *business in this State, including, without limitation, through*
28 *referrals to agencies and organizations that assist small*
29 *businesses.*

30 *(b) Assist persons wishing to start a small business in this State*
31 *or persons operating a small business in this State in finding*
32 *programs that assist small businesses with obtaining financing to*
33 *create or operate a small business.*

34 *(c) Identify barriers to the creation or growth of a small*
35 *businesses and provide advice and recommendations for the*
36 *removal of those barriers.*

37 *(d) Engage in any other activities designed to encourage the*
38 *creation, cultivation and growth of small businesses in this State.*

39 *3. As used in this section, "small business" means any*
40 *business whose gross revenue, as defined in NRS 363C.045, for*
41 *the tax year of the business is less than \$4,000,000.*

42 **Sec. 10.** NRS 231.043 is hereby amended to read as follows:

43 231.043 1. There is hereby created within the Office of the
44 Governor the Office of Economic Development, consisting of:

45 (a) A Division of Economic Development;



1 *(b) A Division of Small Business Development;* and

2 ~~[(b)]~~ *(c) A Division of Motion Pictures.*

3 2. The Governor shall propose a budget for the Office.

4 3. Employees of the Office are not in the classified or
5 unclassified service of this State and serve at the pleasure of the
6 Executive Director.

7 **Sec. 11.** NRS 231.053 is hereby amended to read as follows:

8 231.053 After considering any advice and recommendations of
9 the Board, the Executive Director:

10 1. Shall direct and supervise the administrative and technical
11 activities of the Office.

12 2. Shall develop and may periodically revise a State Plan for
13 Economic Development, which:

14 (a) Must include a statement of:

15 (1) New industries which have the potential to be developed
16 in this State;

17 (2) The strengths and weaknesses of this State for business
18 incubation;

19 (3) The competitive advantages and weaknesses of this State;

20 (4) The manner in which this State can leverage its
21 competitive advantages and address its competitive weaknesses;

22 (5) A strategy to encourage the creation and expansion of
23 businesses in this State and the relocation of businesses to this State;
24 and

25 (6) Potential partners for the implementation of the strategy,
26 including, without limitation, the Federal Government, local
27 governments, local and regional organizations for economic
28 development, chambers of commerce, and private businesses,
29 investors and nonprofit entities; and

30 (b) Must not include provisions for the granting of any
31 abatement, partial abatement or exemption from taxes or any other
32 incentive for economic development to a person who will locate or
33 expand a business in this State that is subject to the tax imposed
34 pursuant to NRS 362.130 or the gaming license fees imposed by the
35 provisions of NRS 463.370.

36 3. Shall develop criteria for the designation of regional
37 development authorities pursuant to subsection 4.

38 4. Shall designate as many regional development authorities
39 for each region of this State as the Executive Director determines to
40 be appropriate to implement the State Plan for Economic
41 Development. In designating regional development authorities, the
42 Executive Director must consult with local governmental entities
43 affected by the designation. The Executive Director may, if he or
44 she determines that such action would aid in the implementation of
45 the State Plan for Economic Development, remove the designation



1 of any regional development authority previously designated
2 pursuant to this section and declare void any contract between the
3 Office and that regional development authority.

4 5. Shall establish procedures for entering into contracts with
5 regional development authorities to provide services to aid, promote
6 and encourage the economic development of this State.

7 6. May apply for and accept any gift, donation, bequest, grant
8 or other source of money to carry out the provisions of NRS
9 231.020 to 231.139, inclusive, *and section 9 of this act* and
10 231.1555 to 231.1597, inclusive.

11 7. May adopt such regulations as may be necessary to carry out
12 the provisions of NRS 231.020 to 231.139, inclusive, *and section 9*
13 *of this act* and 231.1555 to 231.1597, inclusive.

14 8. In a manner consistent with the laws of this State, may
15 reorganize the programs of economic development in this State to
16 further the State Plan for Economic Development. If, in the opinion
17 of the Executive Director, changes to the laws of this State are
18 necessary to implement the economic development strategy for this
19 State, the Executive Director must recommend the changes to the
20 Governor and the Legislature.

