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ASSEMBLY BILL NO. 490—ASSEMBLYMAN YEAGER

MAY 10, 2023

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Referred to Committee on Revenue

SUMMARY—Authorizes the establishment of academic medical districts. (BDR 22-586)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.  
Effect on the State: Yes.

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

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AN ACT relating to economic development; authorizing the creation of an academic medical district in a contiguous area that meets certain requirements; requiring the governance of an academic medical district by a board of directors; prescribing the conditions and procedure for the dissolution of an academic medical district; authorizing the creation of a tax increment area and the issuance of bonds and other securities for certain projects within an academic medical district; authorizing an academic medical district to engage in certain other activity; requiring an academic medical district to report certain information to a participating governmental entity; prescribing the proper venue for an action against an academic medical district; authorizing a governmental entity to convey certain property rights to an academic medical district; authorizing a business located in an academic medical district to receive a partial abatement of certain taxes under certain conditions; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1       **Sections 1-25** of this bill enact provisions authorizing the creation of an  
2 academic medical district. **Section 2** of this bill provides that the provisions of  
3 those sections may be known and cited as the Academic Medical District Act.  
4 **Section 10** of this bill sets forth certain legislative findings concerning academic  
5 medical districts. **Section 11** of this bill requires the provisions of the Academic  
6 Medical District Act to be liberally construed to facilitate economic development  
7 and access to quality health care for the residents of this State.



8       **Section 4** of this bill defines “academic medical center” to mean an educational  
9 institution that: (1) includes an accredited medical school and at least one school for  
10 certain other providers of health care; and (2) owns or is affiliated with a teaching  
11 hospital or health care system. **Sections 5-9** of this bill define certain other terms.  
12 **Section 12** of this bill authorizes the creation of an academic medical district only  
13 in a contiguous area that includes an academic medical center, a full-service  
14 nonprofit hospital with at least 200 inpatient beds and at least 50 acres of land.  
15 **Section 13** of this bill authorizes one or more boards of county commissioners or  
16 one or more governing bodies of incorporated cities, or both, to create an academic  
17 medical district by ordinance. **Section 13** requires such a participating entity to hold  
18 at least three public hearings before adopting such an ordinance. **Section 15** of this  
19 bill prescribes the procedure: (1) for a participating entity to withdraw from an  
20 academic medical district; and (2) to dissolve an academic medical district.

21       **Section 14** of this bill authorizes a participating entity to adopt an ordinance  
22 creating a tax increment area consisting of all or part of the academic medical  
23 district for the purpose of creating a special account for the payment of bonds or  
24 other securities issued to defray the cost of certain infrastructure and capital  
25 projects within the academic medical district. If a participating entity designates  
26 such a tax increment area, **section 14** provides for the allocation of a portion of  
27 the taxes levied upon taxable property in the tax increment area each year to pay the  
28 bond requirements of loans, money advanced to, or indebtedness incurred by the  
29 municipality to finance or refinance the project. **Section 22** of this bill authorizes  
30 the issuance of such bonds or securities by counties or incorporated cities that have  
31 created an academic medical district.

32       **Section 16** of this bill: (1) requires an academic medical district to be governed  
33 by a board of directors; and (2) prescribes the required qualifications and terms of  
34 such directors. **Sections 16-18** of this bill establish certain procedures governing  
35 the operations of such a board of directors.

36       **Section 19** of this bill authorizes an academic medical district to: (1) act jointly  
37 with other persons and entities; (2) enter into agreements; (3) purchase insurance;  
38 (4) market, advertise and promote the academic medical district; and (5) establish  
39 and maintain commercially reasonable compensation for use of the facilities of the  
40 academic medical district. **Section 20** of this bill authorizes an academic medical  
41 district to accept public and private funding.

42       **Section 23** of this bill requires an academic medical district, upon the request  
43 of a participating entity, to report to the participating entity concerning issues and  
44 activities necessary for the operation of the district. **Section 24** of this bill requires  
45 any action against an academic medical district to be brought in the county where  
46 the principal office of the academic medical district is located. **Section 25** of this  
47 bill authorizes any governmental entity to convey certain rights in real property to  
48 an academic medical district.

49       Existing law authorizes the Office of Economic Development to approve an  
50 abatement or partial abatement of certain property taxes, business taxes and sales  
51 and use taxes in certain circumstances. (NRS 274.310, 274.320, 274.330, 360.750,  
52 360.752, 360.753, 360.754) **Section 31** of this bill authorizes a business located in  
53 an academic medical district or a person who intends to locate or expand a business  
54 in an academic medical district to apply for a partial abatement of: (1) local sales  
55 and use taxes imposed on the purchase of tangible personal property used to  
56 provide health care or conduct scientific research; and (2) the excise tax on wages  
57 paid to critical medical or scientific employees. **Section 31** requires the Office to  
58 grant such an application if: (1) the applicant enters into an agreement authorizing  
59 the Office to conduct audits of the applicant and to remain in business in the  
60 academic medical district for a certain period of time; and (2) the Office finds that  
61 the business meets certain requirements relating to wages and benefits for  
62 employees and economic activity in the academic medical district. Additionally, if



63 the applicant is requesting a partial abatement of certain taxes imposed for the  
64 benefit of public schools, **section 31** requires the applicant to obtain the approval of  
65 a supermajority of the Board of Economic Development. **Sections 35 and 36** of  
66 this bill provide for the duration and amount of the abatement of taxes if an  
67 application for such an abatement is approved. **Sections 26-29 and 32-34** of this  
68 bill make various changes so that a partial abatement granted pursuant to **section 31**  
69 is treated in the same manner as other similar abatements authorized by law.

