

Amendment No. 977

Senate Amendment to Assembly Bill No. 449 First Reprint (BDR 18-726)

Proposed by: Senate Select Committee on Economic Growth and Employment**Amends:** Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

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

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) *green bold italic underlining* is new language proposed in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill that is proposed to be retained in this amendment; and (6) *green bold underlining* is newly added transitory language.

BFG



Date: 6/6/2011

A.B. No. 449—Revises provisions relating to economic development.
(BDR 18-726)



ASSEMBLY BILL NO. 449—ASSEMBLYMEN OCEGUERA, KIRKPATRICK, CONKLIN, SMITH, GOICOECHEA; AIZLEY, ANDERSON, ATKINSON, BENITEZ-THOMPSON, BOBZIEN, BROOKS, BUSTAMANTE ADAMS, CARLTON, CARRILLO, DALY, DIAZ, DONDERO LOOP, ELLISON, FLORES, FRIERSON, GOEDHART, GRADY, HAMBRICK, HAMMOND, HANSEN, HARDY, HICKEY, HOGAN, HORNE, KIRNER, KITE, LIVERMORE, MASTROLUCA, MUNFORD, NEAL, OHRENSCHALL, PIERCE, SEGERBLOM, SHERWOOD, STEWART AND WOODBURY

MARCH 21, 2011

JOINT SPONSORS: SENATORS HORSFORD AND MCGINNESS

Referred to Committee on Ways and Means

SUMMARY—Revises provisions relating to economic development. (BDR 18-726)

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; creating ~~an~~ **and prescribing the duties of the** Advisory Council on Economic Development; ~~[prescribing the duties of the Advisory Council];~~ creating **and prescribing the duties and powers of** the Board of Economic Development; ~~[prescribing the duties and powers of the Board];~~ creating **and prescribing the duties and powers of** the ~~[Office and the]~~ Executive Director of the Office; establishing a fund to provide grants and loans to regional development ~~[agencies];~~ **authorities** for the purpose of economic development; establishing a fund to provide financial assistance to certain institutions within the Nevada System of Higher Education for the development and commercialization of new technologies; amending provisions relating to the Commission on Economic Development, the Governor's Workforce Investment Board and the Secretary of State's business portal; transferring the duties and powers of the Commission on Economic Development to the Office of Economic Development; revising the provisions governing certain partial abatements from taxation and the issuance of certain revenue bonds; revising and repealing various provisions relating to economic development; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

The provisions of this bill establish a structure for the economic development programs of this State. **Section 8** creates an Advisory Council on Economic Development and prescribes its duties. **Section 10** creates the Board of Economic Development, consisting of the Governor or his or her designee, the Lieutenant Governor or his or her designee, the Secretary of State or his or her designee, the Chancellor of the Nevada System of Higher Education or his or her designee and seven persons appointed by the Governor, the Speaker of the Assembly, the Majority Leader of the Senate, the Minority Leaders of the Assembly and Senate and the Department of Employment, Training and Rehabilitation. **Sections 12 and 13** create the Office of Economic Development within the Office of the Governor and the position of Executive Director of the Office, who must be appointed by the Governor from a list of three persons recommended by the Board. **Section 11** prescribes the duties of the Board. **Sections 14 and 15** prescribe the duties of the Office and its Executive Director, which include, without limitation, the development of a State Plan for Economic Development and the designation of regional development ~~agencies~~ **authorities** for the regions of this State. **Section 86** repeals the provisions authorizing the establishment of regional development districts by the Governor. **Section 15.5 of this bill authorizes the Office of Economic Development to enter into certain contracts with regional development authorities for services which promote the economic development of this State and aid the implementation of the State Plan for Economic Development.** On and after July 1, 2012, **sections 82 and 83** authorize the Office and its Executive Director to coordinate, oversee and reorganize the programs for economic development in this State consistently with the State Plan for Economic Development. On July 1, 2012, **sections 1.5, 24-29, 30, 31, 31.7-36, 43-45, 47-51, 54-69, 71 and 79-80** transfer the existing powers and duties of the Commission on Economic Development to the Office of Economic Development and require the coordination of certain activities of various public entities with the activities of the Office. In addition, **sections 49-51** require the recipients of certain partial tax abatements approved by the Office to repay the abated amounts if the recipients cease to meet the eligibility requirements for the abatements.

Sections 52.3-53.7 of this bill require the Director of the Department of Business and Industry to obtain the approval of the Office of Economic Development before the Director issues certain revenue bonds for industrial development.

Section 70 of this bill ~~transfers the authority to grant~~ **amends provisions concerning** partial abatements of property taxes for certain energy-efficient buildings ~~from~~ **to require** the Director of the Office of Energy to **consult with** the Office of Economic Development and requires the recipients of those abatements to repay the abated amounts if the recipients cease to meet the eligibility requirements for the abatements.

Sections 72-78 of this bill ~~transfer the authority to grant~~ **amend provisions concerning** partial tax abatements for certain renewable energy facilities ~~from~~ **to require consultation between** the Nevada Energy Commissioner ~~to~~ **and** the Office of Economic Development **in granting the partial tax abatements** and **to** require the recipients of those abatements to repay the abated amounts if the recipients cease to meet the eligibility requirements for the abatements.

Sections 9, 16, 17 ~~to~~ and 17.5 ~~and 46~~ of this bill create and provide for the administration of the Catalyst Fund. ~~Under section 46, during the 2011-2012 Fiscal Year, \$10,000,000 must be transferred to the Catalyst Fund from the Abandoned Property Trust Account in the State General Fund. This~~ **The money in the Catalyst Fund** does not revert and may be supplemented by gifts, grants, donations, bequests or other sources of money. **Section 9** authorizes the Commission on Economic Development to make, after considering the advice and recommendations of the Advisory Council on Economic Development, grants or loans of money from the Catalyst Fund to regional development ~~agencies~~ **authorities.** The grants or loans must be used to make grants or loans to, or investments in, businesses seeking to create or expand in this State or relocate to this State. On July 1, 2012, **section 17** transfers the authority to make those grants or loans to the Executive Director of the Office of Economic Development.

Sections 18-22 establish a program for the development and commercialization of research and technology at the University of Nevada, Las Vegas, the University of Nevada, Reno, and the Desert Research Institute. **Section 19** creates the Knowledge Fund. **Section 22** requires the Executive Director of the Office of Economic Development to allocate money in

the Knowledge Fund to be used by the Universities and the Desert Research Institute to provide funding for: (1) the recruitment, hiring and retention of faculty and teams to conduct research in science and technology; (2) research laboratories and related equipment; (3) the construction of research clinics, institutes and facilities and related buildings in this State; and (4) matching funds for federal and private grants that further economic development. Under **section 21**, the Executive Director must use money in the Knowledge Fund to establish a technology outreach program at strategic locations throughout this State and ensure that the program assists with the development of commercial applications of research. **Section 20** requires the Executive Director to establish economic development goals and objectives for these programs and to monitor the programs and the use of money from the Knowledge Fund. **Section 19.3** authorizes the Executive Director, the University of Nevada, Las Vegas, the University of Nevada, Reno and the Desert Research Institute to enter into agreements for the allocation of commercialization revenue generated from programs receiving money from the Knowledge Fund.