21 **Sec. 12.** NRS 231.0695 is hereby amended to read as follows:

22 231.0695 ~~{} {}~~ For the purpose of any partial tax abatement
23 which the Office is required or authorized to approve, the Office
24 shall be deemed to have approved the partial tax abatement ~~{:~~

25 ~~—(a) Upon} only upon~~ approval by the Board . ~~[for partial tax~~
26 ~~abatements with a projected value to a single entity of \$250,000 or~~
27 ~~more; and~~

28 ~~—(b) Upon approval by the Executive Director for partial tax~~
29 ~~abatements with a projected value to a single entity of less than~~
30 ~~\$250,000.~~

31 ~~2. For the purposes of this section, “projected value” means the~~
32 ~~dollar value of the abatement requested by an entity plus the~~
33 ~~accumulated value of all tax abatements received by that entity for~~
34 ~~the immediately preceding 2 years.]~~

35 **Sec. 13.** NRS 274.310 is hereby amended to read as follows:

36 274.310 1. A person who intends to locate a business in this
37 State within:

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

40 (b) A redevelopment area created pursuant to chapter 279 of
41 NRS;

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

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



1 ↪ may submit a request to the governing body of the county, city or
2 town in which the business would operate for an endorsement of an
3 application by the person to the Office of Economic Development
4 for a partial abatement of one or more of the taxes imposed pursuant
5 to chapter 361 of NRS or the local sales and use taxes. The
6 governing body of the county, city or town shall provide notice of
7 the request to the board of trustees of the school district in which the
8 business would operate. The notice must set forth the date, time and
9 location of the hearing at which the governing body will consider
10 whether to endorse the application. As used in this subsection,
11 "local sales and use taxes" means the taxes imposed on the gross
12 receipts of any retailer from the sale of tangible personal property
13 sold at retail, or stored, used or otherwise consumed, in the political
14 subdivision in which the business is located, except the taxes
15 imposed by the Sales and Use Tax Act and the Local School
16 Support Tax Law.

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

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

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

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

29 (a) The business is consistent with:

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

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

34 (b) The applicant has executed an agreement with the Office
35 which states:

36 (1) The date on which the abatement becomes effective, as
37 agreed to by the applicant and the Office, which must not be earlier
38 than the date on which the Office received the application; and

39 (2) That the business will, after the date on which the
40 abatement becomes effective:

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



1 24 C.F.R. Part 597 for a period specified by the Office, which must
2 be at least 5 years; and

3 (II) Continue to meet the eligibility requirements set forth
4 in this subsection.

5 ➤ The agreement must bind successors in interest of the business
6 for the specified period.

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

11 (d) The applicant invested or commits to invest a minimum of
12 \$500,000 in capital assets that will be retained at the location of the
13 business in the historically underutilized business zone, as defined
14 in 15 U.S.C. § 632, redevelopment area created pursuant to chapter
15 279 of NRS, area eligible for a community development block grant
16 pursuant to 24 C.F.R. Part 570 or enterprise community established
17 pursuant to 24 C.F.R. Part 597 until at least the date which is 5 years
18 after the date on which the abatement becomes effective.

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

22 (a) The Department of Taxation;

23 (b) The Nevada Tax Commission; and

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

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

29 (a) The partial abatement must be for a duration of not less than
30 1 year but not more than 5 years.

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

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

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

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

41 ➤ the business shall repay to the Department of Taxation or, if the
42 partial abatement was from the property tax imposed pursuant to
43 chapter 361 of NRS, to the county treasurer, the amount of the
44 partial abatement that was allowed pursuant to this section before
45 the failure of the business to comply unless the Nevada Tax



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

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

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

16 **Sec. 14.** NRS 274.320 is hereby amended to read as follows:

17 274.320 1. A person who intends to expand a business in this
18 State within:

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

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

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

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

27 ↪ may submit a request to the governing body of the county, city or
28 town in which the business operates for an endorsement of an
29 application by the person to the Office of Economic Development
30 for a partial abatement of the local sales and use taxes imposed on
31 capital equipment. The governing body of the county, city or town
32 shall provide notice of the request to the board of trustees of the
33 school district in which the business operates. The notice must set
34 forth the date, time and location of the hearing at which the
35 governing body will consider whether to endorse the application. As
36 used in this subsection, "local sales and use taxes" means the taxes
37 imposed on the gross receipts of any retailer from the sale of
38 tangible personal property sold at retail, or stored, used or otherwise
39 consumed, in the political subdivision in which the business is
40 located, except the taxes imposed by the Sales and Use Tax Act and
41 the Local School Support Tax Law.

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~~ *may* approve the application if the
8 Office 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:

16 (1) The date on which the abatement becomes effective, as
17 agreed to by the applicant and the Office, which must not be earlier
18 than the date on which the Office received the application; and

19 (2) That the business will, after the date on which the
20 abatement becomes effective:

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

28 (II) Continue to meet the eligibility requirements set forth
29 in this subsection.

30 ↪ The agreement must bind successors in interest of the business
31 for the specified period.

