ASSEMBLY BILL NO. 1–COMMITTEE OF THE WHOLE

JUNE 4, 2013

Referred to Committee of the Whole

SUMMARY—Makes various changes concerning the abatement or deferment of certain taxes imposed on a new or expanded business. (BDR 32-9)

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

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

AN ACT relating to economic development; revising the provisions governing the partial abatement of certain taxes imposed on a new or expanded business; revising the provisions governing a deferment of the payment of the sales and use taxes due on certain property purchased by a new or expanded business; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes the Office of Economic Development to grant a partial abatement of property taxes, business taxes and sales and use taxes to a business that locates or expands in this State and meets certain qualifications for the abatement. (NRS 274.310, 274.320, 360.750, 361.0687, 363B.120, 374.357, 701A.210) **Section 2** of this bill repeals those qualifications that apply solely to a business that furthers the development and refinement of intellectual property, a patent or a copyright into a commercial product. **Sections 3, 4, 8 and 9** of this bill make various changes to those qualifications, including changes in the number of employees required and a requirement that any employees or capital investments used to qualify for the abatement must be retained at the location of the business for the first 5 years. **Sections 6.5, 7.3, 8, 9 and 9.5** of this bill establish the maximum duration and amount of the property tax and sales and use tax abatements available to a business that is or will be located in a historically underutilized business zone, a redevelopment area, an area eligible for a community development block grant or an enterprise community. **Section 5** of this bill, which expires by limitation on June 30, 2017, temporarily extends the maximum duration and amount of the property tax abatement available to a business that is or will be located in an activated foreign trade zone in this State.

Existing law authorizes the Office of Economic Development to grant to a new or expanded business in this State a deferment of the payment of sales and use taxes due on purchases of capital goods for a sales price of $100,000 or more. (NRS 372.397, 374.402) **Sections 6 and 7** of this bill make various changes to the qualifications for such a deferment, including an increase in the required sales price to $1 million and a requirement to retain the property at the location of the business in this State for the 5-year duration of the deferment, and require the taxpayer to begin making partial payments of the deferred taxes within 1 year after the deferment is granted.

Existing law authorizes the Director of the Office of Energy, in consultation with the Office of Economic Development, to grant a partial abatement of property taxes and local sales and use taxes to certain renewable energy facilities that locate in this State and meet certain qualifications for the abatement. (NRS 701A.300-701A.390) **Section 10** of this bill revises those qualifications to require that the capital investments used to qualify for the abatement must be retained at the location of the facility for the first 5 years.

Section 13 of this bill causes the tax abatements authorized pursuant to the amendatory provisions of this bill to cease to be effective on July 1, 2032.

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

Section 1. NRS 360.225 is hereby amended to read as follows:

360.225 1. During the course of an investigation undertaken pursuant to NRS 360.130 of a person claiming:

(a) A partial abatement of property taxes pursuant to NRS 361.0687;

(b) An exemption from taxes pursuant to NRS 363B.120;

(c) A deferral of the payment of taxes on the sale of ~~[capital goods]~~ ***eligible property*** pursuant to NRS 372.397 or 374.402; or

(d) An abatement of taxes on the gross receipts from the sale, storage, use or other consumption of eligible machinery or equipment pursuant to NRS 374.357,

➥ the Department shall investigate whether the person meets the eligibility requirements for the abatement, partial abatement, exemption or deferral that the person is claiming.

2. If the Department finds that the person does not meet the eligibility requirements for the abatement, exemption or deferral which the person is claiming, the Department shall report its findings to the Office of Economic Development and take any other necessary actions.

Sec. 2. NRS 360.750 is hereby amended to read as follows:

360.750 1. A person who intends to locate or expand a business in this State may apply to the Office of Economic Development for a partial abatement of one or more of the taxes imposed on the new or expanded business pursuant to chapter 361, 363B or 374 of NRS.

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

(a) The business is consistent with:

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

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

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

(1) Comply with the requirements of NRS 360.755;

(2) State that the business will, after the date on which ~~[a certificate of eligibility for]~~ the abatement ~~[is issued pursuant to subsection 4,]~~ ***becomes effective,*** continue in operation in this State for a period specified by the Office, which must be at least 5 years, and will continue to meet the eligibility requirements set forth in this subsection; and

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

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

(d) Except as otherwise provided in NRS 361.0687, if the business is a new business in a county whose population is 100,000 or more or a city whose population is 60,000 or more, the business meets at least two of the following requirements:

(1) The business will have 75 or more full-time employees on the payroll of the business by the fourth quarter that it is in operation.

(2) Establishing the business will require the business to make a capital investment of at least $1,000,000 in this State.

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

(I) The business will provide a health insurance plan for all employees that includes an option for health insurance coverage for dependents of the employees; and

(II) The cost to the business for the benefits the business provides to its employees in this State will meet the minimum requirements for benefits established by the Office by regulation pursuant to subsection 8.

(e) Except as otherwise provided in NRS 361.0687, if the business is a new business in a county whose population is less than 100,000 or a city whose population is less than 60,000, the business meets at least two of the following requirements:

(1) The business will have 15 or more full-time employees on the payroll of the business by the fourth quarter that it is in operation.

(2) Establishing the business will require the business to make a capital investment of at least $250,000 in this State.

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

(I) The business will provide a health insurance plan for all employees that includes an option for health insurance coverage for dependents of the employees; and

(II) The cost to the business for the benefits the business provides to its employees in this State will meet the minimum requirements for benefits established by the Office by regulation pursuant to subsection 8.