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

Section 1. NRS 223.085 is hereby amended to read as follows:

223.085 1. The Governor may, within the limits of available money, employ such persons as he or she deems necessary to provide an appropriate staff for the Office of the Governor, including, without limitation, *the Office of Economic Development*, the Office of Science, Innovation and Technology and the Governor's mansion. Any such employees are not in the classified or unclassified service of the State and, *except as otherwise provided in sections 12 and 13 of this act*, serve at the pleasure of the Governor.

2. The Governor shall:

(a) Determine the salaries and benefits of the persons employed pursuant to subsection 1, within limits of money available for that purpose; and

(b) Adopt such rules and policies as he or she deems appropriate to establish the duties and employment rights of the persons employed pursuant to subsection 1.

Sec. 1.5. NRS 223.610 is hereby amended to read as follows:

223.610 The Director of the Office of Science, Innovation and Technology shall:

1. Advise the Governor *and the Executive Director of the Office of Economic Development* on matters relating to science, innovation and technology.

2. Work in coordination with the ~~{Commission on}~~ *Office of Economic Development* to establish criteria and goals for economic development and diversification in this State in the areas of science, innovation and technology.

3. As directed by the Governor ~~{}~~ *and the Executive Director of the Office of Economic Development*, identify, recommend and carry out policies related to science, innovation and technology.

4. Report periodically to the ~~{Chair and}~~ Executive Director of the ~~{Commission on}~~ *Office of Economic Development* concerning the administration of the policies and programs of the Office of Science, Innovation and Technology.

5. Develop and coordinate efforts to attract biotechnological companies to this State.

6. Establish and maintain a clearinghouse of information regarding biotechnological business in this State.

7. *In carrying out his or her duties pursuant to this section, consult with the Executive Director of the Office of Economic Development and cooperate with the Executive Director in implementing the State Plan for Economic*

1 *Development developed by the Executive Director pursuant to subsection 2 of*
2 *section 14 of this act.*

3 Sec. 2. Chapter 231 of NRS is hereby amended by adding thereto the
4 provisions set forth as sections 2 to 22, inclusive, of this act.

5 Sec. 3. *As used in this chapter, unless the context otherwise requires, the*
6 *words and terms defined in sections ~~4.4~~ 3.5 to 7.5, inclusive, of this act have the*
7 *meanings ascribed to them in those sections.*

8 Sec. 3.5. *“Administrative or operating purposes” includes, without*
9 *limitation, the dissemination of program information, marketing, grant writing,*
10 *accounting services, legal services, travel and training.*

11 Sec. 4. *“Board” means the Board of Economic Development created by*
12 *section 10 of this act.*

13 Sec. 4.5. *“Development resource” means any funding or other resource for*
14 *economic development, including, without limitation, a structured lease of real*
15 *property. The term does not include any funding for administrative or operating*
16 *purposes or any grant, loan or allocation of money from the Catalyst Fund*
17 *created by section 16 of this act or the Knowledge Fund created by section 19 of*
18 *this act.*

19 Sec. 5. *“Executive Director” means the Executive Director of the Office.*

20 Sec. 6. *“Office” means the Office of Economic Development created by*
21 *section 12 of this act.*

22 Sec. 7. *“Organization for economic development” means an organization*
23 *which promotes, aids or encourages economic development in this State or a*
24 *locality or region of this State.*

25 Sec. 7.5. *“Regional development ~~agency~~ authority” means an*
26 *organization for economic development which is:*

27 1. *A local governmental entity ~~for~~ composed solely of two or more local*
28 *governmental entities ~~for~~ or a private nonprofit entity; and*

29 2. *Designated by the Executive Director as a regional development ~~agency~~*
30 *authority pursuant to subsection 4 of section 14 of this act.*

31 Sec. 8. 1. *The Advisory Council on Economic Development is hereby*
32 *created. The Advisory Council consists of:*

- 33 (a) *The Governor;*
34 (b) *The Lieutenant Governor;*
35 (c) *The Speaker of the Assembly;*
36 (d) *The Majority Leader of the Senate;*
37 (e) *The Minority Leader of the Assembly;*
38 (f) *The Minority Leader of the Senate; and*
39 (g) *The Secretary of State.*

40 2. *The Lieutenant Governor shall serve as the Chair of the Advisory*
41 *Council.*

42 3. *The members of the Advisory Council shall serve without compensation*
43 *except that ~~for~~ to the extent approved by :*

44 (a) *Upon the prior approval of the Executive Director, the members of the*
45 *Advisory Council who are not Legislators are entitled to receive the per diem*
46 *allowance and travel expenses provided for state officers and employees generally*
47 *while engaged in the official business of the Advisory Council ~~for~~; and*

48 (b) *For each day or portion of a day during which a member of the Advisory*
49 *Council who is a Legislator is engaged in the official business of the Advisory*
50 *Council, except during a regular or special session of the Legislature, the*
51 *Legislator is entitled to receive the per diem allowance provided for state officers*
52 *generally and the travel expenses provided pursuant to NRS 218A.655. The per*

diem allowances and travel expenses of the members of the Advisory Council who are Legislators must be paid from the Legislative Fund.

4. The members of the Advisory Council shall:

(a) Meet at least once each quarter to discuss the efforts made by each member to further the economic development of this State and the results and expected results of those efforts.

(b) Market this State to further the economic development of this State and, after the Executive Director has developed the State Plan for Economic Development pursuant to subsection 2 of section 14 of this act, conduct such marketing in accordance with the State Plan for Economic Development. The efforts made pursuant to this paragraph may include, without limitation, attending industry conferences, publicizing the economic development programs of this State and meeting with the leaders of businesses who express interest in expanding or relocating in this State.

(c) Provide advice to the Board concerning the economic development of this State.

Sec. 9. 1. In consultation with the Advisory Council on Economic Development created by section 8 of this act, the Commission on Economic Development shall:

(a) Evaluate the performance of local and regional organizations for economic development in this State and, based on the evaluation, make recommendations concerning the funding of or withdrawal of funding from specific local and regional organizations for economic development.

(b) Establish procedures for applying to the Commission on Economic Development for a development resource or a grant or loan of money from the Catalyst Fund created by section 16 of this act. The procedures must:

(1) Include, without limitation, a requirement that applications for development resources, grants or loans must set forth:

(I) The proposed use of the development resource, grant or loan;

(II) The plans, projects and programs for which the development resource, grant or loan will be used;

(III) The expected benefits of the development resource, grant or loan; and

(IV) A statement of the short-term and long-term impacts of the use of the development resource, grant or loan; and

(2) Allow an applicant to revise his or her application upon the recommendation of the Commission on Economic Development.

(c) Develop the criteria for awarding grants and loans from the Catalyst Fund created by section 16 of this act.

(d) Develop criteria for evaluating the performance of local and regional organizations for economic development.

(e) Establish requirements for reports from the recipients of development resources and grants or loans of money from the Catalyst Fund concerning the use thereof. The requirements must include, without limitation, a requirement that the recipient of a grant or loan of money include in such a report:

(1) A description of each activity undertaken with money from the grant or loan and the amount of money used for each such activity;

(2) The return on the money provided by the grant or loan;

(3) A statement of the benefit to the public from the grant or loan; and

(4) Such documentation as the Commission deems appropriate to support the information provided in the report.