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

36 (d) The applicant invested or commits to invest a minimum of
37 \$250,000 in capital equipment that will be retained at the location of
38 the business in the historically underutilized business zone, as
39 defined in 15 U.S.C. § 632, redevelopment area created pursuant to
40 chapter 279 of NRS, area eligible for a community development
41 block grant pursuant to 24 C.F.R. Part 570 or enterprise community
42 established pursuant to 24 C.F.R. Part 597 until at least the date
43 which is 5 years after the date on which the abatement becomes
44 effective.



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

- 4 (a) The Department of Taxation; and
- 5 (b) The Nevada Tax Commission.

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

8 (a) The partial abatement must be for a duration of not less than
9 1 year but not more than 5 years.

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

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

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

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

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

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

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

39 **Sec. 15.** NRS 274.330 is hereby amended to read as follows:

40 274.330 1. A person who owns a business which is located
41 within an enterprise community established pursuant to 24 C.F.R.
42 Part 597 in this State may submit a request to the governing body of
43 the county, city or town in which the business is located for an
44 endorsement of an application by the person to the Office of
45 Economic Development for a partial abatement of one or more of



1 the taxes imposed pursuant to chapter 361 of NRS or the local sales
2 and use taxes. The governing body of the county, city or town shall
3 provide notice of the request to the board of trustees of the school
4 district in which the business operates. The notice must set forth the
5 date, time and location of the hearing at which the governing body
6 will consider whether to endorse the application. As used in this
7 subsection, "local sales and use taxes" means the taxes imposed on
8 the gross receipts of any retailer from the sale of tangible personal
9 property sold at retail, or stored, used or otherwise consumed, in the
10 political subdivision in which the business is located, except the
11 taxes imposed by the Sales and Use Tax Act and the Local School
12 Support Tax Law.

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

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

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

20 3. A person whose application has been endorsed by the
21 governing body of the county, city or town, as applicable, pursuant
22 to this section may submit the application to the Office of Economic
23 Development. The Office ~~{shall}~~ *may* approve the application if the
24 Office makes the following determinations:

25 (a) The business is consistent with:

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

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

30 (b) The applicant has executed an agreement with the Office
31 which states:

32 (1) The date on which the abatement becomes effective, as
33 agreed to by the applicant and the Office, which must not be earlier
34 than the date on which the Office received the application; and

35 (2) That the business will, after the date on which the
36 abatement becomes effective:

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

39 (II) Continue to meet the eligibility requirements set forth
40 in this subsection.

41 ➔ The agreement must bind successors in interest of the business
42 for the specified period.

43 (c) The business is registered pursuant to the laws of this State
44 or the applicant commits to obtain a valid business license and all



1 other permits required by the county, city or town in which the
2 business operates.

3 (d) The business:

4 (1) Employ one or more dislocated workers who reside in
5 the enterprise community; and

6 (2) Pays such employees a wage of not less than 100 percent
7 of the federally designated level signifying poverty for a family of
8 four persons and provides medical benefits to the employees and
9 their dependents which meet the minimum requirements for medical
10 benefits established by the Office.

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

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

16 (b) Immediately forward a certificate of eligibility for the
17 abatement to:

18 (1) The Department of Taxation;

19 (2) The Nevada Tax Commission; and

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

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

25 (a) The partial abatement must be for a duration of not less than
26 1 year but not more than 5 years.

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

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

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

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

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



1 subsection, pay interest on the amount due at the rate most recently
2 established pursuant to NRS 99.040 for each month, or portion
3 thereof, from the last day of the month following the period for
4 which the payment would have been made had the partial abatement
5 not been approved until the date of payment of the tax.

6 7. The Office of Economic Development:

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

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

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

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

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

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

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

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

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

28 **Sec. 16.** NRS 319.510 is hereby amended to read as follows:

29 319.510 1. Except as otherwise provided in subsection 2,
30 money deposited in the Account for Affordable Housing must be
31 used:

32 (a) For the acquisition, construction or rehabilitation of
33 affordable housing for eligible families by public or private
34 nonprofit charitable organizations, housing authorities or local
35 governments through loans, grants or subsidies;

36 (b) To provide technical and financial assistance to public or
37 private nonprofit charitable organizations, housing authorities and
38 local governments for the acquisition, construction or rehabilitation
39 of affordable housing for eligible families;

40 (c) To provide funding for projects of public or private nonprofit
41 charitable organizations, housing authorities or local governments
42 that provide assistance to or guarantee the payment of rent or
43 deposits as security for rent for eligible families, including homeless
44 persons;



1 (d) To reimburse the Division for the costs of administering the
2 Account;

3 (e) To assist eligible persons by supplementing their monthly
4 rent for the manufactured home lots, as defined by NRS 118B.016,
5 on which their manufactured homes, as defined by NRS 118B.015,
6 are located; and

7 (f) In any other manner consistent with this section to assist
8 eligible families in obtaining or keeping affordable housing,
9 including use as the State's contribution to facilitate the receipt of
10 related federal money.

