

ASSEMBLY BILL NO. 226—ASSEMBLYMEMBER MOSCA

PREFILED FEBRUARY 3, 2025

Referred to Committee on Revenue

SUMMARY—Revises provisions relating to economic development. (BDR 32-690)

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

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

AN ACT relating to taxation; requiring applicants for certain transferable tax credits and certain tax abatements to agree to community benefits plan prescribing the requirements for a community benefits plan; authorizing the Office of Economic Development to investigate the recipient of certain transferable tax credits and certain tax abatements for compliance with a community benefits plan; requiring the recipient of certain transferable tax credits and certain tax abatements to repay the amount of the credits and abatements if the recipient is not in substantial compliance with the community benefits plan; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law authorizes the Office of Economic Development to approve
2 transferable tax credits and abatements or partial abatements of certain property
3 taxes, business taxes and sales and use taxes for certain businesses in certain
4 circumstances. The Office is prohibited from approving an application for such
5 credits or abatements unless the applicant satisfies certain criteria and has entered
6 into an agreement with the Office establishing certain terms for the abatement.
7 (NRS 231.1555, 274.310, 274.320, 274.330, 360.750, 360.753, 360.754, 360.759,
8 360.889, 360.945) **Sections 1-4, 6, 8 and 12-15** of this bill require such an
9 agreement between the Office and an applicant for transferable tax credits or a tax
10 abatement to incorporate a community benefits plan addressing actions that the
11 applicant agrees to take to benefit the vitality of the local community and improve
12 the social and economic well-being of members of the local community. **Sections**
13 **1-3, 5, 7, 9 and 12-15** of this bill: (1) authorize the Office to investigate whether
14 the recipient of an abatement or partial abatement is complying with the terms of
15 the community benefits plan; and (2) require a recipient to repay the amount of the
16 abatement or partial abatement, plus interest, if the Executive Director of the Office



17 determines that the recipient has not substantially complied with the terms of the
18 community benefits plan. **Sections 10 and 11** of this bill make conforming changes
19 to update references to provisions renumbered by **section 2**. **Section 16** of this bill
20 makes the requirements of this relating to community benefits plans only if an
21 applicant for certain transferable tax credits or certain abatement submits an
22 application on or after July 1, 2025.

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

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

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

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

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

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

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

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

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

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

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

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

34 (3) State that the business will, after the date on which the
35 abatement becomes effective, continue in operation in this State for



1 a period specified by the Office, which must be at least 5 years, and
2 will continue to meet the eligibility requirements set forth in this
3 subsection;

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

5 (5) *Incorporate a community benefits plan, which must:*

6 *(I) Include a brief description of the environmental,*
7 *economic and social effects that the applicant anticipates the*
8 *location or expansion of the business will have on the local*
9 *community that immediately surrounds the location of the*
10 *business;*

11 *(II) State that the business will proactively undertake*
12 *actions, beyond those incidental to the regular activities of the*
13 *business, to increase the vitality of the local community and*
14 *improve the social and economic well-being of the members of*
15 *that community;*

16 *(III) Detail the specific actions described in sub-*
17 *subparagraph (II) that the business agrees to undertake during*
18 *the period of the agreement entered into pursuant to this*
19 *paragraph, which may include, without limitation, partnering with*
20 *community-based charitable or educational organizations,*
21 *sponsoring educational or vocational activities, participating in*
22 *philanthropic endeavors meant to specifically aid the local*
23 *community and the members of that community and establishing*
24 *other programs to improve the well-being of the local community*
25 *and the members of that community; and*

26 *(IV) Include such other provisions as the Office may*
27 *require; and*

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

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

34 (d) Except as otherwise provided in subsection 4, 5 or 6, the
35 average hourly wage that will be paid by the business to its new
36 employees in this State is at least 100 percent of the average
37 statewide hourly wage as established by the Employment Security
38 Division of the Department of Employment, Training and
39 Rehabilitation on July 1 of each fiscal year.

40 (e) The business will, by the eighth calendar quarter following
41 the calendar quarter in which the abatement becomes effective, offer
42 a health insurance plan for all employees that includes an option for
43 health insurance coverage for dependents of the employees, and the
44 health care benefits the business offers to its employees in this State



1 will meet the minimum requirements for health care benefits
2 established by the Office.

3 (f) Except as otherwise provided in this subsection and NRS
4 361.0687, if the business is a new business in a county whose
5 population is 100,000 or more or a city whose population is 60,000
6 or more, the business meets at least one of the following
7 requirements:

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

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

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

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

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

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

45 (1) For a business in:



1 (I) Except as otherwise provided in sub-subparagraph (II),
2 a county whose population is 100,000 or more or a city whose
3 population is 60,000 or more, the business will, by the eighth
4 calendar quarter following the calendar quarter in which the
5 abatement becomes effective, increase the number of employees on
6 its payroll in that county or city by 10 percent more than it
7 employed in the fiscal year immediately preceding the fiscal year in
8 which the abatement becomes effective or by twenty-five
9 employees, whichever is greater, who will be employed at the
10 location of the business in that county or city until at least the date
11 which is 5 years after the date on which the abatement becomes
12 effective; or

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

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

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

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

43 (i) The applicant has provided in the application an estimate of
44 the total number of new employees which the business anticipates
45 hiring in this State by the eighth calendar quarter following the



1 calendar quarter in which the abatement becomes effective if the
2 Office approves the application.

3 (j) Except as otherwise provided in subsection 3, if the business
4 will have at least 50 full-time employees on the payroll of the
5 business by the eighth calendar quarter following the calendar
6 quarter in which the abatement becomes effective, the business, by
7 the earlier of the eighth calendar quarter following the calendar
8 quarter in which the abatement becomes effective or the date on
9 which the business has at least 50 full-time employees on the payroll
10 of the business, has a policy for paid family and medical leave and
11 agrees that all employees who have been employed by the business
12 for at least 1 year will be eligible for at least 12 weeks of paid
13 family and medical leave at a rate of at least 55 percent of the
14 regular wage of the employee. The business will agree in writing
15 that if the Office approves the application, the business will not:

16 (1) Prohibit, interfere with or otherwise discourage an
17 employee from taking paid family and medical leave:

18 (I) For any reason authorized pursuant to the Family and
19 Medical Leave Act of 1993, 29 U.S.C. §§ 2601 et seq.

20 (II) To care for any adult child, sibling or domestic
21 partner of the employee.

22 (2) Discriminate, discipline or discharge an employee for
23 taking paid family and medical leave:

24 (I) For any reason authorized pursuant to the Family and
25 Medical Leave Act of 1993, 29 U.S.C. §§ 2601 et seq.

26 (II) To care for any adult child, sibling or domestic
27 partner of the employee.

28 (3) Prohibit, interfere with or otherwise discourage an
29 employee or other person from bringing a proceeding or testifying
30 in a proceeding against the business for a violation of the policy for
31 paid family and medical leave that is required pursuant to this
32 paragraph.

33 3. For purposes of paragraph (j) of subsection 2, the Office of
34 Economic Development shall determine that a business meets the
35 requirements of that paragraph if the business has a policy for paid
36 family and medical leave for employees on the payroll of the
37 business outside of this State that meets or exceeds the requirements
38 for a policy for paid family and medical leave pursuant to that
39 paragraph and the business agrees in writing that its employees on
40 the payroll in this State are eligible for paid family and medical
41 leave under such policy.