~~2. Upon receipt of an application for a development resource, or a grant or loan of money from the Catalyst Fund created by section 16 of this act, the~~

~~Commission on Economic Development may provide development resources or make grants or loans of money from the Catalyst Fund to regional development agencies that apply for such development resources, grants or loans. The development resource, grant or loan must be used to provide development resources, grants or loans to, or to make investments in, businesses seeking to create or expand in this State or relocate to this State.~~ In accordance with the procedures established pursuant to subsection 1 and subject to the requirements of this section:

(a) A regional development authority which is a local government or composed solely of two or more local governmental entities; or

(b) A private nonprofit regional development authority acting in partnership with a regional development authority which is a local government or composed solely of two or more local governments.

may apply to the Commission on Economic Development for a grant or loan of money from the Catalyst Fund created pursuant to section 16 of this act. If a private nonprofit regional development authority acting in partnership with a regional development authority which is a local government or composed solely of two or more local governments applies for a grant or loan of money from the Catalyst Fund, the regional development authority which is a local government or composed solely of two or more local governments must be the entity which submits the application and receives and distributes the grant or loan.

3. In accordance with the procedures established pursuant to subsection 1 and subject to the requirements of this subsection, a regional development authority may apply to the Commission on Economic Development for a development resource. A private nonprofit regional development authority applying for a development resource which is a grant or loan of money must apply in partnership with a regional development authority which is a local government or composed solely of two or more local governments. Any development resource which is a grant or loan of money must be received and distributed by the regional development authority which is a local government or composed solely of two or more local governments.

4. Upon receipt of an application pursuant to subsection 2 or 3, the Commission on Economic Development shall review the application and determine whether the approval of the application would promote the economic development of this State. If the Commission determines that approving the application will promote the economic development of this State, the Commission may approve the application and provide a development resource or make a grant or loan of money from the Catalyst Fund to the applicant.

5. Except as otherwise provided in this subsection or another specific statute, each development resource or grant or loan of money from the Catalyst Fund which the Commission on Economic Development provides to a regional development authority must be used to provide development resources, grants or loans to, or to make investments in, businesses seeking to create or expand in this State or relocate to this State. The Commission on Economic Development may provide a development resource or a grant or loan of money to a regional development authority to be used for administrative or operating expenses, but no money from the Catalyst Fund may be used by any organization for economic development for such purposes.

6. Before providing a development resource, grant or loan to a regional development ~~(agency)~~ authority pursuant to ~~(this subsection)~~ subsection 4, the Commission shall enter into an agreement with the regional development ~~(agency)~~ authority which sets forth terms and conditions for the development resource, grant or loan, including, without limitation, a requirement that the

1 regional development ~~agency~~ authority must enter into a separate agreement
2 with each business to which the regional development ~~agency~~ authority provides
3 any portion of the development resource, grant or loan which requires the
4 business to return the development resource, grant or loan to the Commission if it
5 is not used in accordance with the agreement between the regional development
6 ~~agency~~ authority and the Commission.

7 ~~3.7~~ 7. The Advisory Council on Economic Development shall provide
8 advice and recommendations to assist the Commission on Economic
9 Development in carrying out the duties prescribed by this section. The
10 Commission must consider the advice and recommendations of the Advisory
11 Council but is not required to follow the advice and recommendations of the
12 Advisory Council, and any such recommendations are advisory in nature.

13 Sec. 10. 1. There is hereby created the Board of Economic Development,
14 consisting of:

15 (a) The following voting members:

16 (1) The Governor or his or her designee;

17 (2) The Lieutenant Governor or his or her designee;

18 (3) The Secretary of State or his or her designee; and

19 (4) Six members who must be selected from the private sector and
20 appointed as follows:

21 (I) Three members appointed by the Governor;

22 (II) One member appointed by the Speaker of the Assembly;

23 (III) One member appointed by the Majority Leader of the Senate;

24 and

25 (IV) One member appointed by the Minority Leader of the Assembly
26 or the Minority Leader of the Senate. The Minority Leader of the ~~Assembly~~
27 Senate shall appoint the member for the initial term, the Minority Leader of the
28 ~~Senate~~ Assembly shall appoint the member for the next succeeding term, and
29 thereafter, the authority to appoint the member for each subsequent term
30 alternates between the Minority Leader of the Assembly and the Minority Leader
31 of the Senate.

32 (b) The following nonvoting members:

33 (1) The Chancellor of the Nevada System of Higher Education or his or
34 her designee; and

35 (2) One member appointed by the Department of Employment, Training
36 and Rehabilitation from the membership of the Governor's Workforce
37 Investment Board.

38 2. In appointing the members of the Board described in subsection 1, the
39 appointing authorities shall coordinate the appointments when practicable so that
40 the members of the Board represent the diversity of this State, including, without
41 limitation, different strategically important industries, different geographic
42 regions of this State and different professions.

43 3. The Governor or his or her designee shall serve as the Chair of the
44 Board.

45 4. Except as otherwise provided in this subsection, the members of the
46 Board appointed pursuant to subparagraph (4) of paragraph (a) of subsection 1
47 and subparagraph (2) of paragraph (b) of subsection 1 are appointed for terms of
48 4 years. The initial members of the Board shall by lot select three of the initial
49 members of the Board appointed pursuant to subparagraph (4) of paragraph (a)
50 of subsection 1 to serve an initial term of 2 years.

51 5. Vacancies in the appointed positions on the Board must be filled by the
52 appointing authority for the unexpired term.

6. The Executive Director shall serve as the nonvoting Secretary of the Board.

7. A majority of the Board constitutes a quorum, and a majority of the Board is required to exercise any power conferred on the Board.

8. The Board shall meet at least once each quarter but may meet more often at the call of the Chair or a majority of the members of the Board.

9. The members of the Board serve without compensation but are entitled to receive the per diem allowance and travel expenses provided for state officers and employees generally while engaged in the official business of the Board.

Sec. 11. The Board shall:

1. Review and evaluate all programs of economic development in this State and make recommendations to the Legislature for legislation to improve the effectiveness of those programs in implementing the State Plan for Economic Development developed by the Executive Director pursuant to subsection 2 of section 14 of this act.

2. Recommend to the Executive Director a State Plan for Economic Development and make recommendations to the Executive Director for carrying out the State Plan for Economic Development.

3. Recommend to the Executive Director the criteria for the designation of regional development ~~agencies,~~ authorities.

4. Make recommendations to the Executive Director for the designation for the southern region of this State, the northern region of this State and the rural region of this State, one or more regional development ~~agencies,~~ authorities for each region.

5. Provide advice and recommendations to the Executive Director concerning:

(a) The procedures to be followed by any entity seeking to obtain any development resource, allocation, grant or loan from the Office;

(b) The criteria to be used by the Office in providing development resources and making allocations, grants and loans;

(c) The requirements for reports from the recipients of development resources, allocations, grants and loans from the Office concerning the use thereof; and

(d) Any other activities of the Office.

6. Review each proposal by the Executive Director to allocate, grant or loan more than ~~[\$250,000 or loan more than \$500,000]~~ \$100,000 to any entity and, as the Board determines to be in the best interests of the State, approve or disapprove the proposed allocation, grant or loan. Notwithstanding any other statutory provision to the contrary, the Executive Director shall not make any allocation, grant or loan of more than ~~[\$250,000 or loan more than \$500,000]~~ \$100,000 to any entity unless the allocation, grant or loan is approved by the Board.

Sec. 12. 1. There is hereby created within the Office of the Governor the Office of Economic Development.

2. The Governor shall propose a budget for the Office.

3. Employees of the Office are not in the classified or unclassified service of this State and serve at the pleasure of the Executive Director.

