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FIRST REPRINT

A.B. 66

ASSEMBLY BILL NO. 66—COMMITTEE ON REVENUE

(ON BEHALF OF THE OFFICE OF ECONOMIC DEVELOPMENT
IN THE OFFICE OF THE GOVERNOR)

PREFILED NOVEMBER 18, 2020

Referred to Committee on Revenue

SUMMARY—Revises provisions relating to the abatement of certain taxes. (BDR 32-266)

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

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

AN ACT relating to taxation; revising requirements for agreements between the Office of Economic Development and applicants for an abatement or partial abatement of certain taxes; requiring the Department of Taxation to issue a document certifying an abatement or partial abatement of sales and use taxes to businesses for which the Office has approved certain abatements or partial abatements of sales and use taxes; authorizing a business for which the Office has approved certain abatements or partial abatements of sales and use taxes to apply for a refund of sales and use taxes paid for which the business was entitled to an abatement or partial abatement; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law authorizes the Office of Economic Development to approve an
2 abatement or partial abatement of certain property taxes, business taxes and sales
3 and use taxes in certain circumstances. (NRS 274.310, 274.320, 274.330, 360.750,
4 360.752, 360.753, 360.754, 360.889, 360.945) The Office is prohibited from
5 approving an application for such an abatement unless the applicant has entered
6 into an agreement with the Office establishing certain terms for the abatement,
7 which, in certain cases, includes the date on which the abatement becomes
8 effective. (NRS 274.310, 274.320, 274.330, 360.750, 360.752, 360.753, 360.754,
9 360.889, 360.945) **Sections 1.5-6 and 9-11** of this bill prohibit the effective date of
10 an abatement or partial abatement, as established by the agreement, from being
11 later than 1 year after the date on which the application for the abatement is



12 approved. **Sections 1.5-6 and 9-11** also require an applicant to enter into the
13 agreement with the Office within 1 year after the application is received by the
14 Office and, if the applicant fails to do so, requires the applicant to submit a new
15 application to be eligible to receive approval for an abatement or partial abatement.

16 **Section 1** of this bill provides that if the Office approves an application
17 submitted by a business for certain abatements or partial abatements of sales and
18 use taxes, the Department of Taxation is required to issue to the business a
19 document: (1) certifying the abatement or partial abatement; and (2) clearly stating
20 that the business is not required to pay sales and use taxes or the rate of sales and
21 use tax that the business is required to pay. **Section 1** authorizes a business for
22 which the Office has approved certain abatements or partial abatements of sales and
23 use taxes to seek a refund of the amount of sales and use taxes paid for which the
24 business was entitled to an abatement if the business failed to present the certifying
25 document. However, under **section 1**, if the failure of a business to present the
26 certifying document results in a refund for 50 percent or more of the purchases for
27 which the business is eligible for an abatement or partial abatement, the business is
28 required to pay a penalty equal to 10 percent of the amount of sales and use taxes
29 abated, and that penalty is required to be distributed proportionally to local
30 governments affected by the refunds. **Section 1** additionally authorizes a business
31 to apply to the Department for a refund of an amount of sales and use taxes paid on
32 purchases for which the business was entitled to an abatement if the purchase is
33 made after the application for the abatement or partial abatement is submitted and
34 before the document certifying the partial abatement is issued. Finally, **section 1**
35 provides that no interest may be paid on any refunds issued pursuant to **section 1**.

36 **Section 12** of the bill provides that the amendatory provisions of this bill apply
37 only to applications for an abatement that are submitted on or after July 1, 2021.

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

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

3 *1. If the Office of Economic Development approves an*
4 *application for an abatement of sales and use taxes pursuant to*
5 *NRS 360.950 or a partial abatement of any sales and use taxes*
6 *pursuant to NRS 274.310, 274.320, 274.330, 360.750, 360.753,*
7 *360.754 or 360.890, the Department shall issue to the business a*
8 *document certifying the abatement or partial abatement which can*
9 *be presented to retailers at the time of purchase. The document*
10 *must clearly state that the business is not required to pay sales and*
11 *use taxes or the rate of sales and use tax that the business is*
12 *required to pay.*

13 *2. If the Department has issued to a business the document*
14 *issued pursuant to subsection 1 and the business pays an amount*
15 *of sales and use taxes for which the business was entitled to an*
16 *abatement because the business fails to present the document, the*
17 *business may apply to the Department for a refund of the amount*
18 *of sales and use tax paid for which the business was entitled to an*
19 *abatement. If the Department has issued to a business the*



1 *document issued pursuant to subsection 1 and the failure of the*
2 *business to present the document results in the business paying*
3 *the full amount of sales and use tax on 50 percent or more of the*
4 *purchases for which the business was eligible for the abatement:*

5 (a) *The business shall be deemed to be out of compliance with*
6 *the abatement agreement entered into by the business; and*

7 (b) *The Department shall impose on the business a penalty*
8 *equal to 10 percent of the total amount of the abatement. The*
9 *Department shall distribute the proceeds of any penalty imposed*
10 *pursuant to this paragraph to each local government affected by a*
11 *refund issued pursuant to this subsection in proportion to the*
12 *amount of the refunds for which the affected local government is*
13 *responsible.*

14 3. *If, after submitting an application for an abatement of*
15 *sales and use taxes pursuant to NRS 360.950 or a partial*
16 *abatement of any sales and use taxes pursuant to NRS 360.750,*
17 *360.753, 360.754 or 360.890 and before receiving the document*
18 *issued pursuant to subsection 1, a business pays an amount of*
19 *sales and use tax for which the business is entitled to an*
20 *abatement, the business may apply to the Department for a refund*
21 *of the amount of sales and use tax which the applicant paid for*
22 *which the business is entitled to an abatement.*

23 4. *Notwithstanding any other provision of law, no interest is*
24 *allowed on a refund made pursuant to subsection 2 or 3.*

25 **Sec. 1.5.** NRS 360.750 is hereby amended to read as follows:

26 360.750 1. A person who intends to locate or expand a
27 business in this State may apply to the Office of Economic
28 Development pursuant to this section for a partial abatement of one
29 or more of the taxes imposed on the:

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

31 (b) Expanded business pursuant to chapter 361 or 363B of NRS
32 or *a partial abatement of* the local sales and use taxes ~~is~~ *imposed*
33 *on the expanded business.* As used in this paragraph, “local sales
34 and use taxes” means the taxes imposed on the gross receipts of any
35 retailer from the sale of tangible personal property sold at retail, or
36 stored, used or otherwise consumed, in the political subdivision in
37 which the business is to be located or expanded, except the taxes
38 imposed by the Sales and Use Tax Act and the Local School
39 Support Tax Law.

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

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



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

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

6 (b) ~~The~~ *Not later than 1 year after the date on which the*
7 *application was received by the Office, the* applicant has executed
8 an agreement with the Office which must:

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

10 (2) State the date on which the abatement becomes effective,
11 as agreed to by the applicant and the Office, which must not be
12 earlier than the date on which the Office received the application ~~;~~
13 *and not later than 1 year after the date on which the Office*
14 *approves the application;*

15 (3) State that the business will, after the date on which the
16 abatement becomes effective, continue in operation in this State for
17 a period specified by the Office, which must be at least 5 years, and
18 will continue to meet the eligibility requirements set forth in this
19 subsection;

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

21 (5) Bind the successors in interest of the business for the
22 specified period.