(f) If the business is an existing business, the business meets at least two of the following requirements:

(1) The business will increase the number of employees on its payroll by 10 percent more than it employed in the immediately preceding fiscal year or by six employees, whichever is greater.

(2) The business will expand by making a capital investment in this State in an amount equal to at least 20 percent of the value of the tangible property possessed by the business in the immediately preceding fiscal year. The determination of the value of the tangible property possessed by the business in the immediately preceding fiscal year must be made by the:

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

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

(3) The average hourly wage that will be paid by the existing business to its new employees in this State is at least the amount of the average hourly wage required to be paid by businesses pursuant to subparagraph (2) of either paragraph (a) or (b) of subsection 2 of NRS 361.0687, whichever is applicable, and:

(I) The business will provide a health insurance plan for all new employees that includes an option for health insurance coverage for dependents of the employees; and

(II) The cost to the business for the benefits the business provides to its new employees in this State will meet the minimum requirements for benefits established by the Office by regulation pursuant to subsection 8.

~~[(g) In lieu of meeting the requirements of paragraph (d), (e) or (f), if the business furthers the development and refinement of intellectual property, a patent or a copyright into a commercial product, the business meets at least two of the following requirements:~~

~~(1) The business will have 10 or more full-time employees on the payroll of the business by the fourth quarter that it is in operation.~~

~~(2) Establishing the business will require the business to make a capital investment of at least $500,000 in this State.~~

~~(3) The average hourly wage that will be paid by the new business to its employees in this State is at least the amount of the average hourly wage required to be paid by businesses pursuant to subparagraph (2) of either paragraph (a) or (b) of subsection 2 of NRS 361.0687, whichever is applicable, and:~~

~~(I) The business will provide a health insurance plan for all employees that includes an option for health insurance coverage for dependents of the employees; and~~

~~(II) The cost to the business for the benefits the business provides to its employees in this State will meet with minimum requirements established by the Office by regulation pursuant to subsection 8.]~~

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

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

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

(1) Approve an application for a partial abatement by a business that does not meet the requirements set forth in paragraph (d), ~~[(e), (f) or (g)]~~ ***(e) or (f)*** of subsection 2;

(2) Make the requirements set forth in paragraph (d), ~~[(e), (f) or (g)]~~ ***(e) or (f)*** of subsection 2 more stringent; or

(3) Add additional requirements that a business must meet to qualify for a partial abatement.

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

(a) The Department;

(b) The Nevada Tax Commission; and

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

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

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

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

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

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

7. A county treasurer:

(a) Shall deposit any money that he or she receives pursuant to subsection 6 in one or more of the funds established by a local government of the county pursuant to NRS 354.6113 or 354.6115; and

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

8. The Office of Economic Development:

(a) Shall adopt regulations relating to the minimum level of benefits that a business must provide to its employees if the business is going to use benefits paid to employees as a basis to qualify for a partial abatement; and

(b) May adopt such other regulations as the Office of Economic Development determines to be necessary to carry out the provisions of this section and NRS 360.755.

9. The Nevada Tax Commission:

(a) Shall adopt regulations regarding:

(1) The capital investment that a new business must make to meet the requirement set forth in paragraph ~~[(d), (e) or (g)]~~ ***(d) or (e)*** of subsection 2; and

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

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

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

Sec. 3. NRS 360.750 is hereby amended to read as follows:

360.750 1. A person who intends to locate or expand a business in this State may apply to the Office of Economic Development for a partial abatement of one or more of the taxes imposed on the new or expanded business pursuant to chapter 361, 363B or 374 of NRS.

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

(a) The business is consistent with:

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

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

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

(1) Comply with the requirements of NRS 360.755;

(2) State that the business will, after the date on which ~~[a certificate of eligibility for the abatement is issued pursuant to subsection 4,]~~ ***the abatement becomes effective,*** continue in operation in this State for a period specified by the Office, which must be at least 5 years, and will continue to meet the eligibility requirements set forth in this subsection; and

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

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

(d) Except as otherwise provided in NRS 361.0687, if the business is a new business in a county whose population is 100,000 or more or a city whose population is 60,000 or more, the business meets at least two of the following requirements:

(1) The business will have ~~[75]~~ ***50*** or more full-time employees on the payroll of the business by the fourth ***calendar*** quarter ~~[that it is in operation.]~~ ***following the calendar quarter in which the abatement becomes effective who will be employed at the location of the business in that county or city until at least the date which is 5 years after the date on which the abatement becomes effective.***

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

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

(I) The business will ***, by the fourth calendar quarter following the calendar quarter in which the abatement becomes effective,*** provide a health insurance plan for all employees that includes an option for health insurance coverage for dependents of the employees; and

(II) The cost to the business for the benefits the business provides to its employees in this State will meet the minimum requirements for benefits established by the Office by regulation pursuant to subsection 8.

(e) Except as otherwise provided in NRS 361.0687, if the business is a new business in a county whose population is less than 100,000 or a city whose population is less than 60,000, the business meets at least two of the following requirements:

(1) The business will have ~~[15]~~ ***10*** or more full-time employees on the payroll of the business by the fourth ***calendar*** quarter ~~[that it is in operation.]~~ ***following the calendar quarter in which the abatement becomes effective who will be employed at the location of the business in that county or city until at least the date which is 5 years after the date on which the abatement becomes effective.***

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

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

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

(I) The business will ***, by the fourth calendar quarter following the calendar quarter in which the abatement becomes effective,*** provide a health insurance plan for all employees that includes an option for health insurance coverage for dependents of the employees; and

(II) The cost to the business for the benefits the business provides to its employees in this State will meet the minimum requirements for benefits established by the Office by regulation pursuant to subsection 8.

