

Amendment No. 394

Assembly Amendment to Assembly Bill No. 66	(BDR 32-266)
Proposed by: Assembly Committee on Revenue	
Amends: Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes	

ASSEMBLY ACTION			Initial and Date	SENATE ACTION			Initial and Date		
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

JFD/BJF



Date: 4/18/2021

A.B. No. 66—Revises provisions relating to the abatement of certain taxes.
(BDR 32-266)



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:

Existing law authorizes the Office of Economic Development to approve an abatement or partial abatement of certain property taxes, business taxes and sales and use taxes in certain circumstances. (NRS 274.310, 274.320, 274.330, 360.750, 360.752, 360.753, 360.754, 360.889, 360.945) The Office is prohibited from approving an application for such an abatement unless the applicant has entered into an agreement with the Office establishing certain terms for the abatement, which, in certain cases, includes the date on which the abatement becomes effective. (NRS 274.310, 274.320, 274.330, 360.750, 360.752, 360.753, 360.754, 360.889, 360.945) ~~Sections 1.5-6 and 9-11~~ of this bill prohibit the effective date of an abatement or partial abatement, as established by the agreement, from being later than 1 year after the date on which the application for the abatement is approved. ~~Sections 1.5-6 and 9-11~~ also require an applicant to enter into the agreement with the Office within 1 year after the application is received by the Office and, if the applicant fails to do so, requires the applicant to submit a new application to be eligible to receive approval for an abatement or partial abatement.

Section 1 of this bill provides that if the Office approves an application submitted by a business for certain abatements or partial abatements of sales and use taxes, the Department of Taxation is required to issue to the business a document: (1) certifying

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

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

36 ~~Sections 7 and 8 of this bill make conforming changes to refer to subsections that have~~
 37 ~~been renumbered by this bill.]~~

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 thereto a new
 2 section to read as follows:

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

11 2. If the Office of Economic Development has issued to a business the
 12 document issued pursuant to subsection 1 and the business pays an amount of
 13 sales and use taxes for which the business was entitled to an abatement because
 14 the business fails to present the document, the business may apply to the
 15 Department for a refund of the amount of sales and use tax paid for which the
 16 business was entitled to an abatement. If the Office of Economic Development
 17 has issued to a business the document issued pursuant to subsection 1 and the
 18 failure of the business to present the document results in the business paying the
 19 full amount of sales and use tax on 50 percent or more of the purchases for
 20 which the business was eligible for the abatement:

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

23 (b) The Department shall impose on the business a penalty equal to 10
 24 percent of the total amount of the abatement. The Department shall distribute the
 25 proceeds of any penalty imposed pursuant to this paragraph to each local
 26 government affected by a refund issued pursuant to this subsection in proportion
 27 to the amount of the refunds for which the affected local government is
 28 responsible for paying.

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

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

~~Section 1.1~~ Sec. 1.5. NRS 360.750 is hereby amended to read as follows:

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

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

(b) Expanded business pursuant to chapter 361 or 363B of NRS or *a partial abatement of the local sales and use taxes ~~is~~ imposed on the expanded business.*

As used in this paragraph, "local sales and use taxes" means the taxes imposed on the gross receipts of any retailer from the sale of tangible personal property sold at retail, or stored, used or otherwise consumed, in the political subdivision in which the business is to be located or expanded, except the taxes imposed by the Sales and Use Tax Act and the Local School Support Tax Law.

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

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

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

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

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

(1) Comply with the requirements of NRS 360.755;

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

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

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

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

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

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

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

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

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

16 (2) Establishing the business will require the business to make, not later
17 than the date which is 2 years after the date on which the abatement becomes
18 effective, a capital investment of at least \$1,000,000 in this State in capital assets
19 that will be retained at the location of the business in that county or city until at
20 least the date which is 5 years after the date on which the abatement becomes
21 effective.

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

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

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

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

42 (1) For a business in:

43 (I) Except as otherwise provided in sub-subparagraph (II), a county
44 whose population is 100,000 or more or a city whose population is 60,000 or more,
45 the business will, by the eighth calendar quarter following the calendar quarter in
46 which the abatement becomes effective, increase the number of employees on its
47 payroll in that county or city by 10 percent more than it employed in the fiscal year
48 immediately preceding the fiscal year in which the abatement becomes effective or
49 by twenty-five employees, whichever is greater, who will be employed at the
50 location of the business in that county or city until at least the date which is 5 years
51 after the date on which the abatement becomes effective; or

52 (II) A county whose population is less than 100,000, an area of a
53 county whose population is 100,000 or more that is located within the geographic

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

45 (a) The Department;

46 (b) The Nevada Tax Commission; and

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

49 7. An applicant for a partial abatement pursuant to this section or an existing
50 business whose partial abatement is in effect shall, upon the request of the
51 Executive Director of the Office of Economic Development, furnish the Executive
52 Director with copies of all records necessary to verify that the applicant meets the
53 requirements of subsection 2.