42 4. Notwithstanding the provisions of subsection 2, the Office
43 of Economic Development:

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



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

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

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

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

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

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

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

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

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

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

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

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

42 6. Notwithstanding any other provision of law, if the Office of
43 Economic Development approves an application for a partial
44 abatement pursuant to this section, in determining the types of taxes



1 imposed on a new or expanded business for which the partial
2 abatement will be approved and the amount of the partial abatement:

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

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

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

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

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

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

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

33 (a) The Department;

34 (b) The Nevada Tax Commission; and

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

37 8. An applicant for a partial abatement pursuant to this section
38 or an existing business whose partial abatement is in effect shall,
39 upon the request of the Executive Director of the Office of
40 Economic Development, furnish the Executive Director with copies
41 of all records necessary to verify that the applicant *or business*
42 meets the requirements of subsection 2 ~~(f)~~, *including, without*
43 *limitation, that the business is complying with the terms of the*
44 *community benefits plan.*



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

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

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

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

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

26 11. *The Office of Economic Development may investigate a*
27 *business whose partial abatement has been approved pursuant to*
28 *this section to determine whether the business is in substantial*
29 *compliance with the terms of the community benefits plan*
30 *described in subparagraph (5) of paragraph (b) of subsection 2. If*
31 *the Executive Director of the Office determines, based on an*
32 *investigation conducted pursuant to this subsection, that a*
33 *business has failed to substantially comply with the terms of the*
34 *community benefits plan, the business shall repay to the*
35 *Department or, if the partial abatement was from the property tax*
36 *imposed pursuant to chapter 361 of NRS, to the county treasurer,*
37 *the amount of the partial abatement that was allowed pursuant to*
38 *this section. Except as otherwise provided in NRS 360.232 and*
39 *360.320, the business shall, in addition to the amount of the*
40 *partial abatement required to be paid pursuant to this subsection,*
41 *pay interest on the amount due at the rate most recently*
42 *established pursuant to NRS 99.040 for each month, or portion*
43 *thereof, from the last day of the month following the period for*
44 *which the payment would have been made had the partial*
45 *abatement not been approved until the date of payment of the tax.*



1 **12.** A county treasurer:

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

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

8 ~~12.~~ **13.** The Office of Economic Development may adopt
9 such regulations as the Office of Economic Development
10 determines to be necessary to carry out the provisions of this section
11 and NRS 360.755.

12 ~~13.~~ **14.** The Nevada Tax Commission:

13 (a) Shall adopt regulations regarding:

14 (1) The capital investment that a new business must make to
15 meet the requirement set forth in paragraph (f) or (g) of subsection
16 2; and

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

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

22 ~~14.~~ **15.** An applicant for a partial abatement pursuant to this
23 section who is aggrieved by a final decision of the Office of
24 Economic Development may petition for judicial review in the
25 manner provided in chapter 233B of NRS.

26 ~~15.~~ **16.** For the purposes of this section, an employee is a
27 "full-time employee" if he or she is in a permanent position of
28 employment and works an average of 30 hours per week during the
29 applicable period set forth in subsection 2.

30 **Sec. 2.** NRS 360.753 is hereby amended to read as follows:

31 360.753 1. An owner of a business or a person who intends
32 to locate or expand a business in this State may apply to the Office
33 of Economic Development pursuant to this section for a partial
34 abatement of one or more of:

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

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

43 2. Notwithstanding the provisions of any law to the contrary
44 and except as otherwise provided in subsections 3 and 4, the Office



1 of Economic Development shall approve an application for a partial
2 abatement if the Office makes the following determinations:

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

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

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

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

18 (4) *Incorporates a community benefits plan, which must:*

19 (I) *Include a brief description of the environmental,*
20 *economic and social effects that the applicant anticipates the*
21 *location or expansion of the business will have on the local*
22 *community that immediately surrounds the location of the*
23 *business;*

24 (II) *State that the business will proactively undertake*
25 *actions, beyond those incidental to the regular activities of the*
26 *business, to increase the vitality of the local community and*
27 *improve the social and economic well-being of the members of*
28 *that community;*

29 (III) *Detail the specific actions described in sub-*
30 *paragraph (II) that the business agrees to undertake during*
31 *the period of the agreement entered into pursuant to this*
32 *paragraph, which may include, without limitation, partnering with*
33 *community-based charitable or educational organizations,*
34 *sponsoring educational or vocational activities, participating in*
35 *philanthropic endeavors meant to specifically aid the local*
36 *community and the members of that community and establishing*
37 *other programs to improve the well-being of the local community*
38 *and the members of that community; and*

39 (IV) *Include such other provisions as the Office may*
40 *require; and*

41 (5) Binds any successor in interest of the applicant for the
42 specified period;

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



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

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

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

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

19 (f) If the business is:

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

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

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

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

32 (2) The business will maintain and possess in this State
33 tangible personal property having a value of not less than
34 \$5,000,000 during the period of partial abatement;

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

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

42 3. The Office of Economic Development:

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



1 (b) Must not:

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

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

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

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

16 (a) The Department;

17 (b) The Nevada Tax Commission; and

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

20 6. An applicant for a partial abatement pursuant to this section
21 or an existing business whose partial abatement is in effect shall,
22 upon the request of the Executive Director of the Office of
23 Economic Development, furnish the Executive Director with copies
24 of all records necessary to verify that the applicant *or business*
25 meets the requirements of subsection 2 ~~H~~ *including, without*
26 *limitation, that the business is complying with the terms of the*
27 *community benefits plan.*

28 7. If an applicant for a partial abatement pursuant to this
29 section fails to execute the agreement described in paragraph (a) of
30 subsection 2 within 1 year after the date on which the application
31 was received by the Office, the applicant shall not be approved for a
32 partial abatement pursuant to this section unless the applicant
33 submits a new application.

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

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

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

40 ➔ the business shall repay to the Department or, if the partial
41 abatement was from personal property taxes, to the appropriate
42 county treasurer, the amount of the partial abatement that was
43 allowed pursuant to this section before the failure of the business to
44 comply unless the Nevada Tax Commission determines that the
45 business has substantially complied with the requirements of this



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

9 **9. *The Office of Economic Development may investigate a***
10 ***business whose partial abatement has been approved pursuant to***
11 ***this section to determine whether the business is in substantial***
12 ***compliance with the terms of the community benefits plan***
13 ***described in subparagraph (4) of paragraph (a) of subsection 2. If***
14 ***the Executive Director of the Office determines, based on an***
15 ***investigation conducted pursuant to this subsection, that a***
16 ***business has failed to substantially comply with the terms of the***
17 ***community benefits plan, the business shall repay to the***
18 ***Department or, if the partial abatement was from the property tax***
19 ***imposed pursuant to chapter 361 of NRS, to the county treasurer,***
20 ***the amount of the partial abatement that was allowed pursuant to***
21 ***this section. Except as otherwise provided in NRS 360.232 and***
22 ***360.320, the business shall, in addition to the amount of the***
23 ***partial abatement required to be paid pursuant to this subsection,***
24 ***pay interest on the amount due at the rate most recently***
25 ***established pursuant to NRS 99.040 for each month, or portion***
26 ***thereof, from the last day of the month following the period for***
27 ***which the payment would have been made had the partial***
28 ***abatement not been approved until the date of payment of the tax.***

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

32 ~~10.~~ **11.** The Nevada Tax Commission may adopt such
33 regulations as the Commission determines are necessary to carry out
34 the provisions of this section.

35 ~~11.~~ **12.** An applicant for a partial abatement who is aggrieved
36 by a final decision of the Office of Economic Development may
37 petition a court of competent jurisdiction to review the decision in
38 the manner provided in chapter 233B of NRS.

39 ~~12.~~ **13.** As used in this section:

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

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

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



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

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

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

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

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

19 **Sec. 3.** NRS 360.754 is hereby amended to read as follows:

20 360.754 1. A person who intends to locate or expand a data
21 center in this State may apply to the Office of Economic
22 Development pursuant to this section for a partial abatement of one
23 or more of the taxes imposed on the new or expanded data center
24 pursuant to chapter 361 or 374 of NRS.

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

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

33 (b) Not later than 1 year after the date on which the application
34 was received by the Office, the applicant has executed an agreement
35 with the Office of 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,
38 as agreed to by the applicant and the Office of Economic
39 Development, which must not be earlier than the date on which the
40 Office received the application and not later than 1 year after the
41 date on which the Office approves the application;

42 (3) State that the data center will, after the date on which the
43 abatement becomes effective, continue in operation in this State for
44 a period specified by the Office of Economic Development, which



1 must be at least 10 years, and will continue to meet the eligibility
2 requirements set forth in this subsection; ~~and~~

3 (4) *Incorporate a community benefits plan, which must:*

4 (I) *Include a brief description of the environmental,*
5 *economic and social effects that the applicant anticipates the*
6 *location or expansion of the data center will have on the local*
7 *community that immediately surrounds the location of the data*
8 *center;*

9 (II) *State that the data center will proactively undertake*
10 *actions, beyond those incidental to the regular activities of the*
11 *data center, to increase the vitality of the local community and*
12 *improve the social and economic well-being of the members of*
13 *that community;*

14 (III) *Detail the specific actions described in sub-*
15 *paragraph (II) that the data center agrees to undertake during*
16 *the period of the agreement entered into pursuant to this*
17 *paragraph, which may include, without limitation, partnering with*
18 *community-based charitable or educational organizations,*
19 *sponsoring educational or vocational activities, participating in*
20 *philanthropic endeavors meant to specifically aid the local*
21 *community and the members of that community and establishing*
22 *other programs to improve the well-being of the local community*
23 *and the members of that community; and*

24 (IV) *Include such other provisions as the Office may*
25 *require; and*

26 (5) Bind the successors in interest of the applicant for the
27 specified period.