(f) If the business is an existing business, the business meets at least two of the following requirements:

(1) ~~[The]~~ ***For a business in:***

(I) A county whose population is 100,000 or more or a city whose population is 60,000 or more, the business will, by the fourth calendar quarter following the calendar quarter in which the abatement becomes effective, increase the number of employees on its payroll in that county or city by 10 percent more than it employed in the fiscal year immediately preceding the fiscal year in which the abatement becomes effective or by twenty-five employees, whichever is greater, who will be employed at the location of the business in that county or city until at least the date which is 5 years after the date on which the abatement becomes effective; or

(II) A county whose population is less than 100,000 or a city whose population is less than 60,000, the business will ***, by the fourth calendar quarter following the calendar quarter in which the abatement becomes effective,*** increase the number of employees on its payroll ***in that county or city*** by 10 percent more than it employed in the ~~[immediately preceding]~~ fiscal year ***immediately preceding the fiscal year in which the abatement becomes effective*** or by six employees, whichever is greater ~~[.]~~ ***, who will be employed at the location of the business in that county or city until at least the date which is 5 years after the date on which the abatement becomes effective.***

(2) The business will expand by making a capital investment in this State ***, not later than the date which is 2 years after the date on which the abatement becomes effective,*** in an amount equal to at

least 20 percent of the value of the tangible property possessed by the business in the ~~[immediately preceding]~~ fiscal year ~~[.]~~ ***immediately preceding the fiscal year in which the abatement becomes effective, and the capital investment will be in capital assets that will be retained at the location of the business in that county or city until at least the date which is 5 years after the date on which the abatement becomes effective.*** The determination of the value of the tangible property possessed by the business in the immediately preceding fiscal year must be made by the:

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

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

(3) The average hourly wage that will be paid by the existing business to its new employees in this State is at least the amount of the average hourly wage required to be paid by businesses pursuant to subparagraph (2) of either paragraph (a) or (b) of subsection 2 of NRS 361.0687, whichever is applicable, and:

(I) The business will ***, by the fourth calendar quarter following the calendar quarter in which the abatement becomes effective,*** provide a health insurance plan for all new employees that includes an option for health insurance coverage for dependents of the employees; and

(II) The cost to the business for the benefits the business provides to its new employees in this State will meet the minimum requirements for benefits established by the Office by regulation pursuant to subsection 8.

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

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

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

(1) Approve an application for a partial abatement by a business that does not meet the requirements set forth in paragraph (d), (e) or (f) of subsection 2;

(2) Make the requirements set forth in paragraph (d), (e) or (f) of subsection 2 more stringent; or

(3) Add additional requirements that a business must meet to qualify for a partial abatement.

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

(a) The Department;

(b) The Nevada Tax Commission; and

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

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

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

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

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

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

7. A county treasurer:

(a) Shall deposit any money that he or she receives pursuant to subsection 6 in one or more of the funds established by a local government of the county pursuant to NRS 354.6113 or 354.6115; and

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

8. The Office of Economic Development:

(a) Shall adopt regulations relating to the minimum level of benefits that a business must provide to its employees if the business is going to use benefits paid to employees as a basis to qualify for a partial abatement; and

(b) May adopt such other regulations as the Office of Economic Development determines to be necessary to carry out the provisions of this section and NRS 360.755.

9. The Nevada Tax Commission:

(a) Shall adopt regulations regarding:

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

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

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

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

Sec. 3.5. NRS 360.757 is hereby amended to read as follows:

360.757 1. The Office of Economic Development shall not take any action on an application for any abatement of taxes pursuant to NRS 274.310, 274.320, 274.330 or 360.750 or any other specific statute unless the Office:

(a) Takes that action at a public ~~[hearing]~~ ***meeting*** conducted for that purpose; and

(b) At least 30 days before the ~~[hearing,]~~ ***meeting,*** provides notice of the application to:

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

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

(3) The general public.

2. The notice required by this section must set forth the date, time and location of the ~~[hearing]~~ ***meeting*** at which the Office of Economic Development will consider the application.

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

Sec. 4. NRS 361.0687 is hereby amended to read as follows:

361.0687 1. A person who intends to locate or expand a business in this State may, pursuant to NRS 360.750, apply to the Office of Economic Development for a partial abatement from the taxes imposed by this chapter.

2. For a business to qualify pursuant to NRS 360.750 for a partial abatement from the taxes imposed by this chapter, the Office of Economic Development must determine that, in addition to meeting the other requirements set forth in subsection 2 of that section:

(a) If the business is a new business in a county whose population is 100,000 or more or a city whose population is 60,000 or more:

(1) The business will ***, not later than the date which is 2 years after the date on which the abatement becomes effective,*** make a capital investment in the county ***or city*** of ~~[at]~~ ***:***

(I) ***At*** least $50,000,000 if the business is an industrial or manufacturing business ***;*** or ~~[at]~~

(II) ***At*** least $5,000,000 if the business is not an industrial or manufacturing business ~~[;]~~ ***,***

➥ ***in capital assets that will be retained at the location of the business in that county or city until at least the date which is 5 years after the date on which the abatement becomes effective;*** and

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

(b) If the business is a new business in a county whose population is less than 100,000 or a city whose population is less than 60,000:

(1) The business will ***, not later than the date which is 2 years after the date on which the abatement becomes effective,*** make a capital investment in the county ***or city*** of ~~[at]~~ ***:***

(I) ***At*** least $5,000,000 if the business is an industrial or manufacturing business ***;*** or ~~[at]~~

(II) ***At*** least $500,000 if the business is not an industrial or manufacturing business ~~[;]~~ ***,***

➥ ***in capital assets that will be retained at the location of the business in that county or city until at least the date which is 5 years after the date on which the abatement becomes effective;*** and

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

3. Except as otherwise provided in NRS 701A.210, if a partial abatement from the taxes imposed by this chapter is approved by the Office of Economic Development pursuant to NRS 360.750:

(a) The partial abatement must:

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

(2) Not exceed 50 percent of the taxes on personal property payable by a business each year pursuant to this chapter; and

(3) Be administered and carried out in the manner set forth in NRS 360.750.