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

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

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

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

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

23 ~~9.~~ 10. A county treasurer:

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

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

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

32 ~~11.~~ 12. The Nevada Tax Commission:

33 (a) Shall adopt regulations regarding:

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

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

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

41 ~~12.~~ 13. An applicant for a partial abatement pursuant to this section who is
42 aggrieved by a final decision of the Office of Economic Development may petition
43 for judicial review in the manner provided in chapter 233B of NRS.

44 ~~13.~~ 14. For the purposes of this section, an employee is a “full-time
45 employee” if he or she is in a permanent position of employment and works an
46 average of 30 hours per week during the applicable period set forth in subsection 2.

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

48 360.752 1. A person who intends to locate or expand a business in this State
49 may apply to the Office of Economic Development pursuant to this section for a
50 partial abatement of the tax imposed on the new or expanded business pursuant to
51 chapter 361 of NRS.

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

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

7 (b) The business is consistent with:

8 (1) The State Plan for Economic Development developed by the Executive
9 Director of the Office of Economic Development pursuant to subsection 2 of NRS
10 231.053; and

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

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

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

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

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

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

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

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

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

34 (e) The business does not receive:

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

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

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

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

50 (h) The business meets the following requirements:

51 (1) The business makes a capital investment of at least \$1,000,000 in a
52 program of the University of Nevada, Reno, the University of Nevada, Las Vegas,

1 or the Desert Research Institute to be used in support of research, development or
2 training related to the field of endeavor of the business.

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

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

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

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

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

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

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

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

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

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

36 (I) A letter of support from the college or institution in which the
37 capital investment is made, which is signed by the chief administrative officer of
38 the college or institution and which includes, without limitation, a summary of the
39 financial and other resources the business will provide to the program and an
40 agreement that the college or institution will provide to the Office periodic reports,
41 at such times and containing such information as the Office may require, regarding
42 the use of those resources; and

43 (II) A letter of support which is signed by the chair of the board of
44 directors of the regional economic development authority within whose jurisdiction
45 the college or institution is located and which includes, without limitation, a
46 summary of the role the business will play in diversifying the economy and, if
47 applicable, in achieving the broader goals of the regional economic development
48 authority for economic development and diversification.

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

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

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

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

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

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

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

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

21 (2) Fifty percent of the amount of the capital investment by the business,
22 ↪ whichever amount is less;

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

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

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

30 (a) The Department;

31 (b) The Nevada Tax Commission; and

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

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

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

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

49 (a) The business shall repay to the county treasurer the amount of the partial
50 abatement that was allowed pursuant to this section before the failure of the
51 business to comply unless the Nevada Tax Commission determines that the
52 business has substantially complied with the requirements of this section. Except as
53 otherwise provided in NRS 360.232 and 360.320, the business shall, in addition to

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

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

8 ~~8.9~~ **9.** A county treasurer:

9 (a) Shall deposit any money that he or she receives pursuant to subsection ~~7.7~~ **8**
10 in one or more of the funds established by a local government of the county
11 pursuant to NRS 354.6113 or 354.6115; and

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

14 ~~9.9~~ **10.** The Office of Economic Development:

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

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

20 ~~10.9~~ **11.** The Nevada Tax Commission:

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

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

25 ~~11.1~~ **12.** An applicant for a partial abatement pursuant to this section who is
26 aggrieved by a final decision of the Office of Economic Development may petition
27 for judicial review in the manner provided in chapter 233B of NRS.

28 ~~12.2~~ **13.** Except as otherwise provided in this subsection, as used in this
29 section, "capital investment" includes, without limitation, an investment of real or
30 personal property, money or other assets by a business in an institution of the
31 Nevada System of Higher Education. The Office of Economic Development may,
32 by regulation, specify the types of real or personal property or assets that are
33 included within the definition of "capital investment."