Sec. 13. The Executive Director:

1. Must be appointed by the Governor from a list of three persons recommended by the Board.

2. Is not in the classified or unclassified service of this State.

3. Serves at the pleasure of the Board, except that he or she may be removed by the Board only if the Board finds that his or her performance is unsatisfactory.

4. Shall devote his or her entire time to the duties of his or her office and shall not engage in any other gainful employment or occupation.

Sec. 14. After considering any pertinent advice and recommendations of the Board, the Executive Director:

1. Shall direct and supervise the administrative and technical activities of the Office.

2. Shall develop and may periodically revise a State Plan for Economic Development, which must include a statement of:

(a) New industries which have the potential to be developed in this State;

(b) The strengths and weaknesses of this State for business incubation;

(c) The competitive advantages and weaknesses of this State;

(d) The manner in which this State can leverage its competitive advantages and address its competitive weaknesses;

(e) A strategy to encourage the creation and expansion of businesses in this State and the relocation of businesses to this State; and

(f) Potential partners for the implementation of the strategy, including, without limitation, the Federal Government, local governments, local and regional organizations for economic development, chambers of commerce, and private businesses, investors and nonprofit entities.

3. Shall develop criteria for the designation of regional development ~~agencies~~ authorities pursuant to subsection 4.

4. Shall ~~in consultation with local governmental entities in the southern region of this State, the northern region of this State and the rural region of this State,~~ designate as many regional development ~~agencies~~ authorities for each region of this State as the Executive Director determines to be appropriate to implement the State Plan for Economic Development. In designating regional development authorities, the Executive Director must consult with local governmental entities affected by the designation. The Executive Director may, if he or she determines that such action would aid in the implementation of the State Plan for Economic Development, remove the designation of any regional development ~~agency~~ authority previously designated pursuant to this section.

5. Shall establish procedures for entering into contracts with regional development authorities to provide services to aid, promote and encourage the economic development of this State.

6. May apply for and accept any gift, donation, bequest, grant or other source of money to carry out the provisions of sections 12 to ~~15.5~~ 15.5, inclusive, and 17 to 22, inclusive, of this act.

~~6.7.~~ 7. May adopt such regulations as may be necessary to carry out the provisions of sections 12 to ~~15.5~~ 15.5, inclusive, and 17 to 22, inclusive, of this act.

Sec. 15. Under the direction of the Executive Director, the Office shall:

1. Provide administrative and technical support to the Board.

2. Support the efforts of the Board, the regional development ~~agencies~~ authorities designated by the Executive Director pursuant to subsection 4 of section 14 of this act and the private sector to encourage the creation and expansion of businesses in Nevada and the relocation of businesses to Nevada.

~~3. Ensure that each fiscal year the University of Nevada, Las Vegas, the University of Nevada, Reno, and the Desert Research Institute each receive an equitable share, as practicable, of the money available from the Office for those~~

~~entities for that fiscal year in accordance with the opportunities for economic development that are available to each of those entities.]~~

Sec. 15.5. 1. In accordance with the provisions of this section and under the direction of the Executive Director, the Office may enter into contracts with regional development authorities for services which promote the economic development of this State and aid the implementation of the State Plan for Economic Development developed by the Executive Director pursuant to subsection 2 of section 14 of this act. A contract entered into pursuant to this section must only provide funding for administrative or operating purposes.

2. Before entering into a contract pursuant to subsection 1, the Office, in consultation with the Board, must issue a request for proposals. The request for proposals must include, without limitation, provisions requiring a bid submitted by a regional development authority to state:

- (a) The services to be provided by the regional development authority;
- (b) The plans, projects and programs for which the regional development authority is seeking to enter into the contract;
- (c) The expected benefits of the contract; and
- (d) The short-term and long-term impacts of the contract.

3. A contract entered into pursuant to this section must:

- (a) Set forth the services to be provided, and the plans, projects and programs to be carried out, by the regional development authority;
- (b) Include a provision requiring the regional development authority to refund any funding provided pursuant to the contract if it is not used in accordance with the contract;
- (c) Promote, aid or encourage the economic development of this State and aid in the implementation of the State Plan for Economic Development developed by the Executive Director pursuant to subsection 2 of section 14 of this act; and
- (d) Require the regional development authority to submit the reports required by subsection 4.

4. A regional development authority which enters into a contract pursuant to this section must submit to the Office reports concerning the use of the funding provided pursuant to the contract. The reports must include, without limitation:

- (a) A description of each activity undertaken with funding provided pursuant to the contract and the amount of funding used for each such activity;
- (b) The return on the funding provided pursuant to the contract;
- (c) A statement of the benefit to the public from the funding provided pursuant to the contract; and
- (d) Such documentation as the Executive Director deems appropriate to support the information provided in the report.

Sec. 16. 1. The Catalyst Fund is hereby created as a special revenue fund in the State Treasury.

2. The Catalyst Fund is a continuing fund without reversion. The interest and income earned on money in the Catalyst Fund, after deducting any applicable charges, must be credited to the Catalyst Fund.

3. All payments of principal and interest on any loan made with money from the Catalyst Fund must be deposited in the State Treasury for credit to the Fund.

4. The Commission on Economic Development shall administer the Catalyst Fund and may apply for and accept any gift, grant, donation, bequest or other source of money for deposit in the Catalyst Fund.

Sec. 17. 1. The Executive Director shall, after considering the advice and recommendations of the Board, establish procedures for applying to the Office

1 for a development resource or a grant or loan of money from the Catalyst Fund
2 created by section 16 of this act. The procedures must:

3 (a) Include, without limitation, a requirement that applications for
4 development resources, grants or loans must set forth:

5 (1) The proposed use of the development resource, grant or loan;

6 (2) The plans, projects and programs for which the development
7 resource, grant or loan will be used;

8 (3) The expected benefits of the development resource, grant or loan; and

9 (4) A statement of the short-term and long-term impacts of the use of the
10 development resource, grant or loan; and

11 (b) Allow an applicant to revise his or her application upon the
12 recommendation of the Executive Director.

13 2. In accordance with the procedures established pursuant to subsection 1 ~~f~~
14 ~~any~~ and subject to the requirements of this subsection:

15 (a) A regional development ~~agency~~ authority which is a local government
16 or composed solely of two or more local governmental entities; or

17 (b) A private nonprofit regional development authority acting in partnership
18 with a regional development authority which is a local government or composed
19 solely of two or more local governments.

20 ~~may apply for a development resource or~~ a grant or loan of money from the
21 Catalyst Fund. If a private nonprofit regional development authority acting in
22 partnership with a regional development authority which is a local government or
23 composed solely of two or more local governments applies for a grant or loan of
24 money from the Catalyst Fund, the regional development authority which is a
25 local government or composed solely of two or more local governments must be
26 the entity which submits the application and receives and distributes the grant or
27 loan.

28 3. In accordance with the procedures established pursuant to subsection 1
29 and subject to the requirements of this subsection, a regional development
30 authority may apply for a development resource. A private nonprofit regional
31 development authority applying for a development resource which is a grant or
32 loan of money must apply in partnership with a regional development authority
33 which is a local government or composed solely of two or more local
34 governments. Any development resource which is a grant or loan of money must
35 be received and distributed by the regional development authority which is a local
36 government or composed solely of two or more local governments.