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

1     **Section 1.** Title 22 of NRS is hereby amended by adding  
2 thereto a new chapter to consist of the provisions set forth as  
3 sections 2 to 25, inclusive, of this act.

4     **Sec. 2.** *This chapter may be known and cited as the*  
5 *Academic Medical District Act.*

6     **Sec. 3.** *As used in this chapter, unless the context otherwise*  
7 *requires, the words and terms defined in sections 4 to 9, inclusive,*  
8 *of this act have the meanings ascribed to them in those sections.*

9     **Sec. 4.** *“Academic medical center” means an educational*  
10 *institution that:*

11     1. *Includes a school of medicine that is accredited by the*  
12 *Liaison Committee on Medical Education, or its successor*  
13 *organization, or a school of osteopathic medicine that is accredited*  
14 *by the Commission on Osteopathic College Accreditation, or its*  
15 *successor organization;*

16     2. *Includes at least one school for the education of providers*  
17 *of health care, other than physicians, dentists, nurses, optometrists*  
18 *or pharmacists; and*

19     3. *Owns or is affiliated with a teaching hospital or health*  
20 *care system.*

21     **Sec. 5.** *“Academic medical district” means an academic*  
22 *medical district created pursuant to this chapter.*

23     **Sec. 6.** *“Board” means the board of directors of an academic*  
24 *medical district.*

25     **Sec. 7.** *“Participating entity” means the board of county*  
26 *commissioners of a county or the governing body of an*  
27 *incorporated city.*

28     **Sec. 8.** *“Project” means:*

29     1. *An undertaking described in subsection 1 or 2 of*  
30 *NRS 278C.140.*

31     2. *A project for any infrastructure or capital project*  
32 *necessary or desirable for an academic medical district.*

33     **Sec. 9.** *“Provider of health care” has the meaning ascribed*  
34 *to it in NRS 629.031.*



1       **Sec. 10.** *The Legislature hereby finds and declares that the*  
2 *creation of one or more academic medical districts:*

3       1. *Is essential to:*

4       (a) *Develop and diversify the economy of the State;*

5       (b) *Provide employment opportunities for Nevadans;*

6       (c) *Increase the access of patients to clinical trials and health*  
7 *care provided as a result of clinical trials; and*

8       (d) *Improve access to health care and outcomes of health care*  
9 *in this State.*

10      2. *Will facilitate commerce and economic development in this*  
11 *State through:*

12      (a) *Strategic investment in facilities of postsecondary*  
13 *educational institutions and programs to increase the number of*  
14 *providers of health care in this State; and*

15      (b) *Comprehensive and, where feasible, joint planning,*  
16 *development, management and operation of health care facilities*  
17 *and supporting infrastructure to facilitate the growth of academic*  
18 *medical centers.*

19      **Sec. 11.** *This chapter shall be liberally construed in order to*  
20 *facilitate economic development in the State of Nevada and to*  
21 *improve access to quality health care for residents of this State.*

22      **Sec. 12.** 1. *Subject to the requirements set forth in this*  
23 *section and section 13 of this act, an academic medical district*  
24 *may be created only in a contiguous area that includes:*

25      (a) *An academic medical center;*

26      (b) *A full-service nonprofit hospital with not less than 200*  
27 *inpatient beds; and*

28      (c) *At least 50 acres of land.*

29      2. *All areas within the boundaries of an academic medical*  
30 *district must be within the boundaries of the county or counties*  
31 *and incorporated city or cities, as applicable, of one or more of the*  
32 *participating entities which create the academic medical district in*  
33 *accordance with section 13 of this act.*

34      **Sec. 13.** 1. *One or more participating entities may create an*  
35 *academic medical district by ordinance. Such an ordinance must*  
36 *include, without limitation:*

37      (a) *A description of the boundaries of the academic medical*  
38 *district;*

39      (b) *The location of the principal office of the academic*  
40 *medical district;*

41      (c) *The name of the academic medical district; and*

42      (d) *The number of directors who will compose the board of the*  
43 *academic medical district pursuant to section 16 of this act.*

44      2. *Before adopting an ordinance creating an academic*  
45 *medical district pursuant to subsection 1, a participating entity*



1 *must hold at least three public hearings to solicit input from the*  
2 *public concerning the creation of the academic medical district.*

3 3. *A participating entity shall give notice of each hearing*  
4 *conducted pursuant to subsection 2 by publication in a newspaper*  
5 *published in the county not later than 7 days before the hearing.*  
6 *The notice must include, without limitation:*

7 (a) *The date, time and place for the hearing;*

8 (b) *The boundaries of the proposed academic medical district,*  
9 *including, without limitation, a map of the proposed academic*  
10 *medical district; and*

11 (c) *The powers of the proposed academic medical district.*

12 **Sec. 14. 1.** *If an academic medical district is created by one*  
13 *participating entity, the participating entity, on behalf of the*  
14 *county or incorporated city in which the academic medical district*  
15 *is located, may adopt an ordinance creating a tax increment area*  
16 *within the academic medical district consisting of all or any*  
17 *portion of the academic medical district for the purpose of*  
18 *creating a special account for the payment of bonds or securities*  
19 *issued or loans, money advanced or indebtedness incurred to*  
20 *defray the cost of a project, as supplemented by the Local*  
21 *Government Securities Law.*

22 2. *If an academic medical district is created by two or more*  
23 *participating entities, the participating entities may enter into an*  
24 *interlocal or cooperative agreement for the ordering of a project*  
25 *whose boundaries encompass all or part of the academic medical*  
26 *district and the creation of the tax increment area and the tax*  
27 *increment account pertaining thereto. A tax increment area*  
28 *created pursuant to this subsection must be administered as*  
29 *provided in the interlocal or cooperative agreement,*  
30 *notwithstanding any provision of this section to the contrary. If*  
31 *the participating entities enter into an interlocal or cooperative*  
32 *agreement pursuant to this subsection, the participating entities*  
33 *may, in accordance with the procedures set forth in the interlocal*  
34 *or cooperative agreement:*