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

35 360.753 1. An owner of a business or a person who intends to locate or
36 expand a business in this State may apply to the Office of Economic Development
37 pursuant to this section for a partial abatement of one or more of:

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

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

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

48 (a) ~~1.1~~ **Not later than 1 year after the date on which the application was**
49 **received by the Office, the** applicant has executed an agreement with the Office
50 which:

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

52 (2) States the date on which the abatement becomes effective, as agreed to
53 by the applicant and the Office, which must not be earlier than the date on which

1 the Office received the application ~~H~~ *and not later than 1 year after the date on*
2 *which the Office approves the application;*

3 (3) States that the business will, after the date on which a certificate of
4 eligibility for the partial abatement is issued pursuant to subsection 5, continue in
5 operation in this State for a period specified by the Office, which must be not less
6 than 5 years, and will continue to meet the eligibility requirements set forth in this
7 subsection; and

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

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

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

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

19 (e) The business will, by the eighth calendar quarter following the calendar
20 quarter in which the abatement becomes effective, offer a health insurance plan for
21 all employees that includes an option for health insurance coverage for dependents
22 of the employees, and the health care benefits the business offers to its employees
23 in this State 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 employees on
27 the payroll of the business within 1 year after receiving its certificate of eligibility
28 for a partial abatement; or

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

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

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

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

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

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

47 3. The Office of Economic Development:

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

51 (b) Must not:

52 (1) Consider an application for a partial abatement unless the Office has
53 requested a letter of acknowledgment of the request for the partial abatement from

1 any affected county, school district, city or town and has complied with the
2 requirements of NRS 360.757; or

3 (2) Approve a partial abatement for any applicant for a period of more than
4 10 years.

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

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

11 (a) The Department;

12 (b) The Nevada Tax Commission; and

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

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

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

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

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

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

30 the business shall repay to the Department or, if the partial abatement was from
31 personal property taxes, to the appropriate county treasurer, the amount of the
32 partial abatement that was allowed pursuant to this section before the failure of the
33 business to comply unless the Nevada Tax Commission determines that the
34 business has substantially complied with the requirements of this section. Except as
35 otherwise provided in NRS 360.232 and 360.320, the business shall, in addition to
36 the amount of the partial abatement required to be repaid pursuant to this
37 subsection, pay interest on the amount due at the rate most recently established
38 pursuant to NRS 99.040 for each month, or portion thereof, from the last day of the
39 month following 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 tax.

41 ~~8.~~ 9. The Office of Economic Development may adopt such regulations as
42 the Office determines to be necessary to carry out the provisions of this section.

43 ~~9.~~ 10. The Nevada Tax Commission may adopt such regulations as the
44 Commission determines are necessary to carry out the provisions of this section.

45 ~~10.~~ 11. An applicant for a partial abatement who is aggrieved by a final
46 decision of the Office of Economic Development may petition a court of competent
47 jurisdiction to review the decision in the manner provided in chapter 233B of NRS.

48 ~~11.~~ 12. *If the Office of Economic Development approves an application*
49 *for a partial abatement of local sales and use taxes pursuant to this section, the*
50 *Department shall issue to the business a document certifying the partial*
51 *abatement which can be presented to retailers and customers of the business at*
52 *the time of sale. The document must clearly state that the purchaser is only*
53 *required to pay sales and use taxes imposed in this State at the rate of 2 percent.*

1 12. ~~13.7~~ As used in this section:

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

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

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

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

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

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

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

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

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

21 360.754 1. A person who intends to locate or expand a data center in this
22 State may apply to the Office of Economic Development pursuant to this section
23 for a partial abatement of one or more of the taxes imposed on the new or expanded
24 data center pursuant to chapter 361 or 374 of NRS.

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

28 (a) The application is consistent with the State Plan for Economic
29 Development developed by the Executive Director of the Office of Economic
30 Development pursuant to subsection 2 of NRS 231.053 and any guidelines adopted
31 by the Executive Director of the Office to implement the State Plan for Economic
32 Development.

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

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

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

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

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

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

49 (d) If the applicant is seeking a partial abatement for a period of not more than
50 10 years, the applicant meets the following requirements:

51 (1) The data center will, by not later than the date that is 5 years after the
52 date on which the abatement becomes effective, have or have added 10 or more
53 full-time employees who are residents of Nevada and who will be employed at the

1 data center and will continue to employ 10 or more full-time employees who are
2 residents of Nevada at the data center until at least the date which is 10 years after
3 the date on which the abatement becomes effective.