37 4. Upon receipt of ~~such~~ an application ~~f~~ pursuant to subsection 2 or 3,
38 the Executive Director shall review the application and determine whether the
39 approval of the application would promote the economic development of this
40 State and aid the implementation of the State Plan for Economic Development
41 developed by the Executive Director pursuant to subsection 2 of section 14 of this
42 act. If the Executive Director determines that approving the application will
43 promote the economic development of this State and aid the implementation of
44 the State Plan for Economic Development, the Executive Director may approve
45 the application and provide a development resource or make a grant or loan of
46 money from the Catalyst Fund to the applicant.

47 ~~2~~ 5. Except as otherwise provided in this subsection or another specific
48 statute, each development resource or grant or loan of money from the Catalyst
49 Fund which the Office provides to a regional development ~~agency~~ authority
50 must be used to provide development resources, grants or loans to or to make
51 investments in, businesses seeking to create or expand in this State or relocate to
52 this State. The Executive Director may provide a development resource or a grant
53 or loan of money to a regional development ~~agency~~ authority to be used for

administrative or operating purposes, but no money from the Catalyst Fund may be used by any organization for economic development for such purposes.

~~6.6.~~ 6. After considering the advice and recommendations of the Board, the Executive Director shall:

(a) Require each regional development ~~agency~~ authority to which the Executive Director proposes to provide a development resource or a grant or loan of money from the Catalyst Fund to enter into an agreement with the Executive Director that sets forth terms and conditions of the development resource, grant or loan, which must include, without limitation, a provision requiring the regional development ~~agency~~ authority to enter into a separate agreement with each business to which the regional development ~~agency~~ authority provides any portion of the development resource, grant or loan which requires the business to return the development resource, grant or loan to the Office if it is not used in accordance with the agreement between the regional development ~~agency~~ authority and the Executive Director.

(b) Establish the requirements for reports from regional development ~~agencies~~ authorities concerning the use of development resources and grants and loans of money from the Catalyst Fund. The requirements must include, without limitation, a requirement that the recipient of a grant or loan of money include in such a report:

(1) A description of each activity undertaken with money from the grant or loan and the amount of money used for each such activity;

(2) The return on the money provided by the grant or loan;

(3) A statement of the benefit to the public from the grant or loan; and

(4) Such documentation as the Executive Director deems appropriate to support the information provided in the report.

~~6.7.~~ 7. On or before November 1, 2012, and on or before November 1 of every year thereafter, the Executive Director shall submit a report to the Governor and to the Director of the Legislative Counsel Bureau for transmittal to the Interim Finance Committee, if the report is received during an odd-numbered year, or to the next session of the Legislature, if the report is received during an even-numbered year. The report must include, without limitation:

(a) The amount of grants and loans awarded from the Catalyst Fund;

(b) The amount of all grants, gifts and donations to the Catalyst Fund from public and private sources;

(c) The number of businesses which have been created or expanded in this State, or which have relocated to this State, because of grants and loans from the Catalyst Fund; and

(d) The number of jobs which have been created or saved because of grants and loans from the Catalyst Fund.

Sec. 17.5. After considering the advice and recommendations of the Board, the Executive Director shall establish procedures pursuant to which a regional development ~~agency~~ authority may grant to another organization for economic development any money granted by the Office to the regional development ~~agency~~ authority to be used for administrative or operating purposes. The procedures must include, without limitation, a requirement that:

1. The applications for the grants must set forth:

(a) The proposed use of the grant;

(b) The plans, projects and programs for which the grant will be used;

(c) The expected benefits of the grant; and

(d) A statement of the short-term and long-term impacts of the use of the grant.

2. The grants must:

1 (a) Promote the economic development of this State and aid in the
2 implementation of the State Plan for Economic Development developed by the
3 Executive Director pursuant to subsection 2 of section 14 of this act; and

4 (b) Be used by the organizations for economic development receiving the
5 grants for administrative or operating purposes.

6 3. The regional development ~~agencies~~ authorities making the grants and
7 the organizations for economic development receiving the grants must submit to
8 the Office reports concerning the use of the grants which must include, without
9 limitation:

10 (a) A description of each activity undertaken with money from the grant and
11 the amount of money used for each such activity;

12 (b) The return on the money provided by the grant;

13 (c) A statement of the benefit to the public from the grant; and

14 (d) Such documentation as the Executive Director deems appropriate to
15 support the information provided in the report.

16 Sec. 18. As used in sections 18 to 22, inclusive, of this act, unless the
17 context otherwise requires:

18 1. "Chancellor" means the Chancellor of the Nevada System of Higher
19 Education or his or her designee.

20 2. "Research universities" means the University of Nevada, Las Vegas, and the
21 University of Nevada, Reno.

22 Sec. 19. 1. The Knowledge Fund is hereby created in the State Treasury.

23 2. The Knowledge Fund is a continuing fund without reversion. The
24 interest and income earned on money in the Knowledge Fund, after deducting
25 any applicable charges, must be credited to the Knowledge Fund.

26 3. The Executive Director:

27 (a) Shall administer the Knowledge Fund in a manner that is consistent with
28 the State Plan for Economic Development developed by the Executive Director
29 pursuant to subsection 2 of section 14 of this act;

30 (b) May apply for and accept any gift, grant, donation, bequest or other
31 source of money for deposit in the Knowledge Fund; and

32 (c) Subject to any restrictions imposed by such a grant, gift, donation or
33 appropriation, may allocate money in the Knowledge Fund among the research
34 universities, the Desert Research Institute, the technology outreach program
35 established pursuant to section 21 of this act and the technology transfer offices
36 of the research universities and the Desert Research Institute to support
37 commercialization and technology transfer to the private sector.

38 Sec. 19.3. 1. The Executive Director may enter into agreements, when the
39 Executive Director deems such an agreement to be appropriate, with the research
40 universities and the Desert Research Institute for the allocation of
41 commercialization revenue between the Office, the research universities and the
42 Desert Research Institute. Any commercialization revenue received by the Office
43 pursuant to such an agreement must be deposited in the Knowledge Fund created
44 by section 19 of this act.

45 2. In consideration of the money and services provided or agreed to be
46 provided by the Office, the research universities and the Desert Research Institute
47 shall agree to allocate commercialization revenue in accordance with any
48 agreement entered into pursuant to subsection 1.

49 3. As used in this section, "commercialization revenue" means dividends,
50 realized capital gains, license fees, royalty fees and other revenues received by a
51 research university or the Desert Research Institute as a result of commercial
52 applications developed as a result of the programs established pursuant to
53 sections 18 to 22, inclusive, of this act, less:

1 (a) *The portion of those revenues allocated to the inventor; and*
2 (b) *Expenditures incurred by the research university or the Desert Research*
3 *Institute to legally protect the intellectual property.*

4 **Sec. 19.7.** 1. *After considering the advice and recommendations of the*
5 *Board, the Executive Director shall establish procedures for applying for an*
6 *allocation of money from the Knowledge Fund created by section 19 of this act.*
7 *The procedures must include, without limitation, a requirement that applications*
8 *for allocations of money set forth:*

9 (a) *The proposed use of the money;*
10 (b) *The plans, projects and programs for which the money will be used;*
11 (c) *The expected benefits of the money; and*
12 (d) *A statement of the short-term and long-term impacts of the use of the*
13 *money.*

14 2. *In accordance with the procedures established pursuant to subsection 1,*
15 *a research university or the Desert Research Institute may apply for an allocation*
16 *of money from the Knowledge Fund. Upon receipt of an application for an*
17 *allocation from the Knowledge Fund, the Executive Director shall review the*
18 *application and determine whether the approval of the application would promote*
19 *the economic development of this State and aid the implementation of the State*
20 *Plan for Economic Development developed by the Executive Director pursuant to*
21 *subsection 2 of section 14 of this act. If the Executive Director determines that*
22 *approving the application will promote the economic development of this State*
23 *and aid the implementation of the State Plan for Economic Development, the*
24 *Executive Director may approve the application and make an allocation of money*
25 *from the Knowledge Fund to the applicant.*