(b) The Executive Director of the Office of Economic Development shall notify the county assessor of the county in which the business is ***or will be*** located of the approval of the partial abatement, including, without limitation, the duration and percentage of the partial abatement that the Office granted. The Executive Director shall, on or before April 15 of each year, advise the county assessor of each county in which a business qualifies for a partial abatement during the current fiscal year as to whether the business is still eligible for the partial abatement in the next succeeding fiscal year.

Sec. 5. NRS 361.0687 is hereby amended to read as follows:

361.0687 1. A person who intends to locate or expand a business in this State may, pursuant to NRS 360.750, apply to the Office of Economic Development for a partial abatement from the taxes imposed by this chapter.

2. For a business to qualify pursuant to NRS 360.750 for a partial abatement from the taxes imposed by this chapter, the Office of Economic Development must determine that, in addition to meeting the other requirements set forth in subsection 2 of that section:

(a) If the business is a new business in a county whose population is 100,000 or more or a city whose population is 60,000 or more:

(1) The business will, not later than the date which is 2 years after the date on which the abatement becomes effective, make a capital investment in the county or city of:

(I) At least ~~[$50,000,000]~~ ***$5,000,000*** if the business is an industrial or manufacturing business; or

(II) At least ~~[$5,000,000]~~ ***$1,000,000*** if the business is not an industrial or manufacturing business,

➥ in capital assets that will be retained at the location of the business in that county or city until at least the date which is 5 years after the date on which the abatement becomes effective; and

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

(b) If the business is a new business in a county whose population is less than 100,000 or a city whose population is less than 60,000:

(1) The business will, not later than the date which is 2 years after the date on which the abatement becomes effective, make a capital investment in the county or city of:

(I) At least ~~[$5,000,000]~~ ***$1,000,000*** if the business is an industrial or manufacturing business; or

(II) At least ~~[$500,000]~~ ***$250,000*** if the business is not an industrial or manufacturing business,

➥ in capital assets that will be retained at the location of the business in that county or city until at least the date which is 5 years after the date on which the abatement becomes effective; and

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

3. Except as otherwise provided in ***subsection 4 and*** NRS 701A.210, if a partial abatement from the taxes imposed by this chapter is approved by the Office of Economic Development pursuant to NRS 360.750:

(a) The partial abatement must:

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

(2) Not exceed 50 percent of the taxes on personal property payable by a business each year pursuant to this chapter; and

(3) Be administered and carried out in the manner set forth in NRS 360.750.

(b) The Executive Director of the Office of Economic Development shall notify the county assessor of the county in which the business is or will be located of the approval of the partial abatement, including, without limitation, the duration and percentage of the partial abatement that the Office granted. The Executive Director shall, on or before April 15 of each year, advise the county assessor of each county in which a business qualifies for a partial abatement during the current fiscal year as to whether the business is still eligible for the partial abatement in the next succeeding fiscal year.

4. Except as otherwise provided in NRS 701A.210, if a partial abatement from the taxes imposed by this chapter is approved by the Office of Economic Development pursuant to NRS 360.750 for a business which is or will be located in a foreign trade zone in this State, the partial abatement must:

(a) Be for a duration of at least 1 year but not more than 5 years; and

(b) Not exceed 75 percent of the taxes on personal property payable by a business each year pursuant to this chapter.

5. As used in this section, "foreign trade zone" means an activated foreign trade zone established, operated and maintained

in accordance with chapter 237A of NRS and any applicable federal laws.

Sec. 6. NRS 372.397 is hereby amended to read as follows:

372.397 1. ~~[Payment of the tax on the sale of capital goods for a sales price of $100,000 or more may be deferred without interest in accordance with this section. If the sales price is:~~

~~(a) At least $100,000 but less than $350,000, the tax must be paid within 12 months.~~

~~(b) At least $350,000 but less than $600,000, the tax must be paid within 24 months.~~

~~(c) At least $600,000 but less than $850,000, the tax must be paid within 36 months.~~

~~(d) At least $850,000 but less than $1,000,000, the tax must be paid within 48 months.~~

~~(e) One million dollars or more, the tax must be paid within 60 months.~~

~~➥ Payment must be made in each month at a rate which is at least sufficient to result in payment of the total obligation within the permitted period.~~

~~2.]~~ A person may apply to the Office of Economic Development for ~~[such]~~ a deferment ~~[.]~~ ***of the payment of the tax on the sale of eligible property for a sales price of $1,000,000 or more for use by the person in a business in this State.*** If a purchase is made outside of the State from a retailer who is not registered with the Department, an application for a deferment must be made in advance or, if the purchase has been made, within 60 days after the date on which the tax is due. If a purchase is made in this State from a retailer who is registered with the Department and to whom the tax is paid, an application must be made within 60 days after the payment of the tax. If the application for a deferment is approved, the taxpayer is eligible for a refund of the tax paid.