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

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

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

18 (II) The health care benefits provided to employees employed at the
19 data center will meet the minimum requirements for health care benefits established
20 by the Office of Economic Development by regulation pursuant to subsection ~~12.~~
21 **13.**

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

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

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

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

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

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

49 (II) The health care benefits provided to employees employed at the
50 data center will meet the minimum requirements for health care benefits established
51 by the Office of Economic Development by regulation pursuant to subsection ~~12.~~
52 **13.**

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

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

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

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

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

19 (b) Shall consider the level of health care benefits provided to employees
20 employed at the data center, the projected economic impact of the data center and
21 the projected tax revenue of the data center after deducting projected revenue from
22 the abated taxes.

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

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

28 (2) Make the requirements set forth in paragraphs (d) and (e) of subsection
29 2 more stringent; or

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

32 4. If the Office of Economic Development approves an application for a
33 partial abatement pursuant to this section, the Office shall immediately forward a
34 certificate of eligibility for the 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 pursuant to
38 chapter 361 of NRS, the county treasurer of each county in which the data center is
39 or will be located.

40 5. If the Office of Economic Development approves an application for a
41 partial abatement pursuant to this section, the Office may also approve a partial
42 abatement of taxes for each colocated business that enters into a contract to use or
43 occupy, for a period of at least 2 years, all or a portion of the new or expanded data
44 center. Each such colocated business shall obtain a state business license issued by
45 the Secretary of State. The percentage amount of a partial abatement approved for a
46 colocated business pursuant to this subsection must not exceed the percentage
47 amount of the partial abatement approved for the data center. The duration of a
48 partial abatement approved for a colocated business pursuant to this subsection
49 must not exceed the duration of the contract or contracts entered into between the
50 colocated business and the data center, including the duration of any contract or
51 contracts extended or renewed by the parties. If a colocated business ceases to meet
52 the requirements set forth in this subsection, the colocated business shall repay the
53 amount of the abatement that was allowed in the same manner in which a data

1 center is required by subsection ~~F7~~ 8 to repay the Department or a county treasurer.
2 If a data center ceases to meet the requirements of subsection 2 or ceases operation
3 before the time specified in the agreement described in paragraph (b) of subsection
4 2, any partial abatement approved for a colocated business ceases to be in effect,
5 but the colocated business is not required to repay the amount of the abatement that
6 was allowed before the date on which the abatement ceases to be in effect. A data
7 center shall provide the Executive Director of the Office and the Department with a
8 list of the colocated businesses that are qualified to receive a partial abatement
9 pursuant to this subsection and shall notify the Executive Director within 30 days
10 after any change to the list. The Executive Director shall provide the list and any
11 updates to the list to the Department and the county treasurer of each affected
12 county.

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

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

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

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

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

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

40 ~~F8~~ 9. A county treasurer:

41 (a) Shall deposit any money that he or she receives pursuant to subsection 5 or
42 ~~F7~~ 8 in one or more of the funds established by a local government of the county
43 pursuant to NRS 354.6113 or 354.6115; and

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

46 ~~F9~~ 10. An applicant for a partial abatement pursuant to this section who is
47 aggrieved by a final decision of the Office of Economic Development may petition
48 for judicial review in the manner provided in chapter 233B of NRS.

49 ~~F10~~ 11. For an employee to be considered a resident of Nevada for the
50 purposes of this section, a data center must maintain the following documents in the
51 personnel file of the employee:

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

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

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

8 (d) Proof that the employee is covered by the health insurance plan which the
9 data center is required to provide pursuant to sub-subparagraph (I) of subparagraph
10 (3) of paragraph (d) of subsection 2 or sub-subparagraph (I) of subparagraph (3) of
11 paragraph (e) of subsection 2.

12 ~~11.1~~ **12.** For the purpose of obtaining from the Executive Director of the
13 Office of Economic Development any waiver of the requirements set forth in
14 subparagraph (4) of paragraph (d) of subsection 2 or subparagraph (4) of paragraph
15 (e) of subsection 2, a data center must submit to the Executive Director of the
16 Office of Economic Development written documentation of the efforts to meet the
17 requirements and documented proof that an insufficient number of Nevada
18 residents is available and qualified for employment.