35 (a) *Jointly take any action required to be taken by a*  
36 *participating entity for the creation of a tax increment area*  
37 *pursuant to this section, except that each governing body must*  
38 *adopt an ordinance in order to create the tax increment area;*

39 (b) *Enter into contracts for the undertaking; and*

40 (c) *Issue bonds or otherwise finance the cost of the*  
41 *undertaking.*

42 3. *A participating entity may amend an ordinance creating a*  
43 *tax increment area pursuant to this section by adopting a*  
44 *supplemental ordinance to:*



1 (a) *Modify the project by specifying new projects or removing*  
2 *or modifying projects specified in the original ordinance;*

3 (b) *Add areas to or remove areas from a tax increment area;*  
4 *and*

5 (c) *Make such other changes, additions or deletions as the*  
6 *governing body determines will further its objectives within the tax*  
7 *increment area.*

8 ↪ *The amount of taxes to be allocated to a tax increment account*  
9 *pursuant to subsection 5 must be computed separately for the*  
10 *original tax increment area and each addition of land thereto.*

11 4. *A participating entity shall not adopt an ordinance creating*  
12 *a tax increment area pursuant to this section unless:*

13 (a) *The board has determined that the project described in the*  
14 *ordinance is necessary or desirable to further the purposes of the*  
15 *academic medical district.*

16 (b) *The participating entity makes a finding at a public*  
17 *hearing that the project will benefit the academic medical district.*

18 5. *After the effective date of the ordinance adopted pursuant*  
19 *to subsection 1, any taxes levied upon taxable property in the tax*  
20 *increment area each year by or for the benefit of the State, the*  
21 *municipality and any public body must be divided as follows:*

22 (a) *That portion of the taxes that would be produced by the*  
23 *rate upon which the tax is levied each year by or for each of those*  
24 *taxing agencies upon the total sum of the assessed value of the*  
25 *taxable property in the tax increment area as shown upon the last*  
26 *equalized assessment roll used in connection with the taxation of*  
27 *the property by the taxing agency, must be allocated to and when*  
28 *collected must be paid into the funds of the respective taxing*  
29 *agencies as taxes by or for the taxing agencies on all other*  
30 *property are paid.*

31 (b) *Except as otherwise provided in this section, the portion of*  
32 *the taxes levied each year in excess of the amount determined*  
33 *pursuant to paragraph (a) must be allocated to, and when*  
34 *collected must be paid into, the tax increment account pertaining*  
35 *to the undertaking to pay the bond requirements of loans, money*  
36 *advanced to, or indebtedness, whether funded, refunded, assumed*  
37 *or otherwise, incurred by the municipality to finance or refinance,*  
38 *in whole or in part, the undertaking. Unless the total assessed*  
39 *valuation of the taxable property in the tax increment area exceeds*  
40 *the total assessed value of the taxable property in the area as*  
41 *shown by the last equalized assessment roll referred to in this*  
42 *subsection, all of the taxes levied and collected upon the taxable*  
43 *property in the area must be paid into the funds of the respective*  
44 *taxing agencies. When the loans, advances and indebtedness, if*  
45 *any, and interest thereon, have been paid, all money thereafter*



1 received from taxes upon the taxable property in the tax increment  
2 area must be paid into the funds of the respective taxing agencies  
3 as taxes on all other property are paid.

4 6. The portion of the taxes levied each year in excess of the  
5 amount determined pursuant to paragraph (a) of subsection 5  
6 which is attributable to any tax rate levied by a taxing agency:

7 (a) To produce revenue in an amount sufficient to make  
8 annual repayments of the principal of, and the interest on, any  
9 bonded indebtedness that was approved by a majority of the  
10 registered voters within the area of the taxing agency voting upon  
11 the question, must be allocated to, and when collected must be  
12 paid into, the debt service fund of that taxing agency.

13 (b) In excess of any tax rate of that taxing agency applicable to  
14 the last taxation of the property before the effective date of the  
15 ordinance, if that additional rate was approved by a majority of the  
16 registered voters within the area of the taxing agency voting upon  
17 the question, must be allocated to, and when collected must be  
18 paid into, the appropriate fund of that taxing agency.

19 (c) Pursuant to NRS 387.3285 or 387.3287, if that rate was  
20 approved by a majority of the registered voters within the area of  
21 the taxing agency voting upon the question, must be allocated to,  
22 and when collected must be paid into, the appropriate fund of that  
23 taxing agency.

24 (d) For the support of the public schools within a county  
25 school district pursuant to NRS 387.195, must be allocated to, and  
26 when collected must be paid into, the State Education Fund.

27 7. The provisions of paragraph (a) of subsection 6 include,  
28 without limitation, a tax rate approved for bonds of a county  
29 school district issued pursuant to NRS 350.020, including, without  
30 limitation, amounts necessary for a reserve account in the debt  
31 service fund.

32 8. A tax increment area must expire not more than 30 years  
33 after the date on which the ordinance which creates the area  
34 becomes effective.

35 9. As used in this section, the term "last equalized assessment  
36 roll" means the assessment roll in existence on the 15th day of  
37 March immediately preceding the effective date of the ordinance.

38 **Sec. 15. 1.** If a participating entity wishes to withdraw from  
39 an academic medical district with regard to which there is more  
40 than one participating entity, the participating entity shall, at least  
41 6 months before the date on which the withdrawal would be  
42 effective:

43 (a) Adopt an ordinance providing for the withdrawal;

44 (b) Obtain approval from the board; and



1 (c) Give notice to the other participating entity or entities of its  
2 intent to withdraw.