~~[3.]~~ ***2.*** The Office of Economic Development shall certify the person's eligibility for a deferment ***pursuant to this section*** if:

(a) ***The person meets the eligibility requirements set forth in NRS 360.750 for a partial abatement of the taxes imposed on the person pursuant to chapter 374 of NRS;***

(b) The purchase is consistent with the State Plan for Economic Development developed by the Executive Director of the Office pursuant to subsection 2 of NRS 231.053; and

~~[(b)]~~ ***(c)*** The Office determines that ~~[the]~~ ***:***

(1) The deferment is a significant factor in the decision of the person to locate or expand a business in this State ~~[.]~~ ***; and***

(2) The eligible property will be retained at the location of the person's business in this State until at least the date which is

5 years after the date on which the Office certifies the person's eligibility for the deferment.

➥ Upon certification, the Office shall immediately forward the deferment to the Nevada Tax Commission.

~~[4.]~~ ***3.*** Upon receipt of such a certification, the Nevada Tax Commission shall verify the sale, the price paid ***,*** ~~[and]~~ the date of the sale and ~~[assign]~~ the applicable period for payment of the deferred tax. It may require security for the payment in an amount which does not exceed the amount of tax deferred.

~~[5.]~~ ***4. If the Office of Economic Development certifies a person's eligibility for a deferment pursuant to this section:***

(a) Payment of the total amount of tax due on the sale of the eligible property must be deferred without interest for the 60-month period beginning on the date the Office makes that certification; and

(b) Payment of the tax must be made in each month, beginning not later than the date which is 1 year after the date on which the Office makes that certification, at a rate which is at least sufficient to result in payment of the total obligation within the period described in paragraph (a).

5. The Nevada Tax Commission shall adopt regulations governing:

(a) The aggregation of related purchases which are made to expand a business, establish a new business, or renovate or replace ~~[capital equipment;]~~ ***eligible property;*** and

(b) The period within which such purchases may be aggregated.

6. As used in this section, "eligible property" does not include any of the following capital assets:

(a) Buildings or the structural components of buildings;

(b) Equipment used by a public utility;

(c) Equipment used for medical treatment;

(d) Machinery or equipment used in mining; or

(e) Machinery or equipment used in gaming.

Sec. 6.5. Chapter 374 of NRS is hereby amended by adding thereto a new section to read as follows:

1. A person who maintains a business or intends to locate a business in a historically underutilized business zone, as defined in 15 U.S.C. § 632, redevelopment area created pursuant to NRS 279.382 to 279.685, inclusive, area eligible for a community development block grant pursuant to 24 C.F.R. Part 570 or enterprise community established pursuant to 24 C.F.R. Part 597 in this State may, pursuant to the applicable provisions of NRS 274.310, 274.320 or 274.330, apply to the Office of Economic Development for an abatement from the taxes imposed by this chapter on the gross receipts from the sale, and the storage, use or

other consumption, of eligible machinery or equipment for use by a business which has been approved for an abatement pursuant to NRS 274.310, 274.320 or 274.330.

2. If an application for an abatement is approved pursuant to NRS 274.310, 274.320 or 274.330:

(a) The taxpayer is eligible for an abatement from the tax imposed by this chapter for:

(1) Except as otherwise provided in subparagraph (2), a duration of not less than 1 year but not more than 5 years; or

(2) If the business is a data center that has invested or commits to invest during the period in which the abatement is effective, a minimum of $100,000,000 in the historically underutilized business zone, as defined in 15 U.S.C. § 632, redevelopment area created pursuant to NRS 279.382 to 279.685, inclusive, area eligible for a community development block grant pursuant to 24 C.F.R. Part 570 or enterprise community established pursuant to 24 C.F.R. Part 597, a duration of not less than 1 year but not more than 15 years.

(b) The abatement must be administered and carried out in the manner set forth in the applicable provisions of NRS 274.310, 274.320 or 274.330.

3. As used in this section, unless the context otherwise requires:

(a) "Data center" has the meaning ascribed to it in section 7.3 of this act.

(b) "Eligible machinery or equipment" means machinery or equipment for which a deduction is authorized pursuant to 26 U.S.C. § 179. The term does not include:

(1) Buildings or the structural components of buildings;

(2) Equipment used by a public utility;

(3) Equipment used for medical treatment;

(4) Machinery or equipment used in mining; or

(5) Machinery or equipment used in gaming.

Sec. 7. NRS 374.402 is hereby amended to read as follows:

374.402 1. ~~[Payment of the tax on the sale of capital goods for a sales price of $100,000 or more may be deferred without interest in accordance with this section. If the sales price is:~~

~~(a) At least $100,000 but less than $350,000, the tax must be paid within 12 months.~~

~~(b) At least $350,000 but less than $600,000, the tax must be paid within 24 months.~~

~~(c) At least $600,000 but less than $850,000, the tax must be paid within 36 months.~~

~~(d) At least $850,000 but less than $1,000,000, the tax must be paid within 48 months.~~

~~(c) One million dollars or more, the tax must be paid within 60 months.~~

~~➥ Payment must be made in each month at a rate which is at least sufficient to result in payment of the total obligation within the permitted period.~~

~~2.~~] A person may apply to the Office of Economic Development for [~~such~~] a deferment [~~.~~] ***of the payment of the tax on the sale of eligible property for a sales price of $1,000,000 or more for use by the person in a business in this State.*** If a purchase is made outside of the State from a retailer who is not registered with the Department, an application for a deferment must be made in advance or, if the purchase has been made, within 60 days after the date on which the tax is due. If a purchase is made in this State from a retailer who is registered with the Department and to whom the tax is paid, an application must be made within 60 days after the payment of the tax. If the application for a deferment is approved, the taxpayer is eligible for a refund of the tax paid.