19 ~~11.2~~ **13.** The Office of Economic Development:

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

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

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

27 ~~11.3~~ **14.** The Nevada Tax Commission:

28 (a) Shall adopt regulations regarding:

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

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

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

35 ~~11.4~~ **15.** As used in this section, unless the context otherwise requires:

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

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

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

49 **Sec. 5.** NRS 360.889 is hereby amended to read as follows:

50 360.889 1. On behalf of a project, the lead participant in the project may
51 apply to the Office of Economic Development for:

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

- 1 (1) Any tax imposed by chapters 363A and 363B of NRS;
2 (2) The gaming license fees imposed by the provisions of NRS 463.370;
3 (3) Any tax imposed by chapter 680B of NRS; or
4 (4) Any combination of the fees and taxes described in subparagraphs (1),
5 (2) and (3).
6 (b) A partial abatement of property taxes, employer excise taxes or local sales
7 and use taxes, or any combination of any of those taxes.
8 2. For a project to be eligible for the transferable tax credits described in
9 paragraph (a) of subsection 1 and the partial abatement of the taxes described in
10 paragraph (b) of subsection 1, the lead participant in the project must, on behalf of
11 the project:
12 (a) Submit an application that meets the requirements of subsection 5;
13 (b) Provide documentation satisfactory to the Office that approval of the
14 application would promote the economic development of this State and aid the
15 implementation of the State Plan for Economic Development developed by the
16 Executive Director of the Office pursuant to subsection 2 of NRS 231.053;
17 (c) Provide documentation satisfactory to the Office that the participants in the
18 project collectively will make a total new capital investment of at least \$1 billion in
19 this State within the 10-year period immediately following approval of the
20 application;
21 (d) Provide documentation satisfactory to the Office that the participants in the
22 project are engaged in a common business purpose or industry;
23 (e) Provide documentation satisfactory to the Office that the place of business
24 of each participant is or will be located within the geographic boundaries of the
25 project site or sites;
26 (f) Provide documentation satisfactory to the Office that each participant in the
27 project is registered pursuant to the laws of this State or commits to obtaining a
28 valid business license and all other permits required by the county, city or town in
29 which the project operates;
30 (g) Provide documentation satisfactory to the Office of the number of
31 employees engaged in the construction of the project;
32 (h) Provide documentation satisfactory to the Office of the number of qualified
33 employees employed or anticipated to be employed at the project by the
34 participants;
35 (i) Provide documentation satisfactory to the Office that each employer
36 engaged in the construction of the project provides a plan of health insurance and
37 that each employee engaged in the construction of the project is offered coverage
38 under the plan of health insurance provided by his or her employer;
39 (j) Provide documentation satisfactory to the Office that each participant in the
40 project provides a plan of health insurance and that each employee employed at the
41 project by each participant is offered coverage under the plan of health insurance
42 provided by his or her employer;
43 (k) Provide documentation satisfactory to the Office that at least 50 percent of
44 the employees engaged in construction of the project and 50 percent of the
45 employees employed at the project are residents of Nevada, unless waived by the
46 Executive Director of the Office upon proof satisfactory to the Executive Director
47 of the Office that there is an insufficient number of Nevada residents available and
48 qualified for such employment;
49 (l) Agree to provide the Office with a full compliance audit of the participants
50 in the project at the end of each fiscal year which:
51 (1) Shows the amount of money invested in this State by each participant
52 in the project;

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

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

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

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

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

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

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

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

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

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

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

32 (c) Each participant offers primary jobs and:

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

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

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

45 4. In addition to meeting the requirements set forth in subsection 2, a project
46 is eligible for the transferable tax credits described in paragraph (a) of subsection 1
47 only if the Interim Finance Committee approves a written request for the issuance
48 of the transferable tax credits. Such a request may only be submitted by the Office
49 and only after the Office has approved the application submitted for the project
50 pursuant to subsection 2. The Interim Finance Committee may approve a request
51 submitted pursuant to this subsection only if the Interim Finance Committee
52 determines that approval of the request:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

35 (a) A copy of the:

36 (1) Current and valid Nevada driver's license of the employee originally
37 issued by the Department of Motor Vehicles more than 60 days before the hiring of
38 the employee or a current and valid identification card for the employee originally
39 issued by the Department of Motor Vehicles more than 60 days before the hiring of
40 the employee; or

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

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

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

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

51 7. For the purpose of obtaining from the Executive Director of the Office any
52 waiver of the requirement set forth in paragraph (k) of subsection 2, the lead
53 participant in the project must submit to the Executive Director of the Office

1 written documentation of the efforts to meet the requirement and documented proof
2 that an insufficient number of Nevada residents is available and qualified for
3 employment.