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

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

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

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



1 after the date on which the abatement becomes effective, a
2 cumulative capital investment of at least \$25,000,000 in capital
3 assets that will be used or located at the data center.

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

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

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

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

25 (e) If the applicant is seeking a partial abatement for a period of
26 10 years or more but not more than 20 years, the applicant meets the
27 following requirements:

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

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

42 (3) The average hourly wage that will be paid by the data
43 center to its employees in this State is at least 100 percent of the
44 average statewide hourly wage as established by the Employment



1 Security Division of the Department of Employment, Training and
2 Rehabilitation on July 1 of each fiscal year and:

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

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

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

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

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

27 3. Notwithstanding the provisions of subsection 2, the Office
28 of Economic Development:

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

33 (b) Shall consider the level of health care benefits provided to
34 employees employed at the data center, the projected economic
35 impact of the data center and the projected tax revenue of the data
36 center after deducting projected revenue from the abated taxes.

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

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

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

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



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

5 (a) The Department;

6 (b) The Nevada Tax Commission; and

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

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

42 6. An applicant for a partial abatement pursuant to this section
43 or a data center whose partial abatement is in effect shall, upon the
44 request of the Executive Director of the Office of Economic
45 Development, furnish the Executive Director with copies of all



1 records necessary to verify that the applicant *or data center* meets
2 the requirements of subsection 2 ~~(f)~~, *including, without limitation,*
3 *that the data center is complying with the terms of the community*
4 *benefits plan.*

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

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

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

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

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

31 9. *The Office of Economic Development may investigate a*
32 *data center whose partial abatement has been approved pursuant*
33 *to this section to determine whether the data center is in*
34 *substantial compliance with the terms of the community benefits*
35 *plan described in subparagraph (4) of paragraph (b) of subsection*
36 *2. If the Executive Director of the Office determines, based on an*
37 *investigation conducted pursuant to this subsection, that a data*
38 *center has failed to substantially comply with the terms of the*
39 *community benefits plan, the data center shall repay to the*
40 *Department or, if the partial abatement was from the property tax*
41 *imposed pursuant to chapter 361 of NRS, to the county treasurer,*
42 *the amount of the partial abatement that was allowed pursuant to*
43 *this section. Except as otherwise provided in NRS 360.232 and*
44 *360.320, the data center shall, in addition to the amount of the*
45 *partial abatement required to be paid pursuant to this subsection,*



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

6 **10.** A county treasurer:

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

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

13 ~~H0-]~~ **11.** An applicant for a partial abatement pursuant to this
14 section who is aggrieved by a final decision of the Office of
15 Economic Development may petition for judicial review in the
16 manner provided in chapter 233B of NRS.

17 ~~H1-]~~ **12.** For an employee to be considered a resident of
18 Nevada for the purposes of this section, a data center must maintain
19 the following documents in the personnel file of the employee:

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

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

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

27 (d) Proof that the employee is covered by the health insurance
28 plan which the data center is required to provide pursuant to sub-
29 subparagraph (I) of subparagraph (3) of paragraph (d) of subsection
30 2 or sub-subparagraph (I) of subparagraph (3) of paragraph (e) of
31 subsection 2.

32 ~~H2-]~~ **13.** For the purpose of obtaining from the Executive
33 Director of the Office of Economic Development any waiver of the
34 requirements set forth in subparagraph (4) of paragraph (d) of
35 subsection 2 or subparagraph (4) of paragraph (e) of subsection 2, a
36 data center must submit to the Executive Director of the Office of
37 Economic Development written documentation of the efforts to
38 meet the requirements and documented proof that an insufficient
39 number of Nevada residents is available and qualified for
40 employment.

41 ~~H3-]~~ **14.** The Office of Economic Development:

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



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

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

6 ~~14.1~~ 15. The Nevada Tax Commission:

7 (a) Shall adopt regulations regarding:

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

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

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

15 ~~15.1~~ 16. As used in this section, unless the context otherwise
16 requires:

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

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

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

34 **Sec. 4.** NRS 360.759 is hereby amended to read as follows:

35 360.759 1. A production company that produces a qualified
36 production in this State in whole or in part may apply to the Office
37 of Economic Development for a certificate of eligibility for
38 transferable tax credits for any qualified direct production
39 expenditures. The transferable tax credits may be applied to:

40 (a) Any tax imposed by chapters 363A and 363B of NRS;

41 (b) The gaming license fees imposed by the provisions of
42 NRS 463.370;

43 (c) Any tax imposed pursuant to chapter 680B of NRS; or

44 (d) Any combination of the fees and taxes described in
45 paragraphs (a), (b) and (c).



1 2. The Office may approve an application for a certificate of
2 eligibility for transferable tax credits if the Office finds that the
3 production company producing the qualified production qualifies for
4 the transferable tax credits pursuant to subsection 3. If the Office
5 approves the application, the Office shall calculate the estimated
6 amount of the transferable tax credits pursuant to NRS 360.7592,
7 360.7593 and 360.7594.

8 3. To be eligible for transferable tax credits pursuant to this
9 section, a production company must:

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

12 (b) Provide proof satisfactory to the Office that the qualified
13 production is in the economic interest of the State;

14 (c) Provide proof satisfactory to the Office that 70 percent or
15 more of the funding for the qualified production has been obtained;

16 (d) Provide proof satisfactory to the Office that at least 60
17 percent of the direct production expenditures for:

18 (1) Preproduction;

19 (2) Production; and

20 (3) If any direct production expenditures for postproduction
21 will be incurred in this State, postproduction,

22 ↪ of the qualified production will be incurred in this State as
23 qualified direct production expenditures;

24 (e) Not later than 270 days after the completion of principal
25 photography of the qualified production or, if any direct production
26 expenditures for postproduction will be incurred in this State, not
27 later than 270 days after the completion of postproduction, unless
28 the Office agrees to extend this period by not more than 90 days,
29 provide the Office with an audit of the qualified production that
30 includes an itemized report of qualified direct production
31 expenditures which:

32 (1) Shows that the qualified production incurred qualified
33 direct production expenditures of \$500,000 or more; and

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

36 (f) Pay the cost of the audit required by paragraph (e);

37 (g) *Enter into an agreement with the Office establishing a
38 community benefits plan, which must:*

39 *(1) Include a brief description of the environmental,
40 economic and social effects that the applicant anticipates the
41 qualified production will have on the local community;*

42 *(2) State that the production company will proactively
43 undertake actions, beyond those incidental to the regular activities
44 of the production of the qualified production, to increase the*



1 *vitality of the local community and improve the social and*
2 *economic well-being of the members of that community;*

3 (3) *Detail the specific actions described in subparagraph*
4 *(2) that the production company agrees to undertake during the*
5 *period of the agreement entered into pursuant to this paragraph,*
6 *which may include, without limitation, partnering with*
7 *community-based charitable or educational organizations,*
8 *sponsoring educational or vocational activities, participating in*
9 *philanthropic endeavors meant to specifically aid the local*
10 *community and the members of that community and establishing*
11 *other programs to improve the well-being of the local community*
12 *and the members of that community; and*

13 (4) *Include such other provisions as the Office may*
14 *require;*

15 (h) Enter into a written agreement with the Office that requires
16 the production company to include:

17 (1) In the end screen credits of the qualified production, a
18 logo of this State provided by the Office which indicates that the
19 qualified production was filmed or otherwise produced in Nevada;
20 or

21 (2) If the qualified production does not have end screen
22 credits, another acknowledgment in the final version of the qualified
23 production which indicates that the qualified production was filmed
24 or otherwise produced in Nevada; and

25 ~~(h)~~ (i) Meet any other requirements prescribed by regulation
26 pursuant to this section.