3 2. Upon the withdrawal of a participating entity from an  
4 academic medical district pursuant to subsection 1:

5 (a) The boundaries of the academic medical district must be  
6 adjusted by the other participating entity or entities to comply with  
7 the provisions of section 12 of this act; or

8 (b) The academic medical district must be dissolved pursuant  
9 to subsection 3 as soon as practicable.

10 3. An academic medical district is dissolved if:

11 (a) The dissolution is approved by the board;

12 (b) Each participating entity agrees to the dissolution;

13 (c) All debts and other liabilities of the academic medical  
14 district have been paid or discharged, or adequate provision has  
15 been made for the payment of all debts and other liabilities;

16 (d) There are no suits pending against the academic medical  
17 district, or adequate provision has been made for the satisfaction  
18 of any judgment, order or decree that may be entered against the  
19 academic medical district in any pending suit; and

20 (e) The academic medical district has a commitment from  
21 another governmental entity to assume jurisdiction of all property  
22 of the academic medical district.

23 4. If an academic medical district ceases to meet the  
24 requirements of section 12 of this act:

25 (a) The academic medical district continues to exist until the  
26 requirements for dissolution prescribed by subsection 3 are met;

27 (b) The board and each participating entity shall make all  
28 reasonable efforts to meet the requirements of paragraphs (c), (d)  
29 and (e) of subsection 3 as soon as practicable; and

30 (c) As soon as possible after the requirements of paragraphs  
31 (c), (d) and (e) of subsection 3 are met:

32 (1) The board shall approve the dissolution; and

33 (2) Each participating entity shall agree to the dissolution.

34 **Sec. 16.** 1. An academic medical district must be governed  
35 by a board of directors with an odd-numbered membership set by  
36 the participating entity or entities. If there is more than one  
37 participating entity, the membership of the board of directors must  
38 be agreed to by all of the participating entities. The board of  
39 directors must be composed of:

40 (a) One director appointed by each county that is a  
41 participating entity, if any;

42 (b) One director appointed by each city that is a participating  
43 entity, if any; and





1 (c) Any other directors appointed in accordance with this  
2 section and as provided in an ordinance adopted by a participating  
3 entity pursuant to section 13 of this act.

4 2. A director of an academic medical district must work or  
5 reside within the boundaries of the participating entity that  
6 appoints him or her.

7 3. The following persons are not eligible to be appointed to a  
8 board:

9 (a) An elected official of any governmental entity.

10 (b) An employee of a participating entity.

11 4. Except as otherwise provided in this section, the directors  
12 of an academic medical district must be appointed to terms of 4  
13 years. The terms must be staggered in such a manner that, to the  
14 extent possible, the terms of one-half of the directors will expire  
15 every 2 years. The initial directors of the academic medical district  
16 shall, at the first meeting of the board after their appointment,  
17 draw lots to determine which directors will initially serve terms of  
18 2 years and which will serve terms of 4 years. A director may be  
19 reappointed.

20 5. A vacancy occurring during the term of a director must be  
21 filled by the appointing participating entity for the unexpired term  
22 as soon as is reasonably practicable.

23 **Sec. 17. 1.** The board shall annually elect a chair and vice  
24 chair. The vice chair presides in the absence of the chair.

25 2. The board may elect any other officers that it considers  
26 appropriate.

27 3. Each director serves without compensation and, while  
28 engaged in the business of the board, is entitled to receive the per  
29 diem allowance and travel expenses provided for state officers and  
30 employees generally.

31 **Sec. 18. 1.** A majority of the board constitutes a quorum for  
32 the transaction of business. If a vacancy exists on the board, a  
33 majority of directors serving on the board constitutes a quorum.

34 2. All meetings of a board must be conducted in accordance  
35 with the provisions of chapter 241 of NRS.

36 **Sec. 19. 1.** An academic medical district may:

37 (a) Act jointly with any other person, private or public, inside  
38 or outside this State or the United States, in the performance of  
39 any power or duty under this chapter.

40 (b) Enter into an agreement with any person, including,  
41 without limitation, the United States or any other governmental  
42 entity, for any purpose of the academic medical district.

43 (c) Purchase and pay premiums for insurance of any type in  
44 an amount considered necessary or advisable by the board.



1 (d) Market, advertise and promote the use of any real or  
2 personal property that the academic medical district constructs,  
3 owns, leases, operates, regulates or maintains.

4 2. An academic medical district may not:

5 (a) Exercise the power of eminent domain.

6 (b) Provide retail utility services or duplicate a service or  
7 facility of a governmental entity.

8 **Sec. 20.** 1. An academic medical district shall establish and  
9 maintain rates, rentals, fees, charges or other compensation that is  
10 commercially reasonable and nondiscriminatory for the use of the  
11 facilities owned, constructed, operated, regulated or maintained by  
12 the academic medical district.

13 2. An academic medical district may accept any public or  
14 private funding, grant or donation.

15 **Sec. 21.** The allowed revenue from taxes ad valorem  
16 determined pursuant to NRS 354.59811 does not apply to an  
17 academic medical district.

18 **Sec. 22.** 1. To defray in whole or in part the cost of any  
19 project, a participating entity may issue the following securities:

20 (a) Notes;

21 (b) Warrants;

22 (c) Interim debentures;

23 (d) Bonds; and

24 (e) Temporary bonds.

25 2. Any net revenues derived from the operation of a project  
26 supported by the issuance of securities pursuant to this section  
27 must be pledged for the payment of the securities. The securities  
28 must be made payable from any such net pledged revenues as the  
29 bond requirements become due from time to time by the bond  
30 ordinance, trust indenture or other proceedings that authorize the  
31 issuance of the securities or otherwise pertain to their issuance.