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

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

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

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

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

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

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

29 360.945 1. On behalf of a project, the lead participant in the project may
30 apply to the Office of Economic Development for:

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

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

34 (2) The gaming license fees imposed by the provisions of 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 subparagraphs (1),
37 (2) and (3).

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

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

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

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

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

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

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

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

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

10 (h) Provide documentation satisfactory to the Office of the number of qualified
11 employees employed or anticipated to be employed at the project by the
12 participants;

13 (i) Provide documentation satisfactory to the Office that each employer
14 engaged in the construction of the project provides a plan of health insurance and
15 that each employee engaged in the construction of the project is offered coverage
16 under the plan of health insurance provided by his or her employer;

17 (j) Provide documentation satisfactory to the Office that each participant in the
18 project provides a plan of health insurance and that each employee employed at the
19 project by each participant is offered coverage under the plan of health insurance
20 provided by his or her employer;

21 (k) Provide documentation satisfactory to the Office that at least 50 percent of
22 the employees engaged in construction of the project and 50 percent of the
23 employees employed at the project are residents of Nevada, unless waived by the
24 Executive Director of the Office upon proof satisfactory to the Executive Director
25 of the Office that there is an insufficient number of Nevada residents available and
26 qualified for such employment;

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

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

31 (2) Shows the number of employees engaged in the construction of the
32 project and the number of those employees who are residents of Nevada;

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

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

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

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

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

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

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

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

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

51 (b) A detailed description of the location of the project, including a precise
52 description of the geographic boundaries of the project site;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

48 8. The Executive Director of the Office shall consider any comments posted
49 on the Internet website concerning any request for a waiver of the requirements set
50 forth in paragraph (k) of subsection 2 before making a decision regarding whether
51 to approve the request. If the Executive Director of the Office approves the request
52 for a waiver, the Executive Director of the Office must post the approval on the

Internet website of the Office within 3 days and ensure that the Internet website allows members of the public to post comments regarding the approval.

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

Sec. 7. ~~[NRS 372.7261 is hereby amended to read as follows:~~

~~372.7261 1. In administering the provisions of this chapter:~~

~~(a) The Department shall calculate the amount of tax imposed on tangible personal property purchased for use in owning, operating, manufacturing, servicing, maintaining, testing, repairing, overhauling or assembling an aircraft or any component of an aircraft as follows:~~

~~(1) If the tangible personal property is purchased by a business for use in the performance of a contract, the business is deemed the consumer of the tangible personal property and the sales tax must be paid by the business on the sales price of the tangible personal property to the business.~~

~~(2) If the tangible personal property is purchased by a business for use in the performance of a contract and the sales tax is not paid because the vendor did not have a valid seller's permit, or because the resale certificate was properly presented, or for any other reason, the use tax must be imposed based on the sales price of the tangible personal property to the business.~~

~~(b) Any tangible personal property purchased by a business for use in the performance of a contract is deemed to have been purchased for use in owning, operating, manufacturing, servicing, maintaining, testing, repairing, overhauling or assembling an aircraft or any component of an aircraft.~~

~~2. As used in this section:~~

~~(a) "Aircraft" has the meaning ascribed to it in paragraph (a) of subsection [12] 13 of NRS 360.753.~~

~~(b) "Component of an aircraft" has the meaning ascribed to it in paragraph (b) of subsection [12] 13 of NRS 360.753.~~

~~(c) "Contract" means any contract for the ownership, operation, manufacture, service, maintenance, testing, repair, overhaul or assembly of an aircraft or any component of an aircraft entered into by a business.] **(Deleted by amendment.)**~~

Sec. 8. ~~[NRS 374.7261 is hereby amended to read as follows:~~

~~374.7261 1. In administering the provisions of this chapter:~~

~~(a) The Department shall calculate the amount of tax imposed on tangible personal property purchased for use in owning, operating, manufacturing, servicing, maintaining, testing, repairing, overhauling or assembling an aircraft or any component of an aircraft as follows:~~

~~(1) If the tangible personal property is purchased by a business for use in the performance of a contract, the business is deemed the consumer of the tangible personal property and the sales tax must be paid by the business on the sales price of the tangible personal property to the business.~~