27 4. An application submitted pursuant to subsection 3 must
28 contain:

29 (a) A script, storyboard or synopsis of the qualified production;

30 (b) The names of the production company, producer, director
31 and proposed cast;

32 (c) An estimated timeline to complete the qualified production;

33 (d) A summary of the budgeted expenditures for the entire
34 production, including projected expenditures to be incurred outside
35 of Nevada;

36 (e) Details regarding the financing of the project, including,
37 without limitation, any information relating to a binding financing
38 commitment, loan application, commitment letter or investment
39 letter;

40 (f) An insurance certificate, binder or quote for general liability
41 insurance of \$1,000,000 or more;

42 (g) The business address of the production company;

43 (h) Proof that the qualified production meets any applicable
44 requirements relating to workers' compensation insurance;



1 (i) Proof that the production company has secured all licenses
2 and registrations required to do business in each location in this
3 State at which the qualified production will be produced; and

4 (j) Any other information required by regulations adopted by the
5 Office pursuant to subsection 8.

6 5. If the Office approves an application for a certificate of
7 eligibility for transferable tax credits pursuant to this section, the
8 Office shall immediately forward a copy of the certificate of
9 eligibility which identifies the estimated amount of the tax credits
10 available pursuant to NRS 360.7592 to:

11 (a) The applicant;

12 (b) The Department; and

13 (c) The Nevada Gaming Control Board.

14 6. Within 60 business days after receipt of an audit provided by
15 a production company pursuant to paragraph (e) of subsection 3 and
16 any other accountings or other information required by the Office,
17 the Office shall determine whether to certify the audit and make a
18 final determination of whether a certificate of transferable tax
19 credits will be issued. If the Office certifies the audit, determines
20 that all other requirements for the transferable tax credits have been
21 met and determines that a certificate of transferable tax credits will
22 be issued, the Office shall notify the production company that the
23 transferable tax credits will be issued. Within 30 days after the
24 receipt of the notice, the production company shall make an
25 irrevocable declaration of the amount of transferable tax credits that
26 will be applied to each fee or tax set forth in subsection 1, thereby
27 accounting for all of the credits which will be issued. Upon receipt
28 of the declaration, the Office shall issue to the production company
29 a certificate of transferable tax credits in the amount approved by
30 the Office for the fees or taxes included in the declaration of the
31 production company. The production company shall notify the
32 Office upon transferring any of the transferable tax credits. The
33 Office shall notify the Department and the Nevada Gaming Control
34 Board of all transferable tax credits issued, segregated by each fee
35 or tax set forth in subsection 1, and the amount of any transferable
36 tax credits transferred.

37 7. An applicant for transferable tax credits pursuant to this
38 section shall, upon the request of the Executive Director of the
39 Office, furnish the Executive Director with copies of all records
40 necessary to verify that the applicant meets the requirements of
41 subsection 3 ~~H~~, *including, without limitation, that the applicant is*
42 *complying with the terms of the community benefits plan.*

43 8. The Office:

44 (a) Shall adopt regulations prescribing:



1 (1) Any additional requirements to receive transferable tax
2 credits;

3 (2) Any additional qualified expenditures or production costs
4 that may serve as the basis for transferable tax credits pursuant to
5 NRS 360.7591;

6 (3) Any additional information that must be included with an
7 application pursuant to subsection 4;

8 (4) The application review process;

9 (5) Any type of qualified production which, due to obscene
10 or sexually explicit material, is not eligible for transferable tax
11 credits; and

12 (6) The requirements for notice pursuant to NRS 360.7595;
13 and

14 (b) May adopt any other regulations that are necessary to carry
15 out the provisions of NRS 360.758 to 360.7598, inclusive.

16 9. The Nevada Tax Commission and the Nevada Gaming
17 Commission:

18 (a) Shall adopt regulations prescribing the manner in which
19 transferable tax credits will be administered.

20 (b) May adopt any other regulations that are necessary to carry
21 out the provisions of NRS 360.758 to 360.7598, inclusive.

22 **Sec. 5.** NRS 360.7597 is hereby amended to read as follows:

23 360.7597 1. *The Office of Economic Development may*
24 *investigate a production company that has been issued*
25 *transferable tax credits pursuant to NRS 360.759 to determine*
26 *whether the production company is in substantial compliance with*
27 *the terms of the community benefits plan described in paragraph*
28 *(g) of subsection 3 of NRS 360.759. If the Executive Director of*
29 *the Office of Economic Development determines, based on an*
30 *investigation conducted pursuant to this section, that a production*
31 *company has failed to substantially comply with the terms of such*
32 *an agreement, the production company shall repay to the*
33 *Department or the Nevada Gaming Control Board, as applicable,*
34 *an amount of money equal to the transferable tax credits issued to*
35 *the production company.*

36 2. A production company that is found to have submitted any
37 false statement, representation or certification in any document
38 submitted for the purpose of obtaining transferable tax credits or
39 who otherwise becomes ineligible for transferable tax credits after
40 receiving the transferable tax credits pursuant to NRS 360.759 shall
41 repay to the Department or the Nevada Gaming Control Board, as
42 applicable, any portion of the transferable tax credits to which the
43 production company is not entitled.

44 ~~[2.]~~ 3. Transferable tax credits purchased in good faith are not
45 subject to forfeiture or repayment by the transferee unless the



1 transferee submitted fraudulent information in connection with the
2 purchase.

3 **Sec. 6.** NRS 360.889 is hereby amended to read as follows:

4 360.889 1. On behalf of a project, the lead participant in the
5 project may apply to the Office of Economic Development for:

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

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

9 (2) The gaming license fees imposed by the provisions of
10 NRS 463.370;

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

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

14 (b) A partial abatement of property taxes, employer excise taxes
15 or local sales and use taxes, or any combination of any of those
16 taxes.

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

21 (a) Submit an application that meets the requirements of
22 subsection 5;

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

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

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

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

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

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



1 (h) Provide documentation satisfactory to the Office of the
2 number of qualified employees employed or anticipated to be
3 employed at the project by the participants;

4 (i) Provide documentation satisfactory to the Office that each
5 employer engaged in the construction of the project provides a plan
6 of health insurance and that each employee engaged in the
7 construction of the project is offered coverage under the plan of
8 health insurance provided by his or her employer;

9 (j) Provide documentation satisfactory to the Office that each
10 participant in the project provides a plan of health insurance and that
11 each employee employed at the project by each participant is
12 offered coverage under the plan of health insurance provided by his
13 or her employer;

14 (k) Provide documentation satisfactory to the Office that at least
15 50 percent of the employees engaged in construction of the project
16 and 50 percent of the employees employed at the project are
17 residents of Nevada, unless waived by the Executive Director of the
18 Office upon proof satisfactory to the Executive Director of the
19 Office that there is an insufficient number of Nevada residents
20 available and qualified for such employment;

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

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

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

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

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

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

34 (n) *Enter into an agreement with the Office establishing a*
35 *community benefits plan, which must:*

36 (1) *Include a brief description of the environmental,*
37 *economic and social effects that the applicant anticipates the*
38 *project will have on the local community that immediately*
39 *surrounds the location of the project;*

40 (2) *State that the participants in the project will proactively*
41 *undertake actions, beyond those incidental to the regular activities*
42 *of the participants, to increase the vitality of the local community*
43 *and improve the social and economic well-being of the members of*
44 *that community;*



1 (3) *Detail the specific actions described in subparagraph*
2 *(2) that the participants in the project agree to undertake during*
3 *the period of the agreement entered into pursuant to this*
4 *paragraph, which may include, without limitation, partnering with*
5 *community-based charitable or educational organizations,*
6 *sponsoring educational or vocational activities, participating in*
7 *philanthropic endeavors meant to specifically aid the local*
8 *community and the members of that community and establishing*
9 *other programs to improve the well-being of the local community*
10 *and the members of that community; and*

11 (4) *Include such other provisions as the Office may*
12 *require;*

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

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

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

23 ~~—(o)—~~ (p) Meet any other requirements prescribed by the Office.