32 3. Securities issued pursuant to this section:

33 (a) Must be made payable from tax proceeds accounted for in  
34 the account maintained by the participating entity pursuant to  
35 section 14 of this act; and

36 (b) May, at the option of the participating entity and if  
37 otherwise so authorized by law, be made payable from the taxes  
38 levied by the participating entity against all taxable property  
39 within the boundaries of the participating entity.

40 ➔ A participating entity may also issue general obligation  
41 securities other than the ones authorized by this chapter that are  
42 made payable from taxes without also making the securities  
43 payable from any net pledged revenues or tax proceeds accounted  
44 for in the account maintained by the participating entity pursuant  
45 to section 14 of this act.



1       4. Any securities payable only in the manner provided in  
2 either paragraph (a) of subsection 3 or in both subsection 2 and  
3 paragraph (a) of subsection 3:

4       (a) Are special obligations of the participating entity and are  
5 not in their issuance subject to any debt limitation imposed by law;

6       (b) While they are outstanding, do not exhaust the debt  
7 incurring power of the participating entity; and

8       (c) May be issued under the provisions of the Local  
9 Government Securities Law without any compliance with the  
10 provisions of NRS 350.020 to 350.070, inclusive, except as  
11 otherwise provided in the Local Government Securities Law, only  
12 after the issuance of municipal bonds is approved under the  
13 provisions of NRS 350.011 to 350.0165, inclusive.

14       5. Any securities payable from taxes in the manner provided  
15 in paragraph (b) of subsection 3, regardless of whether they are  
16 also payable in the manner provided in paragraph (a) of  
17 subsection 3 or in both subsection 2 and paragraph (a) of  
18 subsection 3:

19       (a) Are general obligations of the participating entity and are  
20 in their issuance subject to such debt limitation;

21       (b) While they are outstanding, do exhaust the power of the  
22 participating entity to incur debt; and

23       (c) May be issued under the provisions of the Local  
24 Government Securities Law only after the issuance of municipal  
25 bonds is approved under the provisions of:

26           (1) NRS 350.011 to 350.0165, inclusive; or

27           (2) NRS 350.020 to 350.070, inclusive,

28       ↳ except for the issuance of notes or warrants under the Local  
29 Government Securities Law that are payable out of the revenues  
30 for the current year and are not to be funded with the proceeds of  
31 interim debentures or bonds in the absence of such bond approval  
32 under the two acts designated in subparagraphs (1) and (2).

33       **Sec. 23.** At the request of a participating entity, an academic  
34 medical district shall report to the participating entity on all issues  
35 and activities necessary for the administration of the academic  
36 medical district.

37       **Sec. 24.** An action against an academic medical district must  
38 be brought in the county in which the principal office of the  
39 academic medical district is located.

40       **Sec. 25.** The governing body of a county, city or other  
41 governmental entity may convey title or rights and easements to  
42 any real property to an academic medical district to effect any  
43 purpose of the academic medical district.



1       **Sec. 26.** NRS 218D.355 is hereby amended to read as follows:  
2       218D.355 1. Except as otherwise provided in NRS 360.753,  
3       360.754, 360.893 and 360.965, *and section 31 of this act*, any state  
4       legislation enacted on or after July 1, 2012, which authorizes or  
5       requires the Office of Economic Development to approve any  
6       abatement of taxes or increases the amount of any abatement of  
7       taxes which the Office is authorized or required to approve:

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

10       (b) Does not apply to:

11       (1) Any taxes imposed pursuant to NRS 374.110 and  
12       374.111 or 374.190 and 374.191; or

13       (2) Any entity that receives:

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

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

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

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

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

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

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

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

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

38       (7) An accounting of the total investment in personal  
39       property made in connection with the project to which the  
40       abatement applies.

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

43       (a) Based upon the information submitted to the Department of  
44       Taxation pursuant to paragraph (c) of subsection 1, prepare a written



1 report of its findings regarding whether the costs of the abatement  
2 exceed the benefits of the abatement; and

3 (b) Submit the report to the Director for transmittal to the  
4 Legislature.

5 **Sec. 27.** NRS 231.0685 is hereby amended to read as follows:

6 231.0685 The Office shall, on or before January 15 of each  
7 odd-numbered year, prepare and submit to the Director of the  
8 Legislative Counsel Bureau for transmission to the Legislature a  
9 report concerning the abatements from taxation that the Office  
10 approved pursuant to NRS 274.310, 274.320, 274.330, 360.750,  
11 360.752, 360.753 or 360.754 ~~§~~ *or section 31 of this act*. The report  
12 must set forth, for each abatement from taxation that the Office  
13 approved during the fiscal years which are 3 fiscal years and 6 fiscal  
14 years immediately preceding the submission of the report:

15 1. The dollar amount of the abatement;

16 2. The location of the business for which the abatement was  
17 approved;

18 3. The value of infrastructure included as an incentive for the  
19 business;

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

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

24 6. The economic sector in which the business operates, the  
25 number of primary jobs related to the business, the average wage  
26 paid to employees of the business and the assessed values of  
27 personal property and real property of the business;

28 7. Any information concerning whether the business for which  
29 the abatement was approved participates or has participated in a  
30 program of workforce development, as defined in NRS 231.146,  
31 implemented by the Executive Director; and

32 8. Any other information that the Office determines to be  
33 useful.