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

27 (d) Except as otherwise provided in subsection 4 or 5, the
28 average hourly wage that will be paid by the business to its new
29 employees in this State is at least 100 percent of the average
30 statewide hourly wage as established by the Employment Security
31 Division of the Department of Employment, Training and
32 Rehabilitation on July 1 of each fiscal year.

33 (e) The business will, by the eighth calendar quarter following
34 the calendar quarter in which the abatement becomes effective, offer
35 a health insurance plan for all employees that includes an option for
36 health insurance coverage for dependents of the employees, and the
37 health care benefits the business offers to its employees in this State
38 will meet the minimum requirements for health care benefits
39 established by the Office.

40 (f) Except as otherwise provided in this subsection and NRS
41 361.0687, if the business is a new business in a county whose
42 population is 100,000 or more or a city whose population is 60,000
43 or more, the business meets at least one of the following
44 requirements:



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

7 (2) Establishing the business will require the business to
8 make, not later than the date which is 2 years after the date on which
9 the abatement becomes effective, a capital investment of at least
10 \$1,000,000 in this State in capital assets that will be retained at the
11 location of the business in that county or city until at least the date
12 which is 5 years after the date on which the abatement becomes
13 effective.

14 (g) Except as otherwise provided in NRS 361.0687, if the
15 business is a new business in a county whose population is less than
16 100,000, in an area of a county whose population is 100,000 or more
17 that is located within the geographic boundaries of an area that is
18 designated as rural by the United States Department of Agriculture
19 and at least 20 miles outside of the geographic boundaries of an area
20 designated as urban by the United States Department of Agriculture,
21 or in a city whose population is less than 60,000, the business meets
22 at least one of the following requirements:

23 (1) The business will have 10 or more full-time employees
24 on the payroll of the business by the eighth calendar quarter
25 following the calendar quarter in which the abatement becomes
26 effective who will be employed at the location of the business in
27 that county or city until at least the date which is 5 years after the
28 date on which the abatement becomes effective.

29 (2) Establishing the business will require the business to
30 make, not later than the date which is 2 years after the date on which
31 the abatement becomes effective, a capital investment of at least
32 \$250,000 in this State in capital assets that will be retained at the
33 location of the business in that county or city until at least the date
34 which is 5 years after the date on which the abatement becomes
35 effective.

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

38 (1) For a business in:

39 (I) Except as otherwise provided in sub-subparagraph (II),
40 a county whose population is 100,000 or more or a city whose
41 population is 60,000 or more, the business will, by the eighth
42 calendar quarter following the calendar quarter in which the
43 abatement becomes effective, increase the number of employees on
44 its payroll in that county or city by 10 percent more than it
45 employed in the fiscal year immediately preceding the fiscal year in



1 which the abatement becomes effective or by twenty-five
2 employees, whichever is greater, who will be employed at the
3 location of the business in that county or city until at least the date
4 which is 5 years after the date on which the abatement becomes
5 effective; or

6 (II) A county whose population is less than 100,000, an
7 area of a county whose population is 100,000 or more that is located
8 within the geographic boundaries of an area that is designated as
9 rural by the United States Department of Agriculture and at least 20
10 miles outside of the geographic boundaries of an area designated as
11 urban by the United States Department of Agriculture, or a city
12 whose population is less than 60,000, the business will, by the
13 eighth calendar quarter following the calendar quarter in which the
14 abatement becomes effective, increase the number of employees on
15 its payroll in that county or city by 10 percent more than it
16 employed in the fiscal year immediately preceding the fiscal year in
17 which the abatement becomes effective or by six employees,
18 whichever is greater, who will be employed at the location of the
19 business in that county or city until at least the date which is 5 years
20 after the date on which the abatement becomes effective.

21 (2) The business will expand by making a capital investment
22 in this State, not later than the date which is 2 years after the date on
23 which the abatement becomes effective, in an amount equal to at
24 least 20 percent of the value of the tangible property possessed by
25 the business in the fiscal year immediately preceding the fiscal year
26 in which the abatement becomes effective, and the capital
27 investment will be in capital assets that will be retained at the
28 location of the business in that county or city until at least the date
29 which is 5 years after the date on which the abatement becomes
30 effective. The determination of the value of the tangible property
31 possessed by the business in the immediately preceding fiscal year
32 must be made by the:

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

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

36 (i) The applicant has provided in the application an estimate of
37 the total number of new employees which the business anticipates
38 hiring in this State by the eighth calendar quarter following the
39 calendar quarter in which the abatement becomes effective if the
40 Office approves the application.

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

43 (a) Shall not consider an application for a partial abatement
44 pursuant to this section unless the Office has requested a letter of



1 acknowledgment of the request for the abatement from any affected
2 county, school district, city or town.

3 (b) Shall consider the level of health care benefits provided by
4 the business to its employees, the projected economic impact of the
5 business and the projected tax revenue of the business after
6 deducting projected revenue from the abated taxes.

7 (c) May, if the Office determines that such action is necessary:

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

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

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

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

18 (a) The applicant intends to locate or expand in a county in
19 which the rate of unemployment is 7 percent or more and the
20 average hourly wage that will be paid by the applicant to its new
21 employees in this State is less than 70 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 (b) The applicant intends to locate or expand in a county in
26 which the rate of unemployment is less than 7 percent and the
27 average hourly wage that will be paid by the applicant to its new
28 employees in this State is less than 85 percent of the average
29 statewide hourly wage, as established by the Employment Security
30 Division of the Department of Employment, Training and
31 Rehabilitation on July 1 of each fiscal year.

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

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

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

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



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

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

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

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

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

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

27 6. If the Office of Economic Development approves an
28 application for a partial abatement pursuant to this section, the
29 Office shall immediately forward a certificate of eligibility for the
30 abatement to:

31 (a) The Department;

32 (b) The Nevada Tax Commission; and

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

35 7. An applicant for a partial abatement pursuant to this section
36 or an existing business whose partial abatement is in effect shall,
37 upon the request of the Executive Director of the Office of
38 Economic Development, furnish the Executive Director with copies
39 of all records necessary to verify that the applicant meets the
40 requirements of subsection 2.

41 8. *If an applicant for a partial abatement pursuant to this*
42 *section fails to enter into the agreement described in paragraph (b)*
43 *of subsection 2 within 1 year after the date on which the*
44 *application was received by the Office, the applicant shall not be*



1 *approved for a partial abatement pursuant to this section unless*
2 *the applicant submits a new application.*

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

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

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

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

22 ~~9.~~ 10. A county treasurer:

23 (a) Shall deposit any money that he or she receives pursuant to
24 subsection ~~8.~~ 9 in one or more of the funds established by a local
25 government of the county pursuant to NRS 354.6113 or 354.6115;
26 and

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

29 ~~10.~~ 11. The Office of Economic Development may adopt
30 such regulations as the Office of Economic Development
31 determines to be necessary to carry out the provisions of this section
32 and NRS 360.755.