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

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

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

40 (c) Each participant offers primary jobs and:

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



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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

22 (a) A copy of the:

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

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

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

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

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

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



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

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

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

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

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

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

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

31 **Sec. 7.** NRS 360.894 is hereby amended to read as follows:

32 360.894 1. The lead participant in a qualified project shall,
33 upon the request of the Office of Economic Development, furnish
34 the Office with copies of all records necessary to verify that the
35 qualified project meets the eligibility requirements for any
36 transferable tax credits issued pursuant to NRS 360.891 and the
37 partial abatement of any taxes pursuant to NRS 360.893 ~~[-]~~ ,
38 *including, without limitation, that the participants in the project*
39 *are complying with the terms of the community benefits plan*
40 *described in paragraph (n) of subsection 2 of NRS 360.889.*

41 2. *The Office may investigate a qualified project to determine*
42 *whether the participants of the project are in substantial*
43 *compliance with the terms of the community benefits plan*
44 *described in paragraph (n) of subsection 2 of NRS 360.889.*



1 **3.** The lead participant shall repay to the Department or the
2 Nevada Gaming Control Board, as applicable, any portion of the
3 transferable tax credits to which the lead participant is not entitled
4 if:

5 (a) The participants in the qualified project collectively fail to
6 make the investment in this State necessary to support the
7 determination by the Executive Director of the Office of Economic
8 Development that the project is a qualified project;

9 (b) The participants in the qualified project collectively fail to
10 employ the number of qualified employees identified in the
11 certificate of eligibility approved for the qualified project;

12 (c) The lead participant submits any false statement,
13 representation or certification in any document submitted for the
14 purpose of obtaining transferable tax credits; ~~for~~

15 (d) The lead participant otherwise becomes ineligible for
16 transferable tax credits after receiving the transferable tax credits
17 pursuant to NRS 360.880 to 360.896, inclusive.

18 ~~3.~~ **4.** Transferable tax credits purchased in good faith are not
19 subject to forfeiture unless the transferee submitted fraudulent
20 information in connection with the purchase.

21 ~~4.~~ **5.** Notwithstanding any provision of this chapter or
22 chapter 361 of NRS, if the lead participant in a qualified project for
23 which a partial abatement has been approved pursuant to NRS
24 360.893 and is in effect:

25 (a) Fails to meet the requirements for eligibility pursuant to that
26 section; or

27 (b) Ceases operation before the time specified in the agreement
28 described in paragraph (e) of subsection 5 of NRS 360.889,

29 ↪ the lead participant shall repay to the Department or, if the partial
30 abatement is from the property tax imposed by chapter 361 of NRS,
31 to the appropriate county treasurer, the amount of the partial
32 abatement that was allowed to the lead participant pursuant to NRS
33 360.893 before the failure of the lead participant to meet the
34 requirements for eligibility. Except as otherwise provided in NRS
35 360.232 and 360.320, the lead participant shall, in addition to the
36 amount of the partial abatement required to be repaid by the lead
37 participant pursuant to this subsection, pay interest on the amount
38 due from the lead participant at the rate most recently established
39 pursuant to NRS 99.040 for each month, or portion thereof, from the
40 last day of the month following the period for which the payment
41 would have been made had the partial abatement not been approved
42 until the date of payment of the tax.

43 ~~5.~~ **6.** *If the Executive Director of the Office determines,*
44 *based on an investigation conducted pursuant to subsection 2 that*
45 *the participants in a project have failed to substantially comply*



1 *with the terms of the community benefits plan, the lead participant*
2 *in the project shall repay to the Department, the Nevada Gaming*
3 *Control Board or the appropriate county treasurer, as applicable,*
4 *an amount of money equal to the amount of transferable tax*
5 *credits issued to the lead participant and the amount of the partial*
6 *abatement that was allowed to the lead participant pursuant to*
7 *NRS 360.893. Except as otherwise provided in NRS 360.232 and*
8 *360.320, the lead participant shall, in addition to the amount of*
9 *the partial abatement required to be repaid by the lead participant*
10 *pursuant to this subsection, pay interest on the amount due from*
11 *the lead participant at the rate most recently established pursuant*
12 *to NRS 99.040 for each month, or portion thereof, from the last*
13 *day of the month following the period for which the payment*
14 *would have been made had the partial abatement not been*
15 *approved until the date of payment of the tax.*

16 7. The Secretary of State may, upon application by the
17 Executive Director of the Office, revoke or suspend the state
18 business license of the lead participant in a qualified project which
19 is required to repay any portion of transferable tax credits pursuant
20 to subsection ~~[2]~~ 3 or the amount of any partial abatement pursuant
21 to subsection ~~[4]~~ 5 or 6 and which the Office determines is not in
22 compliance with the provisions of this section governing repayment.
23 If the state business license of the lead participant in a qualified
24 project is suspended or revoked pursuant to this subsection, the
25 Secretary of State shall provide written notice of the action to the
26 lead participant. The Secretary of State shall not reinstate a state
27 business license suspended pursuant to this subsection or issue a
28 new state business license to the lead participant whose state
29 business license has been revoked pursuant to this subsection unless
30 the Executive Director of the Office provides proof satisfactory
31 to the Secretary of State that the lead participant is in compliance
32 with the requirements of this section governing repayment.

33 **Sec. 8.** NRS 360.945 is hereby amended to read as follows:

34 360.945 1. On behalf of a project, the lead participant in the
35 project may apply to the Office of Economic Development for:

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

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

39 (2) The gaming license fees imposed by the provisions of
40 NRS 463.370;

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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



1 Office upon proof satisfactory to the Executive Director of the
2 Office that there is an insufficient number of Nevada residents
3 available and qualified for such employment;

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

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

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

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

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

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

17 (n) *Enter into an agreement with the Office establishing a*
18 *community benefits plan, which must:*

19 (1) *Include a brief description of the environmental,*
20 *economic and social effects that the applicant anticipates the*
21 *project will have on the local community that immediately*
22 *surrounds the location of the project;*

23 (2) *State that the participants in the project will proactively*
24 *undertake actions, beyond those incidental to the regular activities*
25 *of the participants, to increase the vitality of the local community*
26 *and improve the social and economic well-being of the members of*
27 *that community;*

28 (3) *Detail the specific actions described in subparagraph*
29 *(2) that the participants in the project agree to undertake during*
30 *the period of the agreement entered into pursuant to this*
31 *paragraph, which may include, without limitation, partnering with*
32 *community-based charitable or educational organizations,*
33 *sponsoring educational or vocational activities, participating in*
34 *philanthropic endeavors meant to specifically aid the local*
35 *community and the members of that community and establishing*
36 *other programs to improve the well-being of the local community*
37 *and the members of that community; and*

38 (4) *Include such other provisions as the Office may*
39 *require;*

40 (o) Enter into an agreement with the governing body of the city
41 or county in which the qualified project is located that:

42 (1) Requires the lead participant to pay the cost of any
43 engineering or design work necessary to determine the cost of
44 infrastructure improvements required to be made by the governing



1 body pursuant to an economic development financing proposal
2 approved pursuant to NRS 360.990; and

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

7 ~~(p)~~ (p) Meet any other requirements prescribed by the Office.

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

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

13 (b) A detailed description of the location of the project,
14 including a precise description of the geographic boundaries of the
15 project site;

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

18 7. The Executive Director of the Office shall post a request for
19 a waiver of the requirements set forth in paragraph (k) of subsection
20 2 on the Internet website of the Office within 3 days after receiving
21 the request and shall keep the request posted on the Internet website
22 for not less than 5 days. The Executive Director of the Office shall
23 ensure that the Internet website allows members of the public to post
24 comments regarding the request.

25 8. The Executive Director of the Office shall consider any
26 comments posted on the Internet website concerning any request for
27 a waiver of the requirements set forth in paragraph (k) of subsection
28 2 before making a decision regarding whether to approve the
29 request. If the Executive Director of the Office approves the request
30 for a waiver, the Executive Director of the Office must post the
31 approval on the Internet website of the Office within 3 days and
32 ensure that the Internet website allows members of the public to post
33 comments regarding the approval.