34 **Sec. 28.** NRS 231A.170 is hereby amended to read as follows:

35 231A.170 1. For the purpose of NRS 231A.110, a qualified  
36 active low-income community business is limited to those  
37 businesses meeting the Small Business Administration size  
38 eligibility standards established in 13 C.F.R. §§ 121.101 to 201,  
39 inclusive, at the time the qualified low-income community  
40 investment is made. A business must be considered a qualified  
41 active low-income community business for the duration of the  
42 qualified community development entity's investment in, or loan to,  
43 the business if the entity reasonably expects, at the time it makes the  
44 investment or loan, that the business will continue to satisfy the  
45 requirements for being a qualified active low-income community



1 business, other than the Small Business Administration size  
2 standards, throughout the entire period of the investment or loan.

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

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

11 (b) Is the primary tenant of the real estate leased from the first  
12 business.

13 3. Except as otherwise provided in subsection 4, the following  
14 businesses are not qualified active low-income community  
15 businesses:

16 (a) A business that has received an abatement from taxation  
17 pursuant to NRS 274.310, 274.320, 274.330, 360.750, 360.753 or  
18 360.754 **or section 31 of this act.**

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

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

22 (d) A massage parlor.

23 (e) A bath house.

24 (f) A tanning salon.

25 (g) A country club.

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

28 (i) A liquor store.

29 (j) A golf course.

30 4. A business that has received an abatement from taxation  
31 pursuant to NRS 274.310, 274.320, 274.330, 360.750, 360.753 or  
32 360.754 **or section 31 of this act** is a qualified active low-income  
33 community business if the business elects to waive the abatement  
34 and provides written notice of the waiver of the abatement to the  
35 Office of Economic Development not later than the due date of the  
36 first payment of any tax which would be abated if the abatement  
37 became effective. If the business provides the written notice to the  
38 Office of Economic Development:

39 (a) Within the period required by this subsection:

40 (1) Any agreement entered into by the business and the  
41 Office of Economic Development pursuant to NRS 274.310,  
42 274.320, 274.330, 360.750, 360.753 or 360.754 **or section 31 of this**  
43 **act** is void; and

44 (2) The Office of Economic Development must forward a  
45 copy of the written notice to the Department and each governmental



1 entity or official to whom a copy of the certificate of eligibility for  
2 the abatement was forwarded.

3 (b) After the period required by this subsection has expired, the  
4 Office of Economic Development must provide written notice to the  
5 Department and the business that the abatement has not been waived  
6 and the business is not a qualified active low-income community  
7 business.

8 **Sec. 29.** NRS 353.207 is hereby amended to read as follows:

9 353.207 1. The Chief shall:

10 (a) Require the Office of Economic Development and the Office  
11 of Energy each periodically to conduct an analysis of the relative  
12 costs and benefits of each incentive for economic development  
13 previously approved by the respective office and in effect during the  
14 immediately preceding 2 fiscal years, including, without limitation,  
15 any abatement of taxes approved by the Office of Economic  
16 Development pursuant to NRS 274.310, 274.320, 274.330, 360.750,  
17 360.752, 360.753, 360.754, 360.890, 360.950, 361.0687, 374.357 or  
18 701A.210, *or section 31 of this act*, to assist the Governor and the  
19 Legislature in determining whether the economic benefits of the  
20 incentive have accomplished the purposes of the statute pursuant to  
21 which the incentive was approved and warrant additional incentives  
22 of that kind;

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

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

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

34 **Sec. 30.** NRS 354.59811 is hereby amended to read as  
35 follows:

36 354.59811 1. Except as otherwise provided in NRS 244.377,  
37 278C.260, 354.59813, 354.59815, 354.59818, 354.5982, 354.5987,  
38 354.705, 354.723, 450.425, 450.760, 540A.265 and 543.600, *and*  
39 *section 20 of this act*, for each fiscal year beginning on or after  
40 July 1, 1989, the maximum amount of money that a local  
41 government, except a school district, a district to provide a  
42 telephone number for emergencies or a redevelopment agency, may  
43 receive from taxes ad valorem, other than those attributable to the  
44 net proceeds of minerals or those levied for the payment of bonded  
45 indebtedness and interest thereon incurred as general long-term debt



1 of the issuer, or for the payment of obligations issued to pay the cost  
2 of a water project pursuant to NRS 349.950, or for the payment of  
3 obligations under a capital lease executed before April 30, 1981,  
4 must be calculated as follows:

5 (a) The rate must be set so that when applied to the current fiscal  
6 year's assessed valuation of all property which was on the preceding  
7 fiscal year's assessment roll, together with the assessed valuation of  
8 property on the central assessment roll which was allocated to the  
9 local government, but excluding any assessed valuation attributable  
10 to the net proceeds of minerals, assessed valuation attributable to a  
11 redevelopment area and assessed valuation of a fire protection  
12 district attributable to real property which is transferred from private  
13 ownership to public ownership for the purpose of conservation, it  
14 will produce 106 percent of the maximum revenue allowable from  
15 taxes ad valorem for the preceding fiscal year, except that the rate so  
16 determined must not be less than the rate allowed for the previous  
17 fiscal year, except for any decrease attributable to the imposition of  
18 a tax pursuant to NRS 354.59813 in the previous year.

19 (b) This rate must then be applied to the total assessed valuation,  
20 excluding the assessed valuation attributable to the net proceeds of  
21 minerals and the assessed valuation of a fire protection district  
22 attributable to real property which is transferred from private  
23 ownership to public ownership for the purpose of conservation, but  
24 including new real property, possessory interests and mobile homes,  
25 for the current fiscal year to determine the allowed revenue from  
26 taxes ad valorem for the local government.

27 2. As used in this section, "general long-term debt" does not  
28 include debt created for medium-term obligations pursuant to NRS  
29 350.087 to 350.095, inclusive.