33 ~~11.~~ 12. The Nevada Tax Commission:

34 (a) Shall adopt regulations regarding:

35 (1) The capital investment that a new business must make to
36 meet the requirement set forth in paragraph (f) or (g) of subsection
37 2; and

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

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

43 ~~12.~~ 13. An applicant for a partial abatement pursuant to this
44 section who is aggrieved by a final decision of the Office of



1 Economic Development may petition for judicial review in the
2 manner provided in chapter 233B of NRS.

3 ~~13.1~~ **14.** For the purposes of this section, an employee is a
4 “full-time employee” if he or she is in a permanent position of
5 employment and works an average of 30 hours per week during the
6 applicable period set forth in subsection 2.

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

8 360.752 1. A person who intends to locate or expand a
9 business in this State may apply to the Office of Economic
10 Development pursuant to this section for a partial abatement of the
11 tax imposed on the new or expanded business pursuant to chapter
12 361 of NRS.

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

16 (a) The business is in one or more of the industry sectors for
17 economic development promoted, identified or otherwise approved
18 by the Governor’s Workforce Investment Board described in
19 NRS 232.935.

20 (b) The business is consistent with:

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

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

26 (c) ~~The~~ ***Not later than 1 year after the date on which the***
27 ***application was received by the Office, the*** applicant has executed
28 an agreement with the Office which must:

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

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

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

34 (4) State the date on which the abatement becomes effective,
35 as agreed to by the applicant and the Office, which must not be
36 earlier than the date on which the Office received the application ~~;~~
37 ***and not later than 1 year after the date on which the Office***
38 ***approves the application;***

39 (5) State that the business will, after the date on which a
40 certificate of eligibility for the abatement is issued pursuant to
41 subsection 5, continue in operation in this State for a period
42 specified by the Office, which must be at least 5 years, and will
43 continue to meet the eligibility requirements set forth in this
44 subsection; and



1 (6) Bind the successors in interest of the business for the
2 specified period.

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

7 (e) The business does not receive:

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

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

12 (f) The average hourly wage that will be paid by the business to
13 its new employees in this State is at least 100 percent of the average
14 statewide hourly wage or the average countywide hourly wage,
15 whichever is less, 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 (g) The business will offer a health insurance plan for all full-
19 time employees that includes an option for health insurance
20 coverage for dependents of those employees, or will abide by all
21 applicable provisions of the Patient Protection and Affordable Care
22 Act, Public Law 111-148, or both, and the benefits the business
23 offers to its employees in this State will meet the minimum
24 requirements for benefits established by the Office.

25 (h) The business meets the following requirements:

26 (1) The business makes a capital investment of at least
27 \$1,000,000 in a program of the University of Nevada, Reno, the
28 University of Nevada, Las Vegas, or the Desert Research Institute to
29 be used in support of research, development or training related to
30 the field of endeavor of the business.

31 (2) The business will employ 15 or more full-time employees
32 for the duration of the abatement.

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

36 (4) The business submits with its application for a partial
37 abatement:

38 (I) A letter of support from the institution in which the
39 capital investment is made, which is signed by the chief
40 administrative officer of the institution and the director or chair of
41 the program or the appropriate department, and which includes,
42 without limitation, a summary of the financial and other resources
43 the business will provide to the program and an agreement that the
44 institution will provide to the Office periodic reports, at such times



1 and containing such information as the Office may require,
2 regarding the use of those resources; and

3 (II) A letter of support which is signed by the chair of the
4 board of directors of the regional economic development authority
5 within whose jurisdiction the institution is located and which
6 includes, without limitation, a summary of the role the business will
7 play in diversifying the economy and, if applicable, in achieving the
8 broader goals of the regional economic development authority for
9 economic development and diversification.

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

12 (1) The business makes a capital investment of at least
13 \$500,000 in the Nevada State College or an institution of the
14 Nevada System of Higher Education other than those set forth in
15 subparagraph (1) of paragraph (h), to be used in support of college
16 certification or in support of research or training related to the field
17 of endeavor of the business.

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

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

23 (4) The business submits with its application for a partial
24 abatement:

25 (I) A letter of support from the college or institution in
26 which the capital investment is made, which is signed by the chief
27 administrative officer of the college or institution and which
28 includes, without limitation, a summary of the financial and other
29 resources the business will provide to the program and an agreement
30 that the college or institution will provide to the Office periodic
31 reports, at such times and containing such information as the Office
32 may require, 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 college or institution is located and
36 which includes, without limitation, a summary of the role the
37 business will play in diversifying the economy and, if applicable, in
38 achieving the broader goals of the regional economic development
39 authority for economic development and diversification.

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

42 (a) Shall furnish to the board of county commissioners of each
43 affected county a copy of each application for a partial abatement
44 pursuant to this section.



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

5 (c) Shall not approve an application for a partial abatement
6 pursuant to this section unless the abatement is approved or deemed
7 approved as described in this paragraph. The board of county
8 commissioners of each affected county must approve or deny the
9 application not later than 30 days after the board of county
10 commissioners receives a copy of the application as described in
11 paragraph (a). If the board of county commissioners does not
12 approve or deny the application within 30 days after the board of
13 county commissioners receives a copy of the application, the
14 application shall be deemed approved.

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

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

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

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

24 (2) Fifty percent of the amount of the capital investment by
25 the business,

26 ↪ whichever amount is less;

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

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

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

35 (a) The Department;

36 (b) The Nevada Tax Commission; and

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

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



1 7. *If an applicant for a partial abatement pursuant to this*
2 *section fails to enter into the agreement described in paragraph (c)*
3 *of subsection 2 within 1 year after the date on which the*
4 *application was received by the Office, the applicant shall not be*
5 *approved for a partial abatement pursuant to this section unless*
6 *the applicant submits a new application.*

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

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

24 (b) The applicable institution of higher education is entitled to
25 keep the entire capital investment made by the business in that
26 institution.

27 ~~§8.~~ 9. A county treasurer:

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

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

34 ~~§9.~~ 10. The Office of Economic Development:

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

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

40 ~~§10.~~ 11. The Nevada Tax Commission:

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



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

4 ~~[H-]~~ 12. An applicant for a partial abatement pursuant to this
5 section who is aggrieved by a final decision of the Office of
6 Economic Development may petition for judicial review in the
7 manner provided in chapter 233B of NRS.

8 ~~[H-]~~ 13. Except as otherwise provided in this subsection, as
9 used in this section, "capital investment" includes, without
10 limitation, an investment of real or personal property, money or
11 other assets by a business in an institution of the Nevada System of
12 Higher Education. The Office of Economic Development may, by
13 regulation, specify the types of real or personal property or assets
14 that are included within the definition of "capital investment."