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

40 **Sec. 9.** NRS 360.970 is hereby amended to read as follows:

41 360.970 1. The lead participant in a qualified project shall,
42 upon the request of the Office of Economic Development, furnish
43 the Office with copies of all records necessary to verify that the
44 qualified project meets the eligibility requirements for any
45 transferable tax credits issued pursuant to NRS 360.955 and the



1 abatement of any taxes pursuant to NRS 360.965 ~~(4)~~, *including,*
2 *without limitation, that the participants in the project are*
3 *complying with the terms of the community benefits plan.*

4 2. *The Office may investigate a qualified project to determine*
5 *whether the participants of the project are in substantial*
6 *compliance with the terms of the community benefits plan*
7 *described in paragraph (n) of subsection 2 of NRS 360.889.*

8 3. The lead participant shall repay to the Department or the
9 Nevada Gaming Control Board, as applicable, any portion of the
10 transferable tax credits to which the lead participant is not entitled
11 if:

12 (a) The participants in the qualified project collectively fail to
13 make the investment in this State necessary to support the
14 determination by the Executive Director of the Office of Economic
15 Development that the project is a qualified project;

16 (b) The participants in the qualified project collectively fail to
17 employ the number of qualified employees identified in the
18 certificate of eligibility approved for the qualified project;

19 (c) The lead participant submits any false statement,
20 representation or certification in any document submitted for the
21 purpose of obtaining transferable tax credits; ~~(or)~~

22 (d) The lead participant otherwise becomes ineligible for
23 transferable tax credits after receiving the transferable tax credits
24 pursuant to NRS 360.900 to 360.975, inclusive.

25 ~~(3)~~ 4. Transferable tax credits purchased in good faith are not
26 subject to forfeiture unless the transferee submitted fraudulent
27 information in connection with the purchase.

28 ~~(4)~~ 5. Notwithstanding any provision of this chapter or
29 chapter 361 of NRS, if the lead participant in a qualified project for
30 which an abatement has been approved pursuant to NRS 360.965
31 and is in effect:

32 (a) Fails to meet the requirements for eligibility pursuant to that
33 section; or

34 (b) Ceases operation before the time specified in the agreement
35 described in paragraph (e) of subsection 3 of NRS 360.945,

36 ↪ the lead participant shall repay to the Department or, if the
37 abatement is from the property tax imposed by chapter 361 of NRS,
38 to the appropriate county treasurer, the amount of the abatement that
39 was allowed to the lead participant pursuant to NRS 360.965 before
40 the failure of the lead participant to meet the requirements for
41 eligibility. Except as otherwise provided in NRS 360.232 and
42 360.320, the lead participant shall, in addition to the amount of the
43 abatement required to be repaid by the lead participant pursuant to
44 this subsection, pay interest on the amount due from the lead
45 participant at the rate most recently established pursuant to



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

5 ~~[5.]~~ 6. *If the Executive Director of the Office determines,*
6 *based on an investigation conducted pursuant to subsection 2 that*
7 *the participants in a project have failed to substantially comply*
8 *with the terms of the community benefits plan, the lead participant*
9 *in the project shall repay to the Department, the Nevada Gaming*
10 *Control Board or the appropriate county treasurer, as applicable,*
11 *an amount of money equal to the amount of transferable tax*
12 *credits issued to the lead participant and the amount of the*
13 *abatement that was allowed to the lead participant pursuant to*
14 *NRS 360.965. Except as otherwise provided in NRS 360.232 and*
15 *360.320, the lead participant shall, in addition to the amount of*
16 *the abatement required to be repaid by the lead participant*
17 *pursuant to this subsection, pay interest on the amount due from*
18 *the lead participant at the rate most recently established pursuant*
19 *to NRS 99.040 for each month, or portion thereof, from the last*
20 *day of the month following the period for which the payment*
21 *would have been made had the abatement not been approved until*
22 *the date of payment of the tax.*

23 7. The Secretary of State may, upon application by the
24 Executive Director of the Office, revoke or suspend the state
25 business license of the lead participant in a qualified project which
26 is required to repay any portion of transferable tax credits pursuant
27 to subsection ~~[2]~~ 3 or the amount of any abatement pursuant to
28 subsection ~~[4]~~ 5 or 6 and which the Office determines is not in
29 compliance with the provisions of this section governing repayment.
30 If the state business license of the lead participant in a qualified
31 project is suspended or revoked pursuant to this subsection, the
32 Secretary of State shall provide written notice of the action to the
33 lead participant. The Secretary of State shall not reinstate a state
34 business license suspended pursuant to this subsection or issue a
35 new state business license to the lead participant whose state
36 business license has been revoked pursuant to this subsection unless
37 the Executive Director of the Office provides proof satisfactory
38 to the Secretary of State that the lead participant is in compliance
39 with the requirements of this section governing repayment.

40 **Sec. 10.** NRS 372.7261 is hereby amended to read as follows:

41 372.7261 1. In administering the provisions of this chapter:

42 (a) The Department shall calculate the amount of tax imposed
43 on tangible personal property purchased for use in owning,
44 operating, manufacturing, servicing, maintaining, testing, repairing,



1 overhauling or assembling an aircraft or any component of an
2 aircraft as follows:

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

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

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

19 2. As used in this section:

20 (a) "Aircraft" has the meaning ascribed to it in paragraph (a) of
21 subsection ~~H2~~ **I3** of NRS 360.753.

22 (b) "Component of an aircraft" has the meaning ascribed to it in
23 paragraph (b) of subsection ~~H2~~ **I3** of NRS 360.753.

24 (c) "Contract" means any contract for the ownership, operation,
25 manufacture, service, maintenance, testing, repair, overhaul or
26 assembly of an aircraft or any component of an aircraft entered into
27 by a business.

28 **Sec. 11.** NRS 374.7261 is hereby amended to read as follows:
29 374.7261 1. In administering the provisions of this chapter:

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

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

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



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

6 2. As used in this section:

7 (a) "Aircraft" has the meaning ascribed to it in paragraph (a) of
8 subsection ~~H2~~ **I3** of NRS 360.753.

9 (b) "Component of an aircraft" has the meaning ascribed to it in
10 paragraph (b) of subsection ~~H2~~ **I3** of NRS 360.753.

11 (c) "Contract" means any contract for the ownership, operation,
12 manufacture, service, maintenance, testing, repair, overhaul or
13 assembly of an aircraft or any component of an aircraft entered into
14 by a business.

15 **Sec. 12.** NRS 231.1555 is hereby amended to read as follows:

16 231.1555 1. A person who intends to locate or expand a
17 business in this State may apply to the Office for a certificate of
18 eligibility for transferable tax credits which may be applied to:

19 (a) Any tax imposed by chapter 363A or 363B of NRS;

20 (b) The gaming license fee imposed by the provisions of
21 NRS 463.370;

22 (c) Any tax imposed by chapter 680B of NRS; or

23 (d) Any combination of the fees and taxes described in
24 paragraphs (a), (b) and (c).

25 2. After considering any advice and recommendations of the
26 Board, the Executive Director shall establish:

27 (a) Procedures for applying to the Office for a certificate of
28 eligibility for transferable tax credits which must:

29 (1) Include, without limitation, a requirement that the
30 applicant set forth in the application:

31 (I) The proposed use of the transferable tax credits;

32 (II) The plans, projects and programs for which the
33 transferable tax credits will be used;

34 (III) The expected benefits of the issuance of the
35 transferable tax credits; and

36 (IV) A statement of the short-term and long-term impacts
37 of the issuance of the transferable tax credits; and

38 (2) Allow the applicant to revise the application upon the
39 recommendation of the Executive Director.

40 (b) The criteria which a person to whom a certificate of
41 eligibility for transferable tax credits has been issued must satisfy to
42 be issued a certificate of transferable tax credits. *In addition to any*
43 *other criteria established by the Executive Director, to be eligible*
44 *to be issued transferable tax credits pursuant to this section, the*



1 *applicant must enter into an agreement with the Office*
2 *establishing a community benefits plan, which must:*

3 *(1) Include a brief description of the environmental,*
4 *economic and social effects that the applicant anticipates the*
5 *location or expansion of the business will have on the local*
6 *community that immediately surrounds the location of the*
7 *business;*

8 *(2) State that the business will proactively undertake*
9 *actions, beyond those incidental to the regular activities of the*
10 *business, to increase the vitality of the local community and*
11 *improve the social and economic well-being of the members of*
12 *that community;*

13 *(3) Detail the specific actions described in subparagraph*
14 *(2) that the business agrees to undertake during the period of the*
15 *agreement entered into pursuant to this paragraph, which may*
16 *include, without limitation, partnering with community-based*
17 *charitable or educational organizations, sponsoring educational*
18 *or vocational activities, participating in philanthropic endeavors*
19 *meant to specifically aid the local community and the members of*
20 *that community and establishing other programs to improve the*
21 *well-being of the local community and the members of that*
22 *community; and*

23 *(4) Include such other provisions as the Office may*
24 *require; and*

25 3. After receipt of an application pursuant to this section, the
26 Executive Director shall review and evaluate the application and
27 determine whether the approval of the application would promote
28 the economic development of this State and aid the implementation
29 of the State Plan for Economic Development developed by the
30 Executive Director pursuant to subsection 2 of NRS 231.053.