~~(2) If the tangible personal property is purchased by a business for use in the performance of a contract and the sales tax is not paid because the vendor did not have a valid seller's permit, or because the resale certificate was properly presented, or for any other reason, the use tax must be imposed based on the sales price of the tangible personal property to the business.~~

~~(b) Any tangible personal property purchased by a business for use in the performance of a contract is deemed to have been purchased for use in owning, operating, manufacturing, servicing, maintaining, testing, repairing, overhauling or assembling an aircraft or any component of an aircraft.~~

1 ~~2. As used in this section:~~
 2 ~~(a) "Aircraft" has the meaning ascribed to it in paragraph (a) of subsection [12]~~
 3 ~~13 of NRS 260.753.~~
 4 ~~(b) "Component of an aircraft" has the meaning ascribed to it in paragraph (b)~~
 5 ~~of subsection [12-13] of NRS 260.753.~~
 6 ~~(c) "Contract" means any contract for the ownership, operation, manufacture,~~
 7 ~~service, maintenance, testing, repair, overhaul or assembly of an aircraft or any~~
 8 ~~component of an aircraft entered into by a business.] (Deleted by amendment.)~~

9 **Sec. 9.** NRS 274.310 is hereby amended to read as follows:
 10 274.310 1. A person who intends to locate a business in this State within:
 11 (a) A historically underutilized business zone, as defined in 15 U.S.C. § 632;
 12 (b) A redevelopment area created pursuant to chapter 279 of NRS;
 13 (c) An area eligible for a community development block grant pursuant to 24
 14 C.F.R. Part 570; or

15 (d) An enterprise community established pursuant to 24 C.F.R. Part 597,
 16 ↪ may submit a request to the governing body of the county, city or town in which
 17 the business would operate for an endorsement of an application by the person to
 18 the Office of Economic Development for a partial abatement of one or more of the
 19 taxes imposed pursuant to chapter 361 of NRS or the local sales and use taxes. The
 20 governing body of the county, city or town shall provide notice of the request to the
 21 board of trustees of the school district in which the business would operate. The
 22 notice must set forth the date, time and location of the hearing at which the
 23 governing body will consider whether to endorse the application. As used in this
 24 subsection, "local sales and use taxes" means the taxes imposed on the gross
 25 receipts of any retailer from the sale of tangible personal property sold at retail, or
 26 stored, used or otherwise consumed, in the political subdivision in which the
 27 business is located, except the taxes imposed by the Sales and Use Tax Act and the
 28 Local School Support Tax Law.

29 2. The governing body of a county, city or town shall develop procedures for:
 30 (a) Evaluating whether such an abatement would be beneficial for the
 31 economic development of the county, city or town.

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

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

39 (a) The business is consistent with:
 40 (1) The State Plan for Economic Development developed by the
 41 Administrator pursuant to subsection 2 of NRS 231.053; and

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

44 (b) ~~[The]~~ *Not later than 1 year after the date on which the application was*
 45 *received by the Office, the applicant has executed an agreement with the Office*
 46 *which states:*

47 (1) The date on which the abatement becomes effective, as agreed to by the
 48 applicant and the Office, which must not be earlier than the date on which the
 49 applicant received the application ~~[;]~~ *and not later than 1 year after the date on*
 50 *which the Office approves the application;* and

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

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

7 (II) Continue to meet the eligibility requirements set forth in this
8 subsection.

9 ↪ The agreement must bind successors in interest of the business for the specified
10 period.

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

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

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

24 (a) The Department of Taxation;

25 (b) The Nevada Tax Commission; and

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

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

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

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

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

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

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

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

46 ↪ the business shall repay to the Department of Taxation or, if the partial
47 abatement was from the property tax imposed pursuant to chapter 361 of NRS, to
48 the county treasurer, the amount of the partial abatement that was allowed pursuant
49 to this section before the failure of the business to comply unless the Nevada Tax
50 Commission determines that the business has substantially complied with the
51 requirements of this section. Except as otherwise provided in NRS 360.232 and
52 360.320, the business shall, in addition to the amount of the partial abatement
53 required to be paid pursuant to this subsection, pay interest on the amount due at the

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

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

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

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

12 274.320 1. A person who intends to expand a business in this State within:

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

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

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

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

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

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

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

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

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

40 (a) The business is consistent with:

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

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

45 (b) ~~[The]~~ *Not later than 1 year after the date on which the application was*
46 *received by the Office, the* applicant has executed an agreement with the Office
47 which states:

48 (1) The date on which the abatement becomes effective, as agreed to by the
49 applicant and the Office, which must not be earlier than the date on which the
50 Office received the application ~~[and]~~ *and not later than 1 year after the date on*
51 *which the Office approves the application;* and

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

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

6 (II) Continue to meet the eligibility requirements set forth in this
7 subsection.