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

16 360.753 1. An owner of a business or a person who intends
17 to locate or expand a business in this State may apply to the Office
18 of Economic Development pursuant to this section for a partial
19 abatement of one or more of:

20 (a) The personal property taxes imposed on an aircraft and the
21 personal property used to own, operate, manufacture, service,
22 maintain, test, repair, overhaul or assemble an aircraft or any
23 component of an aircraft; and

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

28 2. Notwithstanding the provisions of any law to the contrary
29 and except as otherwise provided in subsections 3 and 4, the Office
30 of Economic Development shall approve an application for a partial
31 abatement if the Office makes the following determinations:

32 (a) ~~[The]~~ *Not later than 1 year after the date on which the*
33 *application was received by the Office, the* applicant has executed
34 an agreement with the Office which:

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

36 (2) States the date on which the abatement becomes
37 effective, as agreed to by the applicant and the Office, which must
38 not be earlier than the date on which the Office received the
39 application ~~[H-]~~ *and not later than 1 year after the date on which the*
40 *Office approves the application;*

41 (3) States that the business will, after the date on which a
42 certificate of eligibility for the partial abatement is issued pursuant
43 to subsection 5, continue in operation in this State for a period
44 specified by the Office, which must be not less than 5 years, and



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

3 (4) Binds any successor in interest of the applicant for the
4 specified period;

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

9 (c) The business owns, operates, manufactures, services,
10 maintains, tests, repairs, overhauls or assembles an aircraft or any
11 component of an aircraft;

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

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

25 (f) If the business is:

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

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

33 (g) The business meets at least one of the following
34 requirements:

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

38 (2) The business will maintain and possess in this State
39 tangible personal property having a value of not less than
40 \$5,000,000 during the period of partial abatement;

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

44 (h) If the application is for the partial abatement of the taxes
45 imposed by the Local School Support Tax Law, the application has



1 been approved by a vote of at least two-thirds of the members of the
2 Board of Economic Development created by NRS 231.033.

3 3. The Office of Economic Development:

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

7 (b) Must not:

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

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

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

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

22 (a) The Department;

23 (b) The Nevada Tax Commission; and

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

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 an applicant for a partial abatement pursuant to this*
33 *section fails to enter into the agreement described in paragraph (a)*
34 *of subsection 2 within 1 year after the date on which the*
35 *application was received by the Office, the applicant shall not be*
36 *approved for a partial abatement pursuant to this section unless*
37 *the applicant submits a new application.*

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

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

42 (b) Operation before the time specified in the agreement
43 described in paragraph (a) of subsection 2,

44 ➔ the business shall repay to the Department or, if the partial
45 abatement was from personal property taxes, to the appropriate



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

13 ~~[8.]~~ 9. The Office of Economic Development may adopt such
14 regulations as the Office determines to be necessary to carry out the
15 provisions of this section.

16 ~~[9.]~~ 10. The Nevada Tax Commission may adopt such
17 regulations as the Commission determines are necessary to carry out
18 the provisions of this section.

19 ~~[10.]~~ 11. An applicant for a partial abatement who is aggrieved
20 by a final decision of the Office of Economic Development may
21 petition a court of competent jurisdiction to review the decision in
22 the manner provided in chapter 233B of NRS.

23 ~~[11. — If the Office of Economic Development approves an
24 application for a partial abatement of local sales and use taxes
25 pursuant to this section, the Department shall issue to the business a
26 document certifying the partial abatement which can be presented to
27 retailers and customers of the business at the time of sale. The
28 document must clearly state that the purchaser is only required to
29 pay sales and use taxes imposed in this State at the rate of 2
30 percent.]~~

31 12. As used in this section:

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

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

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

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

39 (3) Raw material or processed material, part, machinery,
40 tool, chemical, gas or equipment used to operate, manufacture,
41 service, maintain, test, repair, overhaul or assemble an aircraft or
42 component of an aircraft.

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



1 during the applicable period set forth in subparagraph (3) of
2 paragraph (a) of subsection 2.

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

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

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

12 360.754 1. A person who intends to locate or expand a data
13 center in this State may apply to the Office of Economic
14 Development pursuant to this section for a partial abatement of one
15 or more of the taxes imposed on the new or expanded data center
16 pursuant to chapter 361 or 374 of NRS.

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

20 (a) The application is consistent with the State Plan for
21 Economic Development developed by the Executive Director of the
22 Office of Economic Development pursuant to subsection 2 of NRS
23 231.053 and any guidelines adopted by the Executive Director of the
24 Office to implement the State Plan for Economic Development.

25 (b) ~~The~~ *Not later than 1 year after the date on which the*
26 *application was received by the Office, the* applicant has executed
27 an agreement with the Office of Economic Development which
28 must:

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

30 (2) State the date on which the abatement becomes effective,
31 as agreed to by the applicant and the Office of Economic
32 Development, which must not be earlier than the date on which the
33 Office received the application ~~and~~ *and not later than 1 year after*
34 *the date on which the Office approves the application;*

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

40 (4) Bind the successors in interest of the applicant for the
41 specified period.

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



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

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

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

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

23 (I) The data center will, by not later than the date which is
24 2 years after the date on which the abatement becomes effective,
25 provide a health insurance plan for all employees employed at the
26 data center that includes an option for health insurance coverage for
27 dependents of the employees; and

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

32 (4) At least 50 percent of the employees engaged in the
33 construction of the data center are residents of Nevada, unless
34 waived by the Executive Director of the Office of Economic
35 Development upon proof satisfactory to the Executive Director of
36 the Office of Economic Development that there is an insufficient
37 number of residents of Nevada available and qualified for such
38 employment.

39 (e) If the applicant is seeking a partial abatement for a period of
40 10 years or more but not more than 20 years, the applicant meets the
41 following requirements:

42 (1) The data center will, by not later than the date that is 5
43 years after the date on which the abatement becomes effective, have
44 or have added 50 or more full-time employees who are residents of
45 Nevada and who will be employed at the data center and will



1 continue to employ 50 or more full-time employees who are
2 residents of Nevada at the data center until at least the date which is
3 20 years after the date on which the abatement becomes effective.

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

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

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

21 (II) The health care benefits provided to employees
22 employed at the data center will meet the minimum requirements for
23 health care benefits established by the Office of Economic
24 Development by regulation pursuant to subsection ~~12.1~~ 13.

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

32 (f) The applicant has provided in the application an estimate of
33 the total number of new employees which the data center anticipates
34 hiring in this State if the Office of Economic Development approves
35 the application.

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

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

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



1 (b) Shall consider the level of health care benefits provided to
2 employees employed at the data center, the projected economic
3 impact of the data center and the projected tax revenue of the data
4 center after deducting projected revenue from the abated taxes.