[~~3.~~] ***2.*** The Office of Economic Development shall certify the person's eligibility for a deferment ***pursuant to this section*** if:

(a) ***The person meets the eligibility requirements set forth in NRS 360.750 for a partial abatement of the taxes imposed on the person pursuant to this chapter;***

(b) The purchase is consistent with the State Plan for Economic Development developed by the Executive Director of the Office pursuant to subsection 2 of NRS 231.053; and

[~~(b)~~] ***(c)*** The Office determines that [~~the~~] ***:***

(1) The deferment is a significant factor in the decision of the person to locate or expand a business in this State [~~.~~] ***; and***

(2) The eligible property will be retained at the location of the person's business in this State until at least the date which is 5 years after the date on which the Office certifies the person's eligibility for the deferment.

➥ Upon certification, the Office shall immediately forward the deferment to the Nevada Tax Commission.

[~~4.~~] ***3.*** Upon receipt of such a certification, the Nevada Tax Commission shall verify the sale, the price paid ***,*** [~~and~~] the date of the sale and [~~assign~~] the applicable period for payment of the deferred tax. It may require security for the payment in an amount which does not exceed the amount of tax deferred.

[~~5.~~] ***4. If the Office of Economic Development certifies a person's eligibility for a deferment pursuant to this section:***

(a) Payment of the total amount of tax due on the sale of the eligible property must be deferred without interest for the 60-month period beginning on the date the Office makes that certification; and

(b) Payment of the tax must be made in each month, beginning not later than the date which is 1 year after the date on which the Office makes that certification, at a rate which is at least sufficient to result in payment of the total obligation within the period described in paragraph (a).

5. The Nevada Tax Commission shall adopt regulations governing:

(a) The aggregation of related purchases which are made to expand a business, establish a new business, or renovate or replace ~~[capital equipment;]~~ ***eligible property;*** and

(b) The period within which such purchases may be aggregated.

6. As used in this section, "eligible property" does not include any of the following capital assets:

(a) Buildings or the structural components of buildings;

(b) Equipment used by a public utility;

(c) Equipment used for medical treatment;

(d) Machinery or equipment used in mining; or

(e) Machinery or equipment used in gaming.

Sec. 7.3. Chapter 274 of NRS is hereby amended by adding thereto a new section to read as follows:

"Data center" means one or more buildings located at one physical location which house a group of networked server computers for the purpose of centralizing the storage, management and dissemination of data and information pertaining to a particular business and includes the associated telecommunications and storage systems at the location.

Sec. 7.7. NRS 274.010 is hereby amended to read as follows:

274.010 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 274.020 to 274.080, inclusive, ***and section 7.3 of this act*** have the meanings ascribed to them in those sections.

Sec. 8. NRS 274.310 is hereby amended to read as follows:

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

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

(b) A redevelopment area created pursuant to NRS 279.382 to 279.685, inclusive;

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

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

➥ may submit a request to the governing body of the county, city or town in which the business would operate for an endorsement of an application by the person to the Office of Economic Development for a partial abatement of one or more of the taxes imposed pursuant to chapter 361 or 374 of NRS. The governing body of the county, city or town shall provide notice of the request to the board of trustees of the school district in which the business would operate. The notice must set forth the date, time and location of the hearing at which the governing body will consider whether to endorse the application.

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

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

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

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

(a) The business is consistent with:

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

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

(b) The applicant has executed an agreement with the Office which states that the business will, after the date on which ~~[a certificate of eligibility for]~~ the abatement ~~[is issued pursuant to subsection 4:]~~ ***becomes effective:***

(1) Commence operation and continue in operation in the historically underutilized business zone, as defined in 15 U.S.C. § 632, redevelopment area created pursuant to NRS 279.382 to 279.685, inclusive, area eligible for a community development block grant pursuant to 24 C.F.R. Part 570 or enterprise community established pursuant to 24 C.F.R. Part 597 for a period specified by the Office, which must be at least 5 years; and

(2) Continue to meet the eligibility requirements set forth in this subsection.

➥ The agreement must bind successors in interest of the business for the specified period.

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

(d) The applicant invested or commits to invest a minimum of $500,000 in capital ~~[.]~~ ***assets that will be retained at the location of***

the business in the historically underutilized business zone, as defined in 15 U.S.C. § 632, redevelopment area created pursuant to NRS 279.382 to 279.685, inclusive, area eligible for a community development block grant pursuant to 24 C.F.R. Part 570 or enterprise community established pursuant to 24 C.F.R. Part 597 until at least the date which is 5 years after the date on which the abatement becomes effective.

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

(a) The Department of Taxation;

(b) The Nevada Tax Commission; and

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

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

(a) The partial abatement must:

(1) Except as otherwise provided in subparagraph (2), be for a duration of not less than 1 year but not more than 5 years; or

(2) If the business is a data center that has invested or commits to invest during the period in which the abatement is effective a minimum of $100,000,000 in the historically underutilized business zone, as defined in 15 U.S.C. § 632, redevelopment area created pursuant to NRS 279.382 to 279.685, inclusive, area eligible for a community development block grant pursuant to 24 C.F.R. Part 570 or enterprise community established pursuant to 24 C.F.R. Part 597, be for a duration of not less than 1 year but not more than 15 years.

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

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

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

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

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

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

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

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

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

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

(b) A redevelopment area created pursuant to NRS 279.382 to 279.685, inclusive;

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

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

➥ may submit a request to the governing body of the county, city or town in which the business operates for an endorsement of an application by the person to the Office of Economic Development for a partial abatement of the taxes imposed on capital equipment pursuant to chapter 374 of NRS. The governing body of the county, city or town shall provide notice of the request to the board of trustees of the school district in which the business operates. The notice must set forth the date, time and location of the hearing at which the governing body will consider whether to endorse the application.