11 2. Except as otherwise provided in this subsection **H** and
12 **subsection 4**, the Division may expend money from the Account as
13 reimbursement for the necessary costs of efficiently administering
14 the Account and any money received pursuant to 42 U.S.C. §§
15 12701 et seq. In no case may the Division expend more than
16 \$40,000 per year or an amount equal to 6 percent of any money
17 made available to the State pursuant to 42 U.S.C. §§ 12701 et seq.,
18 whichever is greater. In addition, the Division may expend not more
19 than \$175,000 per year from the Account to create and maintain the
20 statewide low-income housing database required by NRS 319.143.
21 The Division may expend not more than \$75,000 per year of the
22 money deposited in the Account pursuant to NRS 375.070 for the
23 purpose set forth in paragraph (e) of subsection 1. Of the remaining
24 money allocated from the Account:

25 (a) Except as otherwise provided in subsection 3, 15 percent
26 must be distributed to the Division of Welfare and Supportive
27 Services of the Department of Health and Human Services for use in
28 its program developed pursuant to 45 C.F.R. § 233.120, as that
29 section existed on December 4, 1997, to provide emergency
30 assistance to needy families with children, subject to the following:

31 (1) The Division of Welfare and Supportive Services shall
32 adopt regulations governing the use of the money that are consistent
33 with the provisions of this section.

34 (2) The money must be used solely for activities relating to
35 affordable housing that are consistent with the provisions of this
36 section.

37 (3) The money must be made available to families that have
38 children and whose income is at or below the federally designated
39 level signifying poverty.

40 (4) All money provided by the Federal Government to match
41 the money distributed to the Division of Welfare and Supportive
42 Services pursuant to this section must be expended for activities
43 consistent with the provisions of this section.

44 (b) Eighty-five percent must be distributed to public or private
45 nonprofit charitable organizations, housing authorities and local



1 governments for the acquisition, construction and rehabilitation of
2 affordable housing for eligible families, subject to the following:

3 (1) Priority must be given to those projects that qualify for
4 the federal tax credit relating to low-income housing.

5 (2) Priority must be given to those projects that anticipate
6 receiving federal money to match the state money distributed to
7 them.

8 (3) Priority must be given to those projects that have the
9 commitment of a local government to provide assistance to them.

10 (4) All money must be used to benefit families whose
11 income does not exceed 120 percent of the median income for
12 families residing in the same county, as defined by the United States
13 Department of Housing and Urban Development.

14 (5) Not less than 15 percent of the units acquired, constructed
15 or rehabilitated must be affordable to persons whose income is at or
16 below the federally designated level signifying poverty. For the
17 purposes of this subparagraph, a unit is affordable if a family does
18 not have to pay more than 30 percent of its gross income for housing
19 costs, including both utility and mortgage or rental costs.

20 (6) To be eligible to receive money pursuant to this
21 paragraph, a project must be sponsored by a local government.

22 3. The Division may, pursuant to contract and in lieu of
23 distributing money to the Division of Welfare and Supportive
24 Services pursuant to paragraph (a) of subsection 2, distribute any
25 amount of that money to private or public nonprofit entities for use
26 consistent with the provisions of this section.

27 *4. Consistent with the provisions of this section, money which*
28 *is deposited in the Account pursuant to an agreement executed*
29 *pursuant to NRS 360.750, 360.753 or 360.754 must be used in the*
30 *county in which the business or data center that remits the money*
31 *operates.*

32 **Sec. 17.** The amendatory provisions of this act do not apply to
33 any partial abatement of taxes for which an agreement was executed
34 before July 1, 2021, between the Office of Economic Development
35 and the business or data center to which the abatement was granted.

36 **Sec. 18.** Notwithstanding the provisions of NRS 218D.430 and
37 218D.435, a committee, other than the Assembly Standing
38 Committee on Ways and Means and the Senate Standing Committee
39 on Finance, may vote on this act before the expiration of the period
40 prescribed for the return of a fiscal note in NRS 218D.475. This
41 section applies retroactively from and after March 22, 2021.

42 **Sec. 19.** 1. This act becomes effective on July 1, 2021.

43 2. Section 2 of this act expires by limitation on June 30, 2023.

44 3. Section 5 of this act expires by limitation on June 30, 2032.

45 4. Section 3 of this act expires by limitation on June 30, 2035.



- 1 5. Section 6 of this act expires by limitation on June 30, 2036.
- 2 6. Sections 4 and 7 of this act expire by limitation on
- 3 December 31, 2056.

⑩