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

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

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

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

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

18 (a) The Department;

19 (b) The Nevada Tax Commission; and

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

23 5. If the Office of Economic Development approves an
24 application for a partial abatement pursuant to this section, the
25 Office may also approve a partial abatement of taxes for each
26 colocated business that enters into a contract to use or occupy, for a
27 period of at least 2 years, all or a portion of the new or expanded
28 data center. Each such colocated business shall obtain a state
29 business license issued by the Secretary of State. The percentage
30 amount of a partial abatement approved for a colocated business
31 pursuant to this subsection must not exceed the percentage amount
32 of the partial abatement approved for the data center. The duration
33 of a partial abatement approved for a colocated business pursuant to
34 this subsection must not exceed the duration of the contract or
35 contracts entered into between the colocated business and the data
36 center, including the duration of any contract or contracts extended
37 or renewed by the parties. If a colocated business ceases to meet the
38 requirements set forth in this subsection, the colocated business
39 shall repay the amount of the abatement that was allowed in the
40 same manner in which a data center is required by subsection ~~7~~ 8
41 to repay the Department or a county treasurer. If a data center ceases
42 to meet the requirements of subsection 2 or ceases operation before
43 the time specified in 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 an applicant for a partial abatement pursuant to this*
17 *section fails to enter into the agreement described in paragraph (b)*
18 *of subsection 2 within 1 year after the date on which the*
19 *application was received by the Office, the applicant shall not be*
20 *approved for a partial abatement pursuant to this section unless*
21 *the applicant submits a new application.*

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

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

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

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

42 ~~8.7~~ 9. A county treasurer:

43 (a) Shall deposit any money that he or she receives pursuant to
44 subsection 5 or ~~7.7~~ 8 in one or more of the funds established by a



1 local government of the county pursuant to NRS 354.6113 or
2 354.6115; and

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

5 ~~9.~~ 10. An applicant for a partial abatement pursuant to this
6 section who is aggrieved by a final decision of the Office of
7 Economic Development may petition for judicial review in the
8 manner provided in chapter 233B of NRS.

9 ~~10.~~ 11. For an employee to be considered a resident of
10 Nevada for the purposes of this section, a data center must maintain
11 the following documents in the personnel file of the employee:

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

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

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

19 (d) Proof that the employee is covered by the health insurance
20 plan which the data center is required to provide pursuant to sub-
21 subparagraph (I) of subparagraph (3) of paragraph (d) of subsection
22 2 or sub-subparagraph (I) of subparagraph (3) of paragraph (e) of
23 subsection 2.

24 ~~11.~~ 12. For the purpose of obtaining from the Executive
25 Director of the Office of Economic Development any waiver of the
26 requirements set forth in subparagraph (4) of paragraph (d) of
27 subsection 2 or subparagraph (4) of paragraph (e) of subsection 2, a
28 data center must submit to the Executive Director of the Office of
29 Economic Development written documentation of the efforts to
30 meet the requirements and documented proof that an insufficient
31 number of Nevada residents is available and qualified for
32 employment.

33 ~~12.~~ 13. The Office of Economic Development:

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

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

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

43 ~~13.~~ 14. The Nevada Tax Commission:

44 (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 ~~14.1~~ 15. 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 360.889 is hereby amended to read as follows:

28 360.889 1. On behalf of a project, the lead participant in the
29 project may apply to the Office of Economic Development for:

30 (a) A certificate of eligibility for transferable tax credits which
31 may be applied to:

32 (1) Any tax imposed by chapters 363A and 363B of NRS;

33 (2) The gaming license fees imposed by the provisions of
34 NRS 463.370;

35 (3) Any tax imposed by chapter 680B of NRS; or

36 (4) Any combination of the fees and taxes described in
37 subparagraphs (1), (2) and (3).

38 (b) A partial abatement of property taxes, employer excise taxes
39 or local sales and use taxes, or any combination of any of those
40 taxes.

41 2. For a project to be eligible for the transferable tax credits
42 described in paragraph (a) of subsection 1 and the partial abatement
43 of the taxes described in paragraph (b) of subsection 1, the lead
44 participant in the project must, on behalf of the project:



1 (a) Submit an application that meets the requirements of
2 subsection 5;

3 (b) Provide documentation satisfactory to the Office that
4 approval of the application would promote the economic
5 development of this State and aid the implementation of the State
6 Plan for Economic Development developed by the Executive
7 Director of the Office pursuant to subsection 2 of NRS 231.053;

8 (c) Provide documentation satisfactory to the Office that the
9 participants in the project collectively will make a total new capital
10 investment of at least \$1 billion in this State within the 10-year
11 period immediately following approval of the application;

12 (d) Provide documentation satisfactory to the Office that the
13 participants in the project are engaged in a common business
14 purpose or industry;

15 (e) Provide documentation satisfactory to the Office that the
16 place of business of each participant is or will be located within the
17 geographic boundaries of the project site or sites;

18 (f) Provide documentation satisfactory to the Office that each
19 participant in the project is registered pursuant to the laws of this
20 State or commits to obtaining a valid business license and all other
21 permits required by the county, city or town in which the project
22 operates;

23 (g) Provide documentation satisfactory to the Office of the
24 number of employees engaged in the construction of the project;

25 (h) Provide documentation satisfactory to the Office of the
26 number of qualified employees employed or anticipated to be
27 employed at the project by the participants;

28 (i) Provide documentation satisfactory to the Office that each
29 employer engaged in the construction of the project provides a plan
30 of health insurance and that each employee engaged in the
31 construction of the project is offered coverage under the plan of
32 health insurance provided by his or her employer;

33 (j) Provide documentation satisfactory to the Office that each
34 participant in the project provides a plan of health insurance and that
35 each employee employed at the project by each participant is
36 offered coverage under the plan of health insurance provided by his
37 or her employer;

38 (k) Provide documentation satisfactory to the Office that at least
39 50 percent of the employees engaged in construction of the project
40 and 50 percent of the employees employed at the project are
41 residents of Nevada, unless waived by the Executive Director of the
42 Office upon proof satisfactory to the Executive Director of the
43 Office that there is an insufficient number of Nevada residents
44 available and qualified for such employment;



1 (l) Agree to provide the Office with a full compliance audit of
2 the participants in the project at the end of each fiscal year which:

3 (1) Shows the amount of money invested in this State by
4 each participant in the project;

5 (2) Shows the number of employees engaged in the
6 construction of the project and the number of those employees who
7 are residents of Nevada;

8 (3) Shows the number of employees employed at the project
9 by each participant and the number of those employees who are
10 residents of Nevada; and

11 (4) Is certified by an independent certified public accountant
12 in this State who is approved by the Office;

13 (m) Pay the cost of the audit required by paragraph (l);

14 (n) Enter into an agreement with the governing body of the city
15 or county in which the qualified project is located that:

16 (1) Requires the lead participant to pay the cost of any
17 engineering or design work necessary to determine the cost of
18 infrastructure improvements required to be made by the governing
19 body pursuant to an economic development financing proposal
20 approved pursuant to NRS 360.990; and

21 (2) Requires the lead participant to seek reimbursement for
22 any costs paid by the lead participant pursuant to subparagraph (1)
23 from the proceeds of bonds issued pursuant to NRS 360.991; and

24 (o) Meet any other requirements prescribed by the Office.