30 **Sec. 31.** Chapter 360 of NRS is hereby amended by adding  
31 thereto a new section to read as follows:

32 *1. An owner of a business that provides health care or*  
33 *conducts scientific research and is located within the boundaries*  
34 *of an academic medical district or a person who intends to locate*  
35 *or expand such a business within the boundaries of an academic*  
36 *medical district 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 local sales and use taxes imposed on the purchase or*  
39 *use of tangible personal property described in section 36 of this*  
40 *act.*

41 (b) *The taxes imposed pursuant to chapter 363B of NRS on the*  
42 *wages paid by the business to critical medical or scientific*  
43 *employees, as defined by regulation of the Office of Economic*  
44 *Development.*





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

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

8           (1) *Complies with the requirements of NRS 360.755;*

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

14           (3) *States that the business will, after the date on which a*  
15 *certificate of eligibility for the partial abatement is issued pursuant*  
16 *to subsection 4, continue in operation within the boundaries of the*  
17 *academic medical district for a period specified by the Office,*  
18 *which must be not less than 5 years, and will continue to meet the*  
19 *eligibility requirements set forth in this subsection; and*

20           (4) *Binds any successor in interest of the applicant for the*  
21 *specified period;*

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

26       (c) *The average hourly wage that will be paid by the business*  
27 *to its employees in this State during the period of partial*  
28 *abatement is not less than 100 percent of the average statewide*  
29 *hourly wage as established by the Employment Security Division*  
30 *of the Department of Employment, Training and Rehabilitation on*  
31 *July 1 of each fiscal year;*

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

39       (e) *If the business is:*

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

43           (2) *An existing business, that it will increase its number of*  
44 *full-time employees on the payroll of the business in this State by 3*



1 *percent or three employees, whichever is greater, within 1 year*  
2 *after receiving its certificate of eligibility for a partial abatement;*

3 *(f) The business meets at least one of the following*  
4 *requirements:*

5 *(1) The business will make a new capital investment of at*  
6 *least \$250,000 within the boundaries of the academic medical*  
7 *district where the business is located within 1 year after receiving*  
8 *a certificate of eligibility for a partial abatement;*

9 *(2) The business will maintain and possess within the*  
10 *boundaries of the academic medical district where the business is*  
11 *located tangible personal property having a value of not less than*  
12 *\$5,000,000 during the period of partial abatement; or*

13 *(3) The business develops, refines or owns a patent or other*  
14 *intellectual property; and*

15 *(g) If the application is for the partial abatement of the taxes*  
16 *imposed by the Local School Support Tax Law, the application*  
17 *has been approved by a vote of at least two-thirds of the members*  
18 *of the Board of Economic Development created by NRS 231.033.*

19 *3. The Office of Economic Development:*

20 *(a) Shall approve or deny an application submitted pursuant to*  
21 *this section and notify the applicant of its decision not later than*  
22 *45 days after receiving the application.*

23 *(b) Must not:*

24 *(1) Consider an application for a partial abatement unless*  
25 *the Office has requested a letter of acknowledgment of the request*  
26 *for the partial abatement from any affected county, school district,*  
27 *city or town and has complied with the requirements of NRS*  
28 *360.757; or*

29 *(2) Approve a partial abatement for any applicant for a*  
30 *period of more than 10 years.*

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

35 *(a) The Department; and*

36 *(b) The Nevada Tax Commission.*

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

43 *6. If an applicant for a partial abatement pursuant to this*  
44 *section fails to execute the agreement described in paragraph (a)*  
45 *of subsection 2 within 1 year after the date on which the*



1 *application was received by the Office, the applicant must not be*  
2 *approved for a partial abatement pursuant to this section unless*  
3 *the applicant submits a new application.*

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

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

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

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

23 *8. The Office of Economic Development may adopt such*  
24 *regulations as the Office determines to be necessary to carry out*  
25 *the provisions of this section.*

26 *9. The Nevada Tax Commission may adopt such regulations*  
27 *as the Commission determines are necessary to carry out the*  
28 *provisions of this section.*

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

33 *11. As used in this section:*

34 *(a) "Academic medical district" has the meaning ascribed to it*  
35 *in section 5 of this act.*

36 *(b) "Full-time employee" means a person who is in a*  
37 *permanent position of employment and works an average of 30*  
38 *hours per week during the applicable period set forth in*  
39 *subparagraph (3) of paragraph (a) of subsection 2.*

40 *(c) "Local sales and use taxes" means any taxes imposed on*  
41 *the gross receipts of any retailer from the sale of tangible personal*  
42 *property sold at retail, or stored, used or otherwise consumed, in*  
43 *any political subdivision of this State, except the taxes imposed by*  
44 *the Sales and Use Tax Act.*



1       **Sec. 32.** NRS 360.755 is hereby amended to read as follows:

2       360.755 1. If the Office of Economic Development approves  
3 an application by a business for an abatement of taxes pursuant to  
4 NRS 360.950 or a partial abatement pursuant to NRS 360.750,  
5 360.752, 360.753, 360.754 or 360.890, *or section 31 of this act*, the  
6 agreement with the Office must provide that the business:

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

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

12       2. If the Department conducts an audit of the business to  
13 determine whether the business is in full compliance with the  
14 requirements for the abatement or partial abatement, the Department  
15 shall, upon request, provide the audit report to the Office of  
16 Economic Development.

17       3. Until the business has exhausted all appeals to the  
18 Department and the Nevada Tax Commission relating to the audit,  
19 the information contained in the audit report provided to the Office  
20 of Economic Development:

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

22       (b) Is not a public record; and

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

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

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

30       (b) Upon request by any person, the Executive Director of the  
31 Office of Economic Development shall disclose the audit report to  
32 the person who made the request, except for any information in the  
33 audit report that is protected from disclosure pursuant to  
34 subsection 5.