31 4. If the applicant is requesting transferable tax credits in an
32 amount of \$100,000 or less, the Executive Director may approve the
33 application, subject to the provisions of subsection 6, if the
34 Executive Director determines that approving the application will
35 promote the economic development of this State and aid the
36 implementation of the State Plan for Economic Development.

37 5. If the applicant is requesting transferable tax credits in an
38 amount greater than \$100,000, the Executive Director shall submit
39 the application and the Executive Director's review and evaluation
40 of the application pursuant to subsection 3 to the Board, and the
41 Board may approve the application, subject to the provisions of
42 subsection 6, if the Board determines that approving the application
43 will promote the economic development of this State and aid the
44 implementation of the State Plan for Economic Development.



1 6. The Executive Director or the Board shall not approve any
2 application for transferable tax credits for:

3 (a) A period of more than 5 fiscal years;

4 (b) Fiscal Year 2015-2016; or

5 (c) Any fiscal year if the approval of the application would
6 cause the total amount of transferable tax credits issued pursuant to
7 this section to exceed:

8 (1) For Fiscal Year 2016-2017, \$1,000,000.

9 (2) For Fiscal Year 2017-2018, \$2,000,000.

10 (3) For Fiscal Year 2018-2019, \$2,000,000.

11 (4) For Fiscal Year 2019-2020, \$3,000,000.

12 (5) For a fiscal year beginning on or after July 1, 2020,
13 \$5,000,000.

14 7. If the Executive Director or the Board approves an
15 application and issues a certificate of eligibility for transferable tax
16 credits, the Office shall immediately forward a copy of the
17 certificate of eligibility which identifies the estimated amount of the
18 tax credits available pursuant to this section to:

19 (a) The applicant;

20 (b) The Department of Taxation; and

21 (c) The Nevada Gaming Control Board.

22 8. Within 14 days after the Office determines that a person to
23 whom a certificate of eligibility for transferable tax credits has been
24 issued satisfies the criteria established by the Executive Director
25 pursuant to subsection 2, the Office shall notify the person that
26 transferable tax credits will be issued. Within 30 days after the
27 receipt of the notice, the person shall make an irrevocable
28 declaration of the amount of transferable tax credits that will be
29 applied to each fee or tax set forth in paragraphs (a), (b) and (c) of
30 subsection 1, thereby accounting for all of the credits which will be
31 issued. Upon receipt of the declaration, the Office shall issue to the
32 person a certificate of transferable tax credits in the amount
33 approved by the Executive Director or the Board, as applicable, for
34 the fees or taxes included in the declaration. The Office shall notify
35 the Department of Taxation and the Nevada Gaming Control Board
36 of all transferable tax credits issued, segregated by each fee or tax
37 set forth in paragraphs (a), (b) and (c) of subsection 1, and the
38 amount of any transferable tax credits transferred.

39 *9. The Office may investigate a business that is issued*
40 *transferable tax credits pursuant to this section to determine*
41 *whether the business is in substantial compliance with the terms of*
42 *the community benefits plan described in paragraph (b) of*
43 *subsection 2. If the Executive Director determines, based on an*
44 *investigation conducted pursuant to this section, that a business*
45 *has failed to substantially comply with the terms of such an*



1 *agreement, the business shall repay to the Department or the*
2 *Nevada Gaming Control Board, as applicable, an amount of*
3 *money equal to amount of transferable tax credits issued to the*
4 *business pursuant to this section.*

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

6 274.310 1. A person who intends to locate a business in this
7 State within:

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

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

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

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

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

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

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

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

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

44 (a) The business is consistent with:



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

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

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

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

13 (2) ~~That~~ *States that* the business will, after the date on
14 which the abatement becomes effective:

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

22 (II) Continue to meet the eligibility requirements set forth
23 in this subsection ~~;~~ ; *and*

24 (3) *Incorporates a community benefits plan, which must:*

25 (I) *Include a brief description of the environmental,*
26 *economic and social effects that the applicant anticipates the*
27 *location of the business will have on the local community that*
28 *immediately surrounds the location of the business;*

29 (II) *State that the business will proactively undertake*
30 *actions, beyond those incidental to the regular activities of the*
31 *business, to increase the vitality of the local community and*
32 *improve the social and economic well-being of the members of*
33 *that community;*

34 (III) *Detail the specific actions described in sub-*
35 *subparagraph (II) that the business agrees to undertake during*
36 *the duration of the agreement entered into pursuant to this*
37 *paragraph, which may include, without limitation, partnering with*
38 *community-based charitable or educational organizations,*
39 *sponsoring educational or vocational activities, participating in*
40 *philanthropic endeavors meant to specifically aid the local*
41 *community and the members of that community and establishing*
42 *other programs to improve the well-being of the local community*
43 *and the members of the community; and*

44 (IV) *Include such other provisions as the Office may*
45 *require.*



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

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

7 (d) The applicant invested or commits to invest a minimum of
8 \$500,000 in capital assets that will be retained at the location of the
9 business in the historically underutilized business zone, as defined
10 in 15 U.S.C. § 632, redevelopment area created pursuant to chapter
11 279 of NRS, area eligible for a community development block grant
12 pursuant to 24 C.F.R. Part 570 or enterprise community established
13 pursuant to 24 C.F.R. Part 597 until at least the date which is 5 years
14 after the date on which the abatement becomes effective.

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

18 (a) The Department of Taxation;

19 (b) The Nevada Tax Commission; and

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

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

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

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

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

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

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

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

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



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

12 8. *The Office of Economic Development may investigate a*
13 *business whose partial abatement is approved pursuant to this*
14 *section to determine whether the business is in substantial*
15 *compliance with the terms of the community benefits plan*
16 *described in subparagraph (3) of paragraph (b) of subsection 3. If*
17 *the Executive Director of the Office determines, based on an*
18 *investigation conducted pursuant to this subsection, that a*
19 *business has failed to substantially comply with the terms of such*
20 *an agreement, the business shall repay to the Department of*
21 *Taxation or, if the partial abatement was from the property tax*
22 *imposed pursuant to chapter 361 of NRS, to the county treasurer,*
23 *the amount of the partial abatement that was allowed pursuant to*
24 *this section. Except as otherwise provided in NRS 360.232 and*
25 *360.320, the business shall, in addition to the amount of the*
26 *partial abatement required to be paid pursuant to this subsection,*
27 *pay interest on the amount due at the rate most recently*
28 *established pursuant to NRS 99.040 for each month, or portion*
29 *thereof, from the last day of the month following the period for*
30 *which the payment would have been made had the partial*
31 *abatement not been approved until the date of payment of the tax.*

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

35 ~~9.1~~ 10. An applicant for an abatement who is aggrieved by a
36 final decision of the Office of Economic Development may petition
37 for judicial review in the manner provided in chapter 233B of NRS.

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

39 274.320 1. A person who intends to expand a business in this
40 State within:

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

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



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

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

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

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

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

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

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

32 (a) The business is consistent with:

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

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

37 (b) Not later than 1 year after the date on which the application
38 was received by the Office, the applicant has executed an agreement
39 with the Office which : ~~{states:}~~

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



1 (2) ~~[That]~~ *States that* the business will, after the date on
2 which the abatement becomes effective:

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

10 (II) Continue to meet the eligibility requirements set forth
11 in this subsection ~~[]~~; and

12 (3) *Incorporates a community benefits plan, which must:*

13 (I) *Include a brief description of the environmental,*
14 *economic and social effects that the applicant anticipates the*
15 *expansion of the business will have on the local community that*
16 *immediately surrounds the location of the business;*

17 (II) *State that the business will proactively undertake*
18 *actions, beyond those incidental to the regular activities of the*
19 *business, to increase the vitality of the local community and*
20 *improve the social and economic well-being of the members of*
21 *that community;*

22 (III) *Detail the specific actions described in sub-*
23 *paragraph (II) that the business agrees to undertake during*
24 *the duration of the agreement entered into pursuant to this*
25 *paragraph, which may include, without limitation, partnering with*
26 *community-based charitable or educational organizations,*
27 *sponsoring educational or vocational activities, participating in*
28 *philanthropic endeavors meant to specifically aid the local*
29 *community and the members of that community and establishing*
30 *other programs to improve the well-being of the local community*
31 *and the members of the community; and*

32 (IV) *Include such other provisions as the Office may*
33 *require.*

34 ➔ The agreement must bind successors in interest of the business
35 for the specified period.