25 3. In addition to meeting the requirements set forth in
26 subsection 2, for a project located on more than one site in this State
27 to be eligible for the partial abatement of the taxes described in
28 paragraph (b) of subsection 1, the lead participant must, on behalf of
29 the project, submit an application that meets the requirements of
30 subsection 5 on or before June 30, 2019, and provide documentation
31 satisfactory to the Office that:

32 (a) The initial project will have a total of 500 or more full-time
33 employees employed at the site of the initial project and the average
34 hourly wage that will be paid to employees of the initial project in
35 this State is at least 120 percent of the average statewide hourly
36 wage as established by the Employment Security Division of the
37 Department of Employment, Training and Rehabilitation on July 1
38 of each fiscal year;

39 (b) Each participant in the project must be a subsidiary or
40 affiliate of the lead participant; and

41 (c) Each participant offers primary jobs and:

42 (1) Except as otherwise provided in subparagraph (2),
43 satisfies the requirements of paragraph (f) or (g) of subsection 2 of
44 NRS 360.750, regardless of whether the business is a new business
45 or an existing business; and



1 (2) If a participant owns, operates, manufactures, services,
2 maintains, tests, repairs, overhauls or assembles an aircraft or any
3 component of an aircraft, that the participant satisfies the applicable
4 requirements of paragraph (f) or (g) of subsection 2 of
5 NRS 360.753.

6 ↪ If any participant is a data center, as defined in NRS 360.754, any
7 capital investment by that participant must not be counted in
8 determining whether the participants in the project collectively will
9 make a total new capital investment of at least \$1 billion in this
10 State within the 10-year period immediately following approval of
11 the application, as required by paragraph (c) of subsection 2.

12 4. In addition to meeting the requirements set forth in
13 subsection 2, a project is eligible for the transferable tax credits
14 described in paragraph (a) of subsection 1 only if the Interim
15 Finance Committee approves a written request for the issuance of
16 the transferable tax credits. Such a request may only be submitted
17 by the Office and only after the Office has approved the application
18 submitted for the project pursuant to subsection 2. The Interim
19 Finance Committee may approve a request submitted pursuant to
20 this subsection only if the Interim Finance Committee determines
21 that approval of the request:

22 (a) Will not impede the ability of the Legislature to carry out its
23 duty to provide for an annual tax sufficient to defray the estimated
24 expenses of the State for each fiscal year as set forth in Article 9,
25 Section 2 of the Nevada Constitution; and

26 (b) Will promote the economic development of this State and
27 aid the implementation of the State Plan for Economic Development
28 developed by the Executive Director of the Office pursuant to
29 subsection 2 of NRS 231.053.

30 5. An application submitted pursuant to subsection 2 must
31 include:

32 (a) A detailed description of the project, including a description
33 of the common purpose or business endeavor in which the
34 participants in the project are engaged;

35 (b) A detailed description of the location of the project,
36 including a precise description of the geographic boundaries of the
37 project site or sites;

38 (c) The name and business address of each participant in the
39 project, which must be an address in this State;

40 (d) A detailed description of the plan by which the participants
41 in the project intend to comply with the requirement that the
42 participants collectively make a total new capital investment of at
43 least \$1 billion in this State in the 10-year period immediately
44 following approval of the application;



1 (e) If the application includes one or more partial abatements, an
2 agreement executed by the Office with the lead participant in the
3 project *not later than 1 year after the date on which the*
4 *application was received by the Office* which:

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

6 (2) States the date on which the partial abatement becomes
7 effective, as agreed to by the applicant and the Office, which must
8 not be earlier than the date on which the Office received the
9 application ~~§~~ *and not later than 1 year after the date on which the*
10 *Office approves the application;*

11 (3) States that the project will, after the date on which a
12 certificate of eligibility for the partial abatement is approved
13 pursuant to NRS 360.893, continue in operation in this State for a
14 period specified by the Office; and

15 (4) Binds successors in interest of the lead participant for the
16 specified period; and

17 (f) Any other information required by the Office.

18 6. For an employee to be considered a resident of Nevada for
19 the purposes of this section, each participant in the project must
20 maintain the following documents in the personnel file of the
21 employee:

22 (a) A copy of the:

23 (1) Current and valid Nevada driver's license of the
24 employee originally issued by the Department of Motor Vehicles
25 more than 60 days before the hiring of the employee or a current and
26 valid identification card for the employee originally issued by the
27 Department of Motor Vehicles more than 60 days before the hiring
28 of the employee; or

29 (2) If the employee is a veteran of the Armed Forces of the
30 United States, a current and valid Nevada driver's license of the
31 employee or a current and valid identification card for the employee
32 issued by the Department of Motor Vehicles;

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

36 (c) Proof that the employee is employed full-time and scheduled
37 to work for an average minimum of 30 hours per week; and

38 (d) Proof that the employee is offered coverage under a plan of
39 health insurance provided by his or her employer.

40 7. For the purpose of obtaining from the Executive Director of
41 the Office any waiver of the requirement set forth in paragraph (k)
42 of subsection 2, the lead participant in the project must submit to the
43 Executive Director of the Office written documentation of the
44 efforts to meet the requirement and documented proof that an



1 insufficient number of Nevada residents is available and qualified
2 for employment.

3 8. The Executive Director of the Office shall make available to
4 the public and post on the Internet website of the Office:

5 (a) Any request for a waiver of the requirements set forth in
6 paragraph (k) of subsection 2; and

7 (b) Any approval of such a request for a waiver that is granted
8 by the Executive Director of the Office.

9 9. The Executive Director of the Office shall post a request for
10 a waiver of the requirements set forth in paragraph (k) of subsection
11 2 on the Internet website of the Office within 3 days after receiving
12 the request and shall keep the request posted on the Internet website
13 for not less than 5 days. The Executive Director of the Office shall
14 ensure that the Internet website allows members of the public to post
15 comments regarding the request.

16 10. The Executive Director of the Office shall consider any
17 comments posted on the Internet website concerning any request for
18 a waiver of the requirements set forth in paragraph (k) of subsection
19 2 before making a decision regarding whether to approve the
20 request. If the Executive Director of the Office approves the request
21 for a waiver, the Executive Director of the Office must post the
22 approval on the Internet website of the Office within 3 days and
23 ensure that the Internet website allows members of the public to post
24 comments regarding the approval.

25 *11. If an applicant for one or more partial abatements*
26 *pursuant to this section fails to enter into the agreement described*
27 *in paragraph (e) of subsection 5 within 1 year after the date on*
28 *which the application was received by the Office, the applicant*
29 *shall not be approved for a partial abatement pursuant to this*
30 *section unless the applicant submits a new application.*

31 **Sec. 6.** NRS 360.945 is hereby amended to read as follows:

32 360.945 1. On behalf of a project, the lead participant in the
33 project may apply to the Office of Economic Development for:

34 (a) A certificate of eligibility for transferable tax credits which
35 may be applied to:

36 (1) Any tax imposed by chapters 363A and 363B of NRS;

37 (2) The gaming license fees imposed by the provisions of
38 NRS 463.370;

39 (3) Any tax imposed by chapter 680B of NRS; or

40 (4) Any combination of the fees and taxes described in
41 subparagraphs (1), (2) and (3).

42 (b) An abatement of property taxes, employer excise taxes or
43 local sales and use taxes, or any combination of any of those taxes.