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

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

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

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

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

(a) The business is consistent with:

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

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

(b) The applicant has executed an agreement with the Office which states that the business will, after the date on which ~~[a certificate of eligibility for]~~ the abatement ~~[is issued pursuant to subsection 4:]~~ ***becomes effective:***

(1) Continue in operation in the historically underutilized business zone, as defined in 15 U.S.C. § 632, redevelopment area created pursuant to NRS 279.382 to 279.685, inclusive, area eligible for a community development block grant pursuant to 24 C.F.R. Part 570 or enterprise community established pursuant to 24 C.F.R. Part 597 for a period specified by the Office, which must be at least 5 years; and

(2) Continue to meet the eligibility requirements set forth in this subsection.

➥ The agreement must bind successors in interest of the business for the specified period.

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

(d) The applicant invested or commits to invest a minimum of $250,000 in capital equipment ~~[.]~~ ***that will be retained at the location of the business in the historically underutilized business zone, as defined in 15 U.S.C. § 632, redevelopment area created pursuant to NRS 279.382 to 279.685, inclusive, area eligible for a community development block grant pursuant to 24 C.F.R. Part 570 or enterprise community established pursuant to 24 C.F.R. Part 597 until at least the date which is 5 years after the date on which the abatement becomes effective.***

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

(a) The Department of Taxation; and

(b) The Nevada Tax Commission.

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

(a) The partial abatement must:

(1) Except as otherwise provided in subparagraph (2), be for a duration of not less than 1 year but not more than 5 years; or

(2) If the business is a data center that has invested or commits to invest during the period in which the abatement is effective a minimum of $100,000,000 in the historically underutilized business zone, as defined in 15 U.S.C. § 632, redevelopment area created pursuant to NRS 279.382 to 279.685, inclusive, area eligible for a community development block grant pursuant to 24 C.F.R. Part 570 or enterprise community established pursuant to 24 C.F.R. Part 597, be for a duration of not less than 1 year but not more than 15 years.

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

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

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

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

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

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

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

Sec. 9.5. NRS 274.330 is hereby amended to read as follows:

274.330 1. A person who owns a business which is located within an enterprise community established pursuant to 24 C.F.R. Part 597 in this State may submit a request to the governing body of the county, city or town in which the business is located for an endorsement of an application by the person to the Office of Economic Development for a partial abatement of one or more of the taxes imposed pursuant to chapter 361 or 374 of NRS. The governing body of the county, city or town shall provide notice of the request to the board of trustees of the school district in which the business operates. The notice must set forth the date, time and location of the hearing at which the governing body will consider whether to endorse the application.

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

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

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

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

(a) The business is consistent with:

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

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

(b) The applicant has executed an agreement with the Office which states that the business will, after the date on which ~~[a certificate of eligibility for]~~ the abatement ~~[is issued pursuant to subsection 4:]~~ ***becomes effective:***

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

(2) Continue to meet the eligibility requirements set forth in this subsection.

➥ The agreement must bind successors in interest of the business for the specified period.

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

(d) The business:

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

(2) Pays such employees a wage of not less than 100 percent of the federally designated level signifying poverty for a family of four persons and provides medical benefits to the employees and their dependents.

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

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

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

(1) The Department of Taxation;

(2) The Nevada Tax Commission; and

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

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

(a) The partial abatement must:

(1) Except as otherwise provided in subparagraph (2), be for a duration of not less than 1 year but not more than 5 years; or

(2) If the business is a data center that has invested or commits to invest during the period in which the abatement is effective a minimum of $100,000,000 in the enterprise community established pursuant to 24 C.F.R. Part 597, be for a duration of not less than 1 year but not more than 15 years.

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

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

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

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

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

~~[6.]~~ ***7.*** The Office of Economic Development:

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

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

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

~~[8.]~~ ***9.*** As used in this section, "dislocated worker" means a person who:

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

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

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

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

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

Sec. 10. NRS 701A.365 is hereby amended to read as follows:

701A.365 1. Except as otherwise provided in subsection 2, the Director, in consultation with the Office of Economic Development, shall approve an application for a partial abatement pursuant to NRS 701A.300 to 701A.390, inclusive, if the Director, in consultation with the Office of Economic Development, makes the following determinations:

(a) The applicant has executed an agreement with the Director which must:

(1) State that the facility will, after the date on which ~~[a certificate of eligibility for]~~ the abatement ~~[is issued pursuant to NRS 701A.370,]~~ ***becomes effective,*** continue in operation in this State for a period specified by the Director, which must be at least 10 years, and will continue to meet the eligibility requirements for the abatement; and

(2) Bind the successors in interest in the facility for the specified period.

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

(c) No funding is or will be provided by any governmental entity in this State for the acquisition, design or construction of the facility or for the acquisition of any land therefor, except any private activity bonds as defined in 26 U.S.C. § 141.