26 3. *If a research university or the Desert Research Institute receives an*
27 *allocation of money from the Knowledge Fund, the money must be used for the*
28 *purposes set forth in section 22 of this act.*

29 4. *In making allocations of money from the Knowledge Fund created*
30 *pursuant to section 19 of this act, the Executive Director must consider:*

31 *(a) The extent to which an allocation will promote the economic development*
32 *of this State and aid the implementation of the State Plan for Economic*
33 *Development developed by the Executive Director pursuant to subsection 2 of*
34 *section 14 of this act; and*

35 *(b) Whether the research universities and the Desert Research Institute have*
36 *received an equitable share of the allocations of money from the Knowledge*
37 *Fund.*

38 **Sec. 20.** 1. *In consultation with the Board and the Chancellor, the*
39 *Executive Director shall:*

40 (a) *Establish, for the programs established pursuant to sections 18 to 22,*
41 *inclusive, of this act, economic development goals which are consistent with the*
42 *State Plan for Economic Development developed by the Executive Director*
43 *pursuant to subsection 2 of section 14 of this act and the strategic plans of the*
44 *research universities and the Desert Research Institute.*

45 (b) *In cooperation with the administration of the research universities and*
46 *the Desert Research Institute, expand science and technology research at the*
47 *research universities and the Desert Research Institute.*

48 (c) *Enhance technology transfer and commercialization of research and*
49 *technologies developed at the research universities and the Desert Research*
50 *Institute to create high-quality jobs and new industries in this State.*

51 (d) *Establish economic development objectives for the programs established*
52 *pursuant to sections 18 to 22, inclusive, of this act.*

1 (e) Verify that the programs established pursuant to sections 18 to 22,
2 inclusive, of this act are being enhanced by research grants and that such
3 programs are meeting the Board's economic development objectives.

4 (f) Monitor all research plans that are part of the programs established
5 pursuant to sections 18 to 22 inclusive, of this act at the research universities and
6 the Desert Research Institute to determine that allocations from the Knowledge
7 Fund created by section 19 of this act are being spent in accordance with
8 legislative intent and to maximize the benefit and return to this State.

9 (g) Develop methods and incentives to encourage investment in and
10 contributions to the programs established pursuant to sections 18 to 22, inclusive,
11 of this act from the private sector.

12 (h) Establish requirements for periodic reports from the research universities
13 and the Desert Research Institute concerning the use of allocations from the
14 Knowledge Fund pursuant to section 22 of this act. The requirements must
15 include, without limitation, a requirement that the recipient of the allocation
16 include in such a report:

17 (1) A description of each activity undertaken with money from the
18 allocation and the amount of money used for each such activity; and

19 (2) Such documentation as the Executive Director deems appropriate to
20 support the information provided in the report.

21 (i) On or before November 1, 2012, and on or before November 1 of every
22 year thereafter, submit a report to the Governor and to the Director of the
23 Legislative Counsel Bureau for transmittal to the Interim Finance Committee, if
24 the report is received during an odd-numbered year, or to the next session of the
25 Legislature, if the report is received during an even-numbered year. The report
26 must include, without limitation:

27 (1) The number of research teams and faculty recruited, hired and
28 retained pursuant to section 22 of this act and the amount of funding provided to
29 those research teams;

30 (2) A description of the research being conducted by the research teams
31 and faculty for which the Executive Director has provided funding pursuant to
32 section 22 of this act;

33 (3) The number of patents which have been filed as a result of the
34 programs established pursuant to sections 18 to 22, inclusive, of this act;

35 (4) The amount of research grants awarded to the research teams and
36 faculty recruited, hired and retained pursuant to section 22 of this act;

37 (5) The amount of all grants, gifts and donations to the Knowledge Fund
38 from public and private sources;

39 (6) The number of businesses which have been created or expanded in
40 this State, or relocated to this State, because of the programs established pursuant
41 to sections 18 to 22, inclusive, of this act; and

42 (7) The number of jobs which have been created or saved as a result of
43 the activities of the Office.

44 2. The Executive Director may enter into any agreements necessary to
45 obtain private equity investment in the programs established pursuant to sections
46 18 to 22, inclusive, of this act.

47 **Sec. 21.** 1. The Executive Director shall use money in the Knowledge
48 Fund created by section 19 of this act to establish a technology outreach program
49 at locations distributed strategically throughout this State.

50 2. The Executive Director shall ensure that the technology outreach
51 program acts as a resource to:

52 (a) Broker ideas, new technologies and services to entrepreneurs and
53 businesses throughout a defined service area;

(b) Engage local entrepreneurs and faculty and staff at state colleges and community colleges by connecting them to the research universities and the Desert Research Institute;

(c) Assist professors and researchers in finding entrepreneurs and investors for the commercialization of their ideas and technologies;

(d) Connect market ideas and technologies in new or existing businesses or industries or in state colleges and community colleges with the expertise of the research universities and the Desert Research Institute;

(e) Assist businesses, the research universities, state colleges, community colleges and the Desert Research Institute in developing commercial applications for their research; and

(f) Disseminate and share discoveries and technologies emanating from the research universities and the Desert Research Institute to local entrepreneurs, businesses, state colleges and community colleges.

3. In designing and operating the technology outreach program, the Board shall work cooperatively with the technology transfer offices at the research universities and the Desert Research Institute.

Sec. 22. In consultation with the Board and the Chancellor, the Executive Director shall allocate money in the Knowledge Fund created by section 19 of this act to the research universities and the Desert Research Institute to provide funding for:

1. The recruitment, hiring and retention of research teams and faculty to conduct research in science and technology which has the potential to contribute to economic development in this State;

2. Research laboratories and related equipment located or to be located in this State;

3. The construction of research clinics, institutes and facilities and related buildings located or to be located in this State; and

4. Matching funds for federal and private sector grants and contract opportunities that support economic development consistent with the State Plan for Economic Development developed by the Executive Director pursuant to subsection 2 of section 14 of this act.

Sec. 23. NRS 231.015 is hereby amended to read as follows:

231.015 1. The Interagency Committee for Coordinating Tourism and Economic Development is hereby created. The Committee consists of the Governor, who is its Chair, the Lieutenant Governor, who is its Vice Chair, the Director of the Commission on Tourism, the Executive Director of the ~~Commission on~~ Office of Economic Development and such other members as the Governor may from time to time appoint. The appointed members of the Committee serve at the pleasure of the Governor.

2. The Committee shall meet at the call of the Governor.

3. The Committee shall:

(a) Identify the strengths and weaknesses in state and local governmental agencies which enhance or diminish the possibilities of tourism and economic development in this State.

(b) Foster coordination and cooperation among state and local governmental agencies, and enlist the cooperation and assistance of federal agencies, in carrying out the policies and programs of the Commission on Tourism and the ~~Commission on~~ Office of Economic Development.

(c) Formulate cooperative agreements between the Commission on Tourism or the ~~Commission on~~ Office of Economic Development, and state and other public agencies pursuant to the Interlocal Cooperation Act, so that ~~each of these commissions~~ the Commission and Office may receive applications from and, as

appropriate, give governmental approval for necessary permits and licenses to persons who wish to promote tourism, develop industry or produce motion pictures in this State.