44 2. For a project to be eligible for the transferable tax credits
45 described in paragraph (a) of subsection 1 and abatement of the



1 taxes described in paragraph (b) of subsection 1, the lead participant
2 in the project must, on behalf of the project:

3 (a) Submit an application that meets the requirements of
4 subsection 3;

5 (b) Provide documentation satisfactory to the Office that
6 approval of the application would promote the economic
7 development of this State and aid the implementation of the State
8 Plan for Economic Development developed by the Executive
9 Director of the Office pursuant to subsection 2 of NRS 231.053;

10 (c) Provide documentation satisfactory to the Office that the
11 participants in the project collectively will make a total new capital
12 investment of at least \$3.5 billion in this State within the 10-year
13 period immediately following approval of the application;

14 (d) Provide documentation satisfactory to the Office that the
15 participants in the project are engaged in a common business
16 purpose or industry;

17 (e) Provide documentation satisfactory to the Office that the
18 place of business of each participant is or will be located within the
19 geographic boundaries of the project site;

20 (f) Provide documentation satisfactory to the Office that each
21 participant in the project is registered pursuant to the laws of this
22 State or commits to obtaining a valid business license and all other
23 permits required by the county, city or town in which the project
24 operates;

25 (g) Provide documentation satisfactory to the Office of the
26 number of employees engaged in the construction of the project;

27 (h) Provide documentation satisfactory to the Office of the
28 number of qualified employees employed or anticipated to be
29 employed at the project by the participants;

30 (i) Provide documentation satisfactory to the Office that each
31 employer engaged in the construction of the project provides a plan
32 of health insurance and that each employee engaged in the
33 construction of the project is offered coverage under the plan of
34 health insurance provided by his or her employer;

35 (j) Provide documentation satisfactory to the Office that each
36 participant in the project provides a plan of health insurance and that
37 each employee employed at the project by each participant is
38 offered coverage under the plan of health insurance provided by his
39 or her employer;

40 (k) Provide documentation satisfactory to the Office that at least
41 50 percent of the employees engaged in construction of the project
42 and 50 percent of the employees employed at the project are
43 residents of Nevada, unless waived by the Executive Director of the
44 Office upon proof satisfactory to the Executive Director of the



1 Office that there is an insufficient number of Nevada residents
2 available and qualified for such employment;

3 (l) Agree to provide the Office with a full compliance audit of
4 the participants in the project at the end of each fiscal year which:

5 (1) Shows the amount of money invested in this State by
6 each participant in the project;

7 (2) Shows the number of employees engaged in the
8 construction of the project and the number of those employees who
9 are residents of Nevada;

10 (3) Shows the number of employees employed at the project
11 by each participant and the number of those employees who are
12 residents of Nevada; and

13 (4) Is certified by an independent certified public accountant
14 in this State who is approved by the Office;

15 (m) Pay the cost of the audit required by paragraph (l);

16 (n) Enter into an agreement with the governing body of the city
17 or county in which the qualified project is located that:

18 (1) Requires the lead participant to pay the cost of any
19 engineering or design work necessary to determine the cost of
20 infrastructure improvements required to be made by the governing
21 body pursuant to an economic development financing proposal
22 approved pursuant to NRS 360.990; and

23 (2) Requires the lead participant to seek reimbursement for
24 any costs paid by the lead participant pursuant to subparagraph (1)
25 from the proceeds of bonds of the State of Nevada issued pursuant
26 to NRS 360.991; and

27 (o) Meet any other requirements prescribed by the Office.

28 3. An application submitted pursuant to subsection 2 must
29 include:

30 (a) A detailed description of the project, including a description
31 of the common purpose or business endeavor in which the
32 participants in the project are engaged;

33 (b) A detailed description of the location of the project,
34 including a precise description of the geographic boundaries of the
35 project site;

36 (c) The name and business address of each participant in the
37 project, which must be an address in this State;

38 (d) A detailed description of the plan by which the participants
39 in the project intend to comply with the requirement that the
40 participants collectively make a total new capital investment of at
41 least \$3.5 billion in this State in the 10-year period immediately
42 following approval of the application;

43 (e) If the application includes one or more abatements, an
44 agreement executed by the Office with the lead participant in the



1 project *not later than 1 year after the date on which the*
2 *application was received by the Office* which:

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

4 (2) States that the project will, after the date on which a
5 certificate of eligibility for the abatement is approved pursuant to
6 NRS 360.965, continue in operation in this State for a period
7 specified by the Office; and

8 (3) Binds successors in interest of the lead participant for the
9 specified period; and

10 (f) Any other information required by the Office.

11 4. For an employee to be considered a resident of Nevada for
12 the purposes of this section, each participant in the project must
13 maintain the following documents in the personnel file of the
14 employee:

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

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

21 (c) Proof that the employee is employed full-time and scheduled
22 to work for an average minimum of 30 hours per week; and

23 (d) Proof that the employee is offered coverage under a plan of
24 health insurance provided by his or her employer.

25 5. For the purpose of obtaining from the Executive Director of
26 the Office any waiver of the requirement set forth in paragraph (k)
27 of subsection 2, the lead participant in the project must submit to the
28 Executive Director of the Office written documentation of the
29 efforts to meet the requirement and documented proof that an
30 insufficient number of Nevada residents is available and qualified
31 for employment.

32 6. The Executive Director of the Office shall make available to
33 the public and post on the Internet website for the Office:

34 (a) Any request for a waiver of the requirements set forth in
35 paragraph (k) of subsection 2; and

36 (b) Any approval of such a request for a waiver that is granted
37 by the Executive Director of the Office.

38 7. The Executive Director of the Office shall post a request for
39 a waiver of the requirements set forth in paragraph (k) of subsection
40 2 on the Internet website of the Office within 3 days after receiving
41 the request and shall keep the request posted on the Internet website
42 for not less than 5 days. The Executive Director of the Office shall
43 ensure that the Internet website allows members of the public to post
44 comments regarding the request.



1 8. The Executive Director of the Office shall consider any
2 comments posted on the Internet website concerning any request for
3 a waiver of the requirements set forth in paragraph (k) of subsection
4 2 before making a decision regarding whether to approve the
5 request. If the Executive Director of the Office approves the request
6 for a waiver, the Executive Director of the Office must post the
7 approval on the Internet website of the Office within 3 days and
8 ensure that the Internet website allows members of the public to post
9 comments regarding the approval.

10 *9. If an applicant for one or more abatements pursuant to*
11 *this section fails to enter into the agreement described in*
12 *paragraph (e) of subsection 3 within 1 year after the date on which*
13 *the application was received by the Office, the applicant shall not*
14 *be approved for an abatement pursuant to this section unless the*
15 *applicant submits a new application.*

16 **Sec. 7.** (Deleted by amendment.)

17 **Sec. 8.** (Deleted by amendment.)

18 **Sec. 9.** NRS 274.310 is hereby amended to read as follows:

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

21 (a) A historically underutilized business zone, as defined in
22 15 U.S.C. § 632;

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

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

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

29 ↪ may submit a request to the governing body of the county, city or
30 town in which the business would operate for an endorsement of an
31 application by the person to the Office of Economic Development
32 for a partial abatement of one or more of the taxes imposed pursuant
33 to chapter 361 of NRS or the local sales and use taxes. The
34 governing body of the county, city or town shall provide notice of
35 the request to the board of trustees of the school district in which the
36 business would operate. The notice must set forth the date, time and
37 location of the hearing at which the governing body will consider
38 whether to endorse the application. As used in this subsection,
39 "local sales and use taxes" means the taxes imposed on the gross
40 receipts of any retailer from the sale of tangible personal property
41 sold at retail, or stored, used or otherwise consumed, in the political
42 subdivision in which the business is located, except the taxes
43 imposed by the Sales and Use Tax Act and the Local School
44 Support Tax Law.