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



- 1 (a) Is confidential proprietary information of the business;
- 2 (b) Is not a public record;
- 3 (c) Must be redacted by the Executive Director from any audit
- 4 report that is disclosed to the public; and
- 5 (d) Must not be disclosed to any person who is not an officer or
- 6 employee of the Office of Economic Development unless the
- 7 business consents to the disclosure.

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

9 360.757 1. The Office of Economic Development shall not  
10 take any action on an application for any abatement of taxes  
11 pursuant to NRS 274.310, 274.320, 274.330, 360.750, 360.753 or  
12 360.754 *or section 31 of this act* or any other specific statute unless  
13 the Office:

14 (a) Takes that action at a public meeting conducted for that  
15 purpose; and

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

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

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

23 (3) The general public.

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

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

29 **Sec. 34.** NRS 360.7575 is hereby amended to read as follows:

30 360.7575 1. If the Office of Economic Development  
31 approves an application for an abatement of sales and use taxes  
32 pursuant to NRS 360.950 or a partial abatement of any sales and use  
33 taxes pursuant to NRS 274.310, 274.320, 274.330, 360.750,  
34 360.753, 360.754 or 360.890, *or section 31 of this act*, the  
35 Department shall issue to the business a document certifying the  
36 abatement or partial abatement which can be presented to retailers at  
37 the time of purchase. The document must clearly state that the  
38 business is not required to pay sales and use taxes or the rate of sales  
39 and use tax that the business is required to pay.

40 2. If the Department has issued to a business a document  
41 pursuant to subsection 1 and the business pays an amount of sales  
42 and use taxes for which the business was entitled to an abatement  
43 because the business fails to present the document, the business may  
44 apply to the Department for a refund of the amount of sales and use  
45 tax paid for which the business was entitled to an abatement. If the



1 Department has issued to a business a document pursuant to  
2 subsection 1 and the failure of the business to present the document  
3 results in the business paying the full amount of sales and use tax on  
4 50 percent or more of the purchases for which the business was  
5 eligible for the abatement, the Department shall impose on the  
6 business a penalty equal to 10 percent of the total amount of the  
7 abatement. The Department shall distribute the proceeds of any  
8 penalty imposed pursuant to this subsection to each local  
9 government affected by a refund issued pursuant to this subsection  
10 in proportion to the amount of the refunds for which the affected  
11 local government is responsible.

12 3. If, after submitting an application for an abatement of sales  
13 and use taxes pursuant to NRS 360.950 or a partial abatement of any  
14 sales and use taxes pursuant to NRS 360.750, 360.753, 360.754 or  
15 360.890 *or section 31 of this act* and before receiving the document  
16 issued pursuant to subsection 1, a business pays an amount of sales  
17 and use tax for which the business is entitled to an abatement, the  
18 business may apply to the Department for a refund of the amount of  
19 sales and use tax which the applicant paid for which the business is  
20 entitled to an abatement.

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

23 **Sec. 35.** Chapter 363B of NRS is hereby amended by adding  
24 thereto a new section to read as follows:

25 *1. An employer that qualifies pursuant to the provisions of*  
26 *section 31 of this act is entitled to an abatement of the amount of*  
27 *tax otherwise due pursuant to NRS 363B.110.*

28 *2. The abatement must:*

29 *(a) Be for a duration of 10 years; and*

30 *(b) Equal the amount of tax otherwise due pursuant to NRS*  
31 *363B.110 on the wages of the business who perform*  
32 *services directly related to addressing a critical medical or*  
33 *scientific need, as defined by regulations adopted by the Office of*  
34 *Economic Development pursuant to section 31 of this act.*

35 *3. If a partial abatement from the taxes otherwise due*  
36 *pursuant to NRS 363B.110 is approved by the Office of Economic*  
37 *Development pursuant to section 31 of this act, the partial*  
38 *abatement must be administered and carried out in the manner set*  
39 *forth in that section.*

40 **Sec. 36.** Chapter 374 of NRS is hereby amended by adding  
41 thereto a new section to read as follows:

42 *1. A business that provides health care or conducts scientific*  
43 *research and is located within the boundaries of an academic*  
44 *medical district may, pursuant to section 31 of this act, apply to the*  
45 *Office of Economic Development for a partial abatement from the*



1 *taxes imposed by this chapter on the gross receipts from the sale,*  
2 *and the storage, use or other consumption, of eligible machinery,*  
3 *equipment and supplies for use at the business which has been*  
4 *approved for a partial abatement pursuant to section 31 of this act.*

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

6 (a) *The business is eligible for an abatement from the tax*  
7 *imposed by this chapter for a period of 10 years.*

8 (b) *The abatement must be administered and carried out in the*  
9 *manner set forth in section 31 of this act.*

10 3. *As used in this section:*

11 (a) *“Academic medical district” has the meaning ascribed to it*  
12 *in section 5 of this act.*

13 (b) *“Eligible machinery, equipment and supplies” means*  
14 *machinery, equipment and supplies necessary to and specifically*  
15 *related to qualified research. The term does not include vehicles,*  
16 *buildings or the structural components of buildings.*

17 (c) *“Qualified research” has the meaning ascribed to it in 26*  
18 *U.S.C. § 41(d)(1).*

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

22 **Sec. 38.** Notwithstanding the provisions of NRS 218D.430 and  
23 218D.435, a committee may vote on this act before the expiration of  
24 the period prescribed for the return of a fiscal note in NRS  
25 218D.475. This section applies retroactively from and after May 8,  
26 2023.

27 **Sec. 39.** This act becomes effective on July 1, 2023.