4. The Governor may from time to time establish regional or local subcommittees to work on regional or local problems of economic development or the promotion of tourism.

Sec. 23.3. NRS 231.020 is hereby amended to read as follows:

231.020 As used in NRS 231.020 to 231.139, inclusive, unless the context otherwise requires, "motion pictures" includes feature films, movies made for broadcast ~~[on television]~~ *or other electronic transmission*, and programs made for broadcast ~~[on television]~~ *or other electronic transmission* in episodes.

Sec. 23.7. NRS 231.050 is hereby amended to read as follows:

231.050 1. The Commission on Economic Development may meet regularly each month or at more frequent times if it deems necessary, and may, within the limits of its budget, hold special meetings at the call of the Chair.

2. The Executive Director *of the Commission* is the Secretary of the Commission.

3. The Commission shall prescribe rules for its own management and government.

4. Four members of the Commission constitute a quorum, but a majority of the Commission is required to exercise the power conferred on the Commission.

5. The Governor may remove a member from the Commission if the member neglects his or her duty or commits malfeasance in office.

Sec. 24. NRS 231.060 is hereby amended to read as follows:

231.060 The ~~{Commission on Economic Development;}~~ *Office:*

1. Shall establish the policies and approve the programs ~~[and budgets]~~ of the ~~{Division of Economic Development and}~~ Division of Motion Pictures concerning ~~f:~~

~~—(a) The promotion of industrial development and diversification in this State; and~~

~~—(b) The~~ *the* promotion of the production of motion pictures in this State.

2. May from time to time create special advisory committees to advise it on special problems of economic development. Members of special advisory committees ~~[, other than members of the Commission,]~~ may be paid the per diem allowance and travel expenses provided for state officers and employees, as the budget of the ~~{Commission}~~ *Office* permits.

Sec. 25. NRS 231.064 is hereby amended to read as follows:

231.064 In addition to its other duties, the ~~{Commission on Economic Development;}~~ *Office* shall:

1. Investigate and study conditions affecting Nevada business, industry and commerce, and engage in technical studies, scientific investigations, statistical research and educational activities necessary or useful for the proper execution of the function of the ~~{Division of Economic Development}~~ *Office* in promoting and developing Nevada business, industry and commerce, both within and outside the State.

2. Conduct or encourage research designed to further new and more extensive uses of the natural and other resources of the State and designed to develop new products and industrial processes.

3. Serve as a center of public information for the State of Nevada by answering general inquiries concerning the resources and economic advantages of this state and by furnishing information and data on these and related subjects.

4. Prepare, and disseminate in any medium, informational material designed to promote community, economic and industrial development in Nevada.

5. Plan and develop an effective service for business information, both for the direct assistance of business and industry of the State and for the encouragement of business and industry outside the State to use economic facilities within the State, including readily accessible information on state and local taxes, local zoning regulations and environmental standards, the availability and cost of real estate, labor, energy, transportation and occupational education and related subjects.

Sec. 26. (Deleted by amendment.)

Sec. 27. (Deleted by amendment.)

Sec. 28. NRS 231.068 is hereby amended to read as follows:

231.068 1. The ~~{Commission on Economic Development}~~ **Office**, to the extent of legislative appropriations, may grant money to a postsecondary educational institution to develop a program for occupational education which is designed to teach skills in a short period to persons who are needed for employment by new or existing businesses.

2. Any money appropriated to the ~~{Commission on Economic Development}~~ **Office** for awarding grants to develop a program specified in subsection 1 must be accounted for separately in the State General Fund. The money in the account:

(a) Does not revert to the State General Fund at the end of any fiscal year; and

(b) Must be carried forward to the next fiscal year.

Sec. 29. NRS 231.0685 is hereby amended to read as follows:

231.0685 The ~~{Commission on Economic Development}~~ **Office** shall, on or before January 15 of each odd-numbered year, prepare and submit to the Director of the Legislative Counsel Bureau for transmission to the Legislature a report concerning the abatements from taxation that the ~~{Commission}~~ **Office** approved pursuant to NRS 274.310, 274.320, 274.330 ~~or~~ 360.750. ~~{701A.110 or 701A.365.}~~ The report must set forth, for each abatement from taxation that the ~~{Commission}~~ **Office** approved in the 2-year period immediately preceding the submission of the report:

1. The dollar amount of the abatement;

2. The location of the business ~~{facility or building}~~ for which the abatement was approved;

3. If applicable, the number of employees that the business ~~{for facility}~~ for which the abatement was approved employs or will employ;

4. ~~Whether~~ **Whether** ~~{If applicable, whether}~~ the business for which the abatement was approved is a new business or an existing business; and

5. Any other information that the ~~{Commission}~~ **Office** determines to be useful.

Sec. 29.5. NRS 231.069 is hereby amended to read as follows:

231.069 1. Except as otherwise provided in NRS 239.0115, if so requested by a client, the Commission on Economic Development shall keep confidential any record or other document in its possession concerning the initial contact with and research and planning for that client. If such a request is made, the Executive Director **of the Commission** shall attach to the file containing the record or document a certificate signed by him or her stating that a request for confidentiality was made by the client and the date of the request.

2. Records and documents that are confidential pursuant to subsection 1 remain confidential until the client:

(a) Initiates any process regarding the location of his or her business in Nevada which is within the jurisdiction of a state agency other than the Commission; or

(b) Decides to locate his or her business in Nevada.

Sec. 30. NRS 231.069 is hereby amended to read as follows:

231.069 1. Except as otherwise provided in NRS 239.0115, if so requested by a client, the ~~{Commission on Economic Development}~~ **Office** shall keep

1 confidential any record or other document in its possession concerning the initial
2 contact with and research and planning for that client. If such a request is made, the
3 Executive Director ~~{of the Commission}~~ shall attach to the file containing the
4 record or document a certificate signed by him or her stating that a request for
5 confidentiality was made by the client and the date of the request.

6 2. Records and documents that are confidential pursuant to subsection 1
7 remain confidential until the client:

8 (a) Initiates any process regarding the location of his or her business in Nevada
9 which is within the jurisdiction of a state agency other than the ~~{Commission;}~~
10 *Office*; or

11 (b) Decides to locate his or her business in Nevada.

12 **Sec. 30.3.** NRS 231.080 is hereby amended to read as follows:

13 231.080 The Executive Director of the Commission on Economic
14 Development:

15 1. Must be appointed by the Governor from a list of three persons submitted
16 to the Governor by the Commission. The person appointed as Executive Director *of*
17 *the Commission* must have had successful experience in the administration and
18 promotion of a program comparable to that provided in NRS 231.020 to 231.130,
19 inclusive.

20 2. Is responsible to the Commission and serves at its pleasure.

21 3. Shall, except as otherwise provided in NRS 284.143, devote his or her
22 entire time to the duties of his or her office and shall not follow any other gainful
23 employment or occupation.

24 **Sec. 30.7.** NRS 231.090 is hereby amended to read as follows:

25 231.090 The Executive Director of the Commission on Economic
26 Development shall direct and supervise all its administrative and technical
27 activities, including coordinating its plans for economic development, promoting
28 the production of motion pictures, scheduling the Commission's programs,
29 analyzing the effectiveness of those programs and associated expenditures, and
30 cooperating with other governmental agencies which have programs related to
31 economic development. In addition to other powers and duties, the Executive
32 Director ~~{}~~ *of the Commission*:

33 1. Shall attend all meetings of the Commission and act as its Secretary,
34 keeping minutes and audio recordings or transcripts of its proceedings.