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

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

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

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

13 (a) The business is consistent with:

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

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

18 (b) ~~the~~ *Not later than 1 year after the date on which the*
19 *application was received by the Office, the* applicant has executed
20 an agreement with the Office which states:

21 (1) The date on which the abatement becomes effective, as
22 agreed to by the applicant and the Office, which must not be earlier
23 than the date on which the Office received the application ~~;~~ *and*
24 *not later than 1 year after the date on which the Office approves*
25 *the application;* and

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

28 (I) Commence operation and continue in operation in the
29 historically underutilized business zone, as defined in 15 U.S.C. §
30 632, redevelopment area created pursuant to chapter 279 of NRS,
31 area eligible for a community development block grant pursuant to
32 24 C.F.R. Part 570 or enterprise community established pursuant to
33 24 C.F.R. Part 597 for a period specified by the Office, which must
34 be at least 5 years; and

35 (II) Continue to meet the eligibility requirements set forth
36 in this subsection.

37 ➤ The agreement must bind successors in interest of the business
38 for the specified period.

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

43 (d) The applicant invested or commits to invest a minimum of
44 \$500,000 in capital assets that will be retained at the location of the
45 business in the historically underutilized business zone, as defined



1 in 15 U.S.C. § 632, redevelopment area created pursuant to chapter
2 279 of NRS, area eligible for a community development block grant
3 pursuant to 24 C.F.R. Part 570 or enterprise community established
4 pursuant to 24 C.F.R. Part 597 until at least the date which is 5 years
5 after the date on which the abatement becomes effective.

6 4. If the Office of Economic Development approves an
7 application for a partial abatement, the Office shall immediately
8 forward a certificate of eligibility for the abatement to:

9 (a) The Department of Taxation;

10 (b) The Nevada Tax Commission; and

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

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

16 (a) The partial abatement must be for a duration of not less than
17 1 year but not more than 5 years.

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

22 6. *If an applicant for a partial abatement pursuant to this*
23 *section fails to enter into the agreement described in paragraph (b)*
24 *of subsection 3 within 1 year after the date on which the*
25 *application was received by the Office, the applicant shall not be*
26 *approved for a partial abatement pursuant to this section unless*
27 *the applicant submits a new request pursuant to subsection 1.*

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

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

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

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



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

3 ~~[7.]~~ 8. The Office of Economic Development may adopt such
4 regulations as the Office determines to be necessary or advisable to
5 carry out the provisions of this section.

6 ~~[8.]~~ 9. An applicant for an abatement who is aggrieved by a
7 final decision of the Office of Economic Development may petition
8 for judicial review in the manner provided in chapter 233B of NRS.

9 **Sec. 10.** NRS 274.320 is hereby amended to read as follows:

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

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

14 (b) A redevelopment area created pursuant to chapter 279
15 of NRS;

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

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

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

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

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

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

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



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

3 (a) The business is consistent with:

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

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

8 (b) ~~The~~ *Not later than 1 year after the date on which the*
9 *application was received by the Office, the* applicant has executed
10 an agreement with the Office which states:

11 (1) The date on which the abatement becomes effective, as
12 agreed to by the applicant and the Office, which must not be earlier
13 than the date on which the Office received the application ~~and~~ *and*
14 *not later than 1 year after the date on which the Office approves*
15 *the application;* and

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

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

25 (II) Continue to meet the eligibility requirements set forth
26 in this subsection.

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

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

33 (d) The applicant invested or commits to invest a minimum of
34 \$250,000 in capital equipment that will be retained at the location of
35 the business in the historically underutilized business zone, as
36 defined in 15 U.S.C. § 632, redevelopment area created pursuant to
37 chapter 279 of NRS, area eligible for a community development
38 block grant pursuant to 24 C.F.R. Part 570 or enterprise community
39 established pursuant to 24 C.F.R. Part 597 until at least the date
40 which is 5 years after the date on which the abatement becomes
41 effective.

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

45 (a) The Department of Taxation; and



1 (b) The Nevada Tax Commission.

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

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

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

10 6. *If an applicant for a partial abatement pursuant to this*
11 *section fails to enter into the agreement described in paragraph (b)*
12 *of subsection 3 within 1 year after the date on which the*
13 *application was received by the Office, the applicant shall not be*
14 *approved for a partial abatement pursuant to this section unless*
15 *the applicant submits a new request pursuant to subsection 1.*

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

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

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

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

35 ~~[7.]~~ 8. The Office of Economic Development may adopt such
36 regulations as the Office determines to be necessary or advisable to
37 carry out the provisions of this section.

38 ~~[8.]~~ 9. An applicant for an abatement who is aggrieved by a
39 final decision of the Office of Economic Development may petition
40 for judicial review in the manner provided in chapter 233B of NRS.

41 **Sec. 11.** NRS 274.330 is hereby amended to read as follows:

42 274.330 1. A person who owns a business which is located
43 within an enterprise community established pursuant to 24 C.F.R.
44 Part 597 in this State may submit a request to the governing body of
45 the county, city or town in which the business is located for an



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

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

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

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

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

27 (a) The business is consistent with:

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

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

32 (b) ~~The~~ *Not later than 1 year after the date on which the*
33 *application was received by the Office, the* applicant has executed
34 an agreement with the Office which states:

35 (1) The date on which the abatement becomes effective, as
36 agreed to by the applicant and the Office, which must not be earlier
37 than the date on which the Office received the application ~~and~~ *and*
38 *not later than 1 year after the date on which the Office approves*
39 *the application;* and

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

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

44 (II) Continue to meet the eligibility requirements set forth
45 in this subsection.



1 ↪ The agreement must bind successors in interest of the business
2 for the specified period.

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

7 (d) The business:

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

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

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

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

20 (b) Immediately forward a certificate of eligibility for the
21 abatement to:

22 (1) The Department of Taxation;

23 (2) The Nevada Tax Commission; and

24 (3) 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 is 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 an applicant for a partial abatement pursuant to this*
36 *section fails to enter into the agreement described in paragraph (b)*
37 *of subsection 3 within 1 year after the date on which the*
38 *application was received by the Office, the applicant shall not be*
39 *approved for a partial abatement pursuant to this section unless*
40 *the applicant submits a new request pursuant to subsection 1.*

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

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



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

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

17 ~~7.7~~ **8.** The Office of Economic Development:

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

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

23 ~~8.7~~ **9.** An applicant for an abatement who is aggrieved by a
24 final decision of the Office of Economic Development may petition
25 for judicial review in the manner provided in chapter 233B of NRS.

26 ~~9.7~~ **10.** As used in this section, “dislocated worker” means a
27 person who:

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

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

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

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

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

39 **Sec. 12.** The amendatory provisions of this act apply only to
40 an application for an abatement from taxation for which a person
41 applies on or after July 1, 2021.

42 **Sec. 13.** This act becomes effective on July 1, 2021.