(d) If the facility will be located in a county whose population is 100,000 or more or a city whose population is 60,000 or more, the facility meets the following requirements:

(1) There will be 75 or more full-time employees working on the construction of the facility during the second quarter of construction, including, unless waived by the Director for good cause, at least 30 percent who are residents of Nevada;

(2) Establishing the facility will require the facility to make a capital investment of at least $10,000,000 in this State ~~[;]~~ ***in capital assets that will be retained at the location of the facility until at least the date which is 5 years after the date on which the abatement becomes effective;***

(3) The average hourly wage that will be paid by the facility to its employees in this State is at least 110 percent of the average statewide hourly wage, excluding management and administrative employees, as established by the Employment Security Division of the Department of Employment, Training and Rehabilitation on July 1 of each fiscal year; and

(4) The average hourly wage of the employees working on the construction of the facility will be at least 150 percent of the average statewide hourly wage, excluding management and administrative employees, as established by the Employment Security Division of the Department of Employment, Training and Rehabilitation on July 1 of each fiscal year and:

(I) The employees working on the construction of the facility must be provided a health insurance plan that includes an option for health insurance coverage for dependents of the employees; and

(II) The cost of the benefits provided to the employees working on the construction of the facility will meet the minimum requirements for benefits established by the Director by regulation pursuant to NRS 701A.390.

(e) If the facility will be located in a county whose population is less than 100,000 or a city whose population is less than 60,000, the facility meets the following requirements:

(1) There will be 50 or more full-time employees working on the construction of the facility during the second quarter of construction, including, unless waived by the Director for good cause, at least 30 percent who are residents of Nevada;

(2) Establishing the facility will require the facility to make a capital investment of at least $3,000,000 in this State ~~[;]~~ ***in capital assets that will be retained at the location of the facility until at***

least the date which is 5 years after the date on which the abatement becomes effective;

(3) The average hourly wage that will be paid by the facility to its employees in this State is at least 110 percent of the average statewide hourly wage, excluding management and administrative employees, as established by the Employment Security Division of the Department of Employment, Training and Rehabilitation on July 1 of each fiscal year; and

(4) The average hourly wage of the employees working on the construction of the facility will be at least 150 percent of the average statewide hourly wage, excluding management and administrative employees, as established by the Employment Security Division of the Department of Employment, Training and Rehabilitation on July 1 of each fiscal year and:

(I) The employees working on the construction of the facility must be provided a health insurance plan that includes an option for health insurance coverage for dependents of the employees; and

(II) The cost of the benefits provided to the employees working on the construction of the facility will meet the minimum requirements for benefits established by the Director by regulation pursuant to NRS 701A.390.

(f) The financial benefits that will result to this State from the employment by the facility of the residents of this State and from capital investments by the facility in this State will exceed the loss of tax revenue that will result from the abatement.

(g) The facility is consistent with the State Plan for Economic Development developed by the Executive Director of the Office of Economic Development pursuant to subsection 2 of NRS 231.053.

2. The Director shall not approve an application for a partial abatement of the taxes imposed pursuant to chapter 361 of NRS submitted pursuant to NRS 701A.360 by a facility for the generation of electricity from geothermal resources unless the application is approved pursuant to this subsection. The board of county commissioners of a county must approve or deny the application not later than 30 days after the board receives a copy of the application. The board of county commissioners must not condition the approval of the application on a requirement that the facility for the generation of electricity from geothermal resources agree to purchase, lease or otherwise acquire in its own name or on behalf of the county any infrastructure, equipment, facilities or other property in the county that is not directly related to or otherwise necessary for the construction and operation of the facility. If the board of county commissioners does not approve or deny the application within 30

days after the board receives the application, the application shall be deemed denied.

3. Notwithstanding the provisions of subsection 1, the Director, in consultation with the Office of Economic Development, may, if the Director, in consultation with the Office, determines that such action is necessary:

(a) Approve an application for a partial abatement for a facility that does not meet the requirements set forth in paragraph (d) or (e) of subsection 1; or

(b) Add additional requirements that a facility must meet to qualify for a partial abatement.

4. The Director shall cooperate with the Office of Economic Development in carrying out the provisions of this section.

5. The Director shall submit to the Office of Economic Development an annual report, at such a time and containing such information as the Office may require, regarding the partial abatements granted pursuant to this section.

Sec. 11. The Legislature hereby finds that each exemption provided by this act from any ad valorem tax on property or excise tax on the sale, storage, use or consumption of tangible personal property sold at retail:

1. Will achieve a bona fide social or economic purpose and that the benefits of the exemption are expected to exceed any adverse effect of the exemption on the provision of services to the public by the State or a local government that would otherwise receive revenue from the tax from which the exemption would be granted; and

2. Will not impair adversely the ability of the State or a local government to pay, when due, all interest and principal on any outstanding bonds or any other obligations for which revenue from the tax from which the exemption would be granted was pledged.

Sec. 12. 1. The amendatory provisions of sections 1 to 10, inclusive, of this act do not apply to or otherwise affect any abatement of taxes or deferment of the payment of taxes approved by the Office of Economic Development or the Director of the Office of Energy before July 1, 2013.

2. The expiration of section 5 of this act by limitation pursuant to section 15 of this act does not affect any abatement of taxes approved by the Office of Economic Development before July 1, 2017.

Sec. 13. Notwithstanding the provisions of NRS 274.310, 274.320, 360.750, 361.0687, 363B.120, 374.357, 701A.210 and 701A.300 to 701A.390, inclusive, a person is not, after June 30, 2032, entitled to any abatement of taxes approved by the Office of Economic Development or the Director of the Office of Energy pursuant to those provisions on or after July 1, 2013, and before July 1, 2032.

Sec. 14. The provisions of NRS 218D.355 do not apply to this act.

Sec. 15. 1. This act becomes effective:

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

(b) On July 1, 2013, for all other purposes.

2. Section 5 of this act expires by limitation on June 30, 2017.

3. Sections 3, 4, 6.5 and 7.3 to 10, inclusive, of this act expire by limitation on June 30, 2032.