8 ➤ The agreement must bind successors in interest of the business for the specified
9 period.

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

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

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

23 (a) The Department of Taxation; and

24 (b) The Nevada Tax Commission.

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

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

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

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

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

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

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

42 ➤ the business shall repay to the Department of Taxation the amount of the partial
43 abatement that was allowed pursuant to this section before the failure of the
44 business to comply unless the Nevada Tax Commission determines that the
45 business has substantially complied with the requirements of this section. Except as
46 otherwise provided in NRS 360.232 and 360.320, the business shall, in addition to
47 the amount of the partial abatement required to be paid pursuant to this subsection,
48 pay interest on the amount due at the rate most recently established pursuant to
49 NRS 99.040 for each month, or portion thereof, from the last day of the month
50 following the period for which the payment would have been made had the partial
51 abatement not been approved until the date of payment of the tax.

1 ~~[7.]~~ 8. The Office of Economic Development may adopt such regulations as
2 the Office determines to be necessary or advisable to carry out the provisions of this
3 section.

4 ~~[8.]~~ 9. An applicant for an abatement who is aggrieved by a final decision of
5 the Office of Economic Development may petition for judicial review in the
6 manner provided in chapter 233B of NRS.

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

8 274.330 1. A person who owns a business which is located within an
9 enterprise community established pursuant to 24 C.F.R. Part 597 in this State may
10 submit a request to the governing body of the county, city or town in which the
11 business is located for an endorsement of an application by the person to the Office
12 of Economic Development for a partial abatement of one or more of the taxes
13 imposed pursuant to chapter 361 of NRS or the local sales and use taxes. The
14 governing body of the county, city or town shall provide notice of the request to the
15 board of trustees of the school district in which the business operates. The notice
16 must set forth the date, time and location of the hearing at which the governing
17 body will consider whether to endorse the application. As used in this subsection,
18 "local sales and use taxes" means the taxes imposed on the gross receipts of any
19 retailer from the sale of tangible personal property sold at retail, or stored, used or
20 otherwise consumed, in the political subdivision in which the business is located,
21 except the taxes imposed by the Sales and Use Tax Act and the Local School
22 Support Tax Law.

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

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

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

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

33 (a) The business is consistent with:

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

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

38 (b) ~~[The]~~ *Not later than 1 year after the date on which the application was*
39 *received by the Office, the* applicant has executed an agreement with the Office
40 which states:

41 (1) The date on which the abatement becomes effective, as agreed to by the
42 applicant and the Office, which must not be earlier than the date on which the
43 Office received the application ~~[.]~~ *and not later than 1 year after the date on*
44 *which the Office approves the application;* and

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

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

49 (II) Continue to meet the eligibility requirements set forth in this
50 subsection.

51 ➤ The agreement must bind successors in interest of the business for the specified
52 period.

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

4 (d) The business:

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

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

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

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

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

17 (1) The Department of Taxation;

18 (2) The Nevada Tax Commission; and

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

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

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

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

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

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

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

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

39 the business shall repay to the Department of Taxation or, if the partial
40 abatement was from the property tax imposed pursuant to chapter 361 of NRS, to
41 the county treasurer, the amount of the partial abatement that was allowed pursuant
42 to this section before the failure of the business to comply unless the Nevada Tax
43 Commission determines that the business has substantially complied with the
44 requirements of this section. Except as otherwise provided in NRS 360.232 and
45 360.320, the business shall, in addition to the amount of the partial abatement
46 required to be paid pursuant to this subsection, pay interest on the amount due at the
47 rate most recently established pursuant to NRS 99.040 for each month, or portion
48 thereof, from the last day of the month following the period for which the payment
49 would have been made had the partial abatement not been approved until the date
50 of payment of the tax.

51 ~~7.7~~ 8. The Office of Economic Development:

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

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

6 ~~8.1~~ **9.** An applicant for an abatement who is aggrieved by a final decision of
7 the Office of Economic Development may petition for judicial review in the
8 manner provided in chapter 233B of NRS.

9 ~~9.1~~ **10.** As used in this section, “dislocated worker” means a person who:

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

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

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

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

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

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

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