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

40 (d) The applicant invested or commits to invest a minimum of
41 \$250,000 in capital equipment that will be retained at the location of
42 the business in the historically underutilized business zone, as
43 defined in 15 U.S.C. § 632, redevelopment area created pursuant to
44 chapter 279 of NRS, area eligible for a community development
45 block grant pursuant to 24 C.F.R. Part 570 or enterprise community



1 established pursuant to 24 C.F.R. Part 597 until at least the date
2 which is 5 years after the date on which the abatement becomes
3 effective.

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

7 (a) The Department of Taxation; and

8 (b) The Nevada Tax Commission.

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

11 (a) The partial abatement must be for a duration of not less than
12 1 year but not more than 5 years.

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

17 6. If an applicant for a partial abatement pursuant to this
18 section fails to execute the agreement described in paragraph (b) of
19 subsection 3 within 1 year after the date on which the application
20 was received by the Office, the applicant shall not be approved for a
21 partial abatement pursuant to this section unless the applicant
22 submits a new request pursuant to subsection 1.

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

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

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

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

42 8. *The Office of Economic Development may investigate a*
43 *business whose partial abatement is approved pursuant to this*
44 *section to determine whether the business is in substantial*
45 *compliance with the terms of the community benefits plan*



1 *described in subparagraph (3) of paragraph (b) of subsection 3. If*
2 *the Executive Director of the Office determines, based on an*
3 *investigation conducted pursuant to this subsection, that a*
4 *business has failed to substantially comply with the terms of such*
5 *an agreement, the business shall repay to the Department of*
6 *Taxation the amount of the partial abatement that was allowed*
7 *pursuant to this section. Except as otherwise provided in NRS*
8 *360.232 and 360.320, the business shall, in addition to the amount*
9 *of the partial abatement required to be paid pursuant to this*
10 *subsection, pay interest on the amount due at the rate most*
11 *recently established pursuant to NRS 99.040 for each month, or*
12 *portion thereof, from the last day of the month following the*
13 *period for which the payment would have been made had the*
14 *partial abatement not been approved until the date of payment of*
15 *the tax.*

16 9. The Office of Economic Development may adopt such
17 regulations as the Office determines to be necessary or advisable to
18 carry out the provisions of this section.

19 ~~9.1~~ 10. An applicant for an abatement who is aggrieved by a
20 final decision of the Office of Economic Development may petition
21 for judicial review in the manner provided in chapter 233B of NRS.

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

23 274.330 1. A person who owns a business which is located
24 within an enterprise community established pursuant to 24 C.F.R.
25 Part 597 in this State may submit a request to the governing body of
26 the county, city or town in which the business is located for an
27 endorsement of an application by the person to the Office of
28 Economic Development for a partial abatement of one or more of
29 the taxes imposed pursuant to chapter 361 of NRS or the local sales
30 and use taxes. The governing body of the county, city or town shall
31 provide notice of the request to the board of trustees of the school
32 district in which the business operates. The notice must set forth the
33 date, time and location of the hearing at which the governing body
34 will consider whether to endorse the application. As used in this
35 subsection, "local sales and use taxes" means the taxes imposed on
36 the gross receipts of any retailer from the sale of tangible personal
37 property sold at retail, or stored, used or otherwise consumed, in the
38 political subdivision in which the business is located, except the
39 taxes imposed by the Sales and Use Tax Act and the Local School
40 Support Tax Law.

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

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



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

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

9 (a) The business is consistent with:

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

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

14 (b) Not later than 1 year after the date on which the application
15 was received by the Office, the applicant has executed an agreement
16 with the Office which : ~~{states:}~~

17 (1) ~~{The}~~ *States the* date on which the abatement becomes
18 effective, as agreed to by the applicant and the Office, which must
19 not be earlier than the date on which the Office received the
20 application and not later than 1 year after the date on which the
21 Office approves the application; ~~{and}~~

22 (2) ~~{That}~~ *States that* the business will, after the date on
23 which the abatement becomes effective:

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

26 (II) Continue to meet the eligibility requirements set forth
27 in this subsection ~~{}~~; and

28 (3) *Incorporates a community benefits plan, which must:*

29 (I) *Include a brief description of the environmental,*
30 *economic and social effects that the applicant anticipates the*
31 *location of the business will have on the local community that*
32 *immediately surrounds the location of the business;*

33 (II) *State that the business will proactively undertake*
34 *actions, beyond those incidental to the regular activities of the*
35 *business, to increase the vitality of the local community and*
36 *improve the social and economic well-being of the members of*
37 *that community;*

38 (III) *Detail the specific actions described in sub-*
39 *subparagraph (II) that the business agrees to undertake during*
40 *the period of the agreement entered into pursuant to this*
41 *paragraph, which may include, without limitation, partnering with*
42 *community-based charitable or educational organizations,*
43 *sponsoring educational or vocational activities, participating in*
44 *philanthropic endeavors meant to specifically aid the local*
45 *community and the members of that community and establishing*



1 *other programs to improve the well-being of the local community*
2 *and the members of that community; and*

3 *(IV) Include such other provisions as the Office may*
4 *require.*

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

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

11 (d) The business:

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

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

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

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

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

26 (1) The Department of Taxation;

27 (2) The Nevada Tax Commission; and

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

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

33 (a) The partial abatement must be for a duration of not less than
34 1 year but not more than 5 years.

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

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



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

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

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

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

21 8. *The Office of Economic Development may investigate a*
22 *business whose partial abatement is approved pursuant to this*
23 *section to determine whether the business is in substantial*
24 *compliance with the terms of the community benefits plan*
25 *described in subparagraph (3) of paragraph (b) of subsection 3. If*
26 *the Executive Director of the Office determines, based on an*
27 *investigation conducted pursuant to this subsection, that a*
28 *business has failed to substantially comply with the terms of such*
29 *an agreement, the business shall repay to the Department of*
30 *Taxation or, if the partial abatement was from the property tax*
31 *imposed pursuant to chapter 361 of NRS, to the county treasurer,*
32 *the amount of the partial abatement that was allowed pursuant to*
33 *this section. Except as otherwise provided in NRS 360.232 and*
34 *360.320, the business shall, in addition to the amount of the*
35 *partial abatement required to be paid pursuant to this subsection,*
36 *pay interest on the amount due at the rate most recently*
37 *established pursuant to NRS 99.040 for each month, or portion*
38 *thereof, from the last day of the month following the period for*
39 *which the payment would have been made had the partial*
40 *abatement not been approved until the date of payment of the tax.*

41 9. The Office of Economic Development:

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



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

3 ~~19.1~~ **10.** An applicant for an abatement who is aggrieved by a
4 final decision of the Office of Economic Development may petition
5 for judicial review in the manner provided in chapter 233B of NRS.

6 ~~10.1~~ **11.** As used in this section, "dislocated worker" means a
7 person who:

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

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

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

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

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

19 **Sec. 16.** The amendatory provisions of this act apply only to
20 an application for an abatement from taxation for which a person
21 applies on or after July 1, 2025.

22 **Sec. 17.** 1. This section becomes effective upon passage and
23 approval.

24 2. Sections 1 to 16, inclusive, of this act become effective:

25 (a) Upon passage and approval for the purpose of adopting any
26 regulations and performing any other preparatory administrative
27 tasks that are necessary to carry out the provisions of this act; and

28 (b) On July 1, 2025, for all other purposes.

29 3. Sections 6 and 7 of this act expires by limitation on June 30,
30 2032.

31 4. Sections 2, 10 and 11 of this act expires by limitation on
32 June 30, 2035.

33 5. Sections 8 and 9 of this act expires by limitation on June 30,
34 2036.

35 6. Section 3 of this act expires by limitation on December 31,
36 2056.