35 2. Shall report regularly to the Commission concerning the administration of
36 its policies and programs.

37 3. Shall report annually to the Governor and the Commission regarding the
38 work of the Commission and may make such special reports as he or she considers
39 desirable to the Governor.

40 4. May perform any other lawful acts which he or she considers desirable to
41 carry out the provisions of NRS 231.020 to 231.130, inclusive.

42 **Sec. 31.** NRS 231.125 is hereby amended to read as follows:

43 231.125 1. The ~~{Commission on Economic Development}~~ *Office* may
44 charge such fees for:

45 (a) Materials prepared for distribution by the ~~{Commission;}~~ *Office*;

46 (b) Advertising in materials prepared by the ~~{Commission;}~~ *Office*; and

47 (c) Services performed by the ~~{Commission}~~ *Office* on behalf of others, such
48 as the procurement of permits,

49 ➤ as it deems necessary to support the activities of the ~~{Commission-}~~ *Office*.

50 2. All such fees must be deposited with the State Treasurer for credit to the
51 ~~{Commission}~~ *Office* and may be expended in addition to other money appropriated
52 for the support of the ~~{Commission-}~~ *Office*.

1 **Sec. 31.3.** NRS 231.127 is hereby amended to read as follows:

2 231.127 1. The Division of Motion Pictures shall formulate a program to
3 promote the production of motion pictures in Nevada. The program must include
4 development of:

5 (a) A directory of the names of persons, firms and governmental agencies in
6 this State which are capable of furnishing the skills and facilities needed in all
7 phases of the production of motion pictures; and

8 (b) A library containing ~~{videotapes}~~ *audiovisual recordings* which depict the
9 variety and extent of the locations in this State which are available for the
10 production of motion pictures.

11 The directory of names and the library of ~~{videotapes}~~ *audiovisual recordings*
12 must be kept current and be cross-referenced.

13 2. The program may include:

14 (a) The preparation and distribution of other appropriate promotional and
15 informational material, including advertising, which points out desirable locations
16 within the State for the production of motion pictures, explains the benefits and
17 advantages of producing motion pictures in this State, and describes the services
18 and assistance available from this State and its local governments;

19 (b) Assistance to motion picture companies in securing permits to film at
20 certain locations and in obtaining other services connected with the production of
21 motion pictures; and

22 (c) Encouragement of cooperation among local, state and federal agencies and
23 public organizations in the location and production of motion pictures.

24 **Sec. 31.5.** NRS 231.130 is hereby amended to read as follows:

25 231.130 In performing their duties, the Executive Director of the Commission
26 on Economic Development and the Administrator of the Division of Motion
27 Pictures shall not interfere with the functions of any other state agencies, but those
28 agencies shall, from time to time, on request, furnish the Executive Director *of the*
29 *Commission* with data and other information from their records bearing on the
30 objectives of the Commission. The Executive Director *of the Commission* shall
31 avail himself or herself of records and assistance of such other state agencies as in
32 the opinion of the Governor or Executive Director *of the Commission* might make
33 a contribution to the work of the Commission.

34 **Sec. 31.7.** NRS 231.130 is hereby amended to read as follows:

35 231.130 ~~{H}~~ *Except as otherwise provided by law, in* performing their duties,
36 the Executive Director of the ~~{Commission on Economic Development}~~ *Office* and
37 the Administrator of the Division of Motion Pictures shall not interfere with the
38 functions of any other state agencies, but those agencies shall, from time to time, on
39 request, furnish the Executive Director ~~{of the Commission}~~ with data and other
40 information from their records bearing on the objectives of the ~~{Commission}~~
41 *Office*. The Executive Director ~~{of the Commission}~~ shall avail himself or herself
42 of records and assistance of such other state agencies as in the opinion of the
43 Governor or Executive Director ~~{of the Commission}~~ might make a contribution to
44 the work of the ~~{Commission}~~ *Office*.

45 **Sec. 32.** NRS 231.139 is hereby amended to read as follows:

46 231.139 1. The ~~{Commission on Economic Development}~~ *Office* shall
47 certify a business for the benefits provided pursuant to NRS 704.223 if the
48 ~~{Commission}~~ *Office* finds that:

49 (a) The business is consistent with the State Plan for ~~{Industrial}~~ *Economic*
50 Development ~~{and Diversification and any guidelines adopted pursuant to the Plan;}~~
51 *developed by the Executive Director pursuant to subsection 2 of section 14 of this*
52 *act;*

(b) The business is engaged in the primary trade of preparing, fabricating, manufacturing or otherwise processing raw material or an intermediate product through a process in which at least 50 percent of the material or product is recycled on-site;

(c) Establishing the business will require the business to make a capital investment of \$50,000,000 in Nevada; and

(d) The economic benefit to the State of approving the certification exceeds the cost to the State.

2. The ~~{Commission on Economic Development}~~ Office may:

(a) Request an allocation from the Contingency Fund pursuant to NRS 353.266, 353.268 and 353.269 to cover the costs incurred by the ~~{Commission}~~ Office pursuant to this section and NRS 704.032.

(b) Impose a reasonable fee for an application for certification pursuant to this section to cover the costs incurred by the ~~{Commission}~~ Office in investigating and ruling on the application.

(c) Adopt such regulations as it deems necessary to carry out the provisions of this section.

Sec. 32.5. NRS 231.141 is hereby amended to read as follows:

231.141 As used in NRS 231.141 to 231.152, inclusive, unless the context otherwise requires, the words and terms defined in NRS ~~{231.142,}~~ 231.143 and 231.146 have the meanings ascribed to them in those sections.

Sec. 33. NRS 231.147 is hereby amended to read as follows:

231.147 1. A person who operates a business or will operate a business in this State may apply to the ~~{Commission}~~ Office for approval of a program. The application must be submitted on a form prescribed by the ~~{Commission}~~ Office.

2. Each application must include:

(a) The name, address and telephone number of the business;

(b) The number and types of jobs for the business that are available or will be available upon completion of the program;

(c) A statement of the objectives of the proposed program;

(d) The estimated cost for each person enrolled in the program; and

(e) A statement signed by the applicant certifying that, if the program set forth in the application is approved and money is granted by the ~~{Commission}~~ Office to a community college for the program, each employee who completes the program:

(1) Will be employed in a full-time and permanent position in the business; and

(2) While employed in that position, will be paid not less than 80 percent of the lesser of the average industrial hourly wage in:

(I) This State; or

(II) The county in which the business is located,

as determined by the Employment Security Division of the Department of Employment, Training and Rehabilitation on July 1 of each fiscal year.

3. Upon request, the ~~{Commission}~~ Office may assist an applicant in completing an application pursuant to the provisions of this section.

4. Except as otherwise provided in subsection 5, the ~~{Commission}~~ Office shall approve or deny each application ~~{at the next regularly scheduled meeting of the Commission,}~~ within 45 days after receipt of the application. When considering an application, the ~~{Commission}~~ Office shall give priority to a business that:

(a) Provides high-skill and high-wage jobs to residents of this State; ~~{and}~~

(b) To the greatest extent practicable, uses materials for the business that are produced or bought in this State ~~{; and}~~

1 *(c) Is consistent with the State Plan for Economic Development developed by*
2 *the Executive Director pursuant to subsection 2 of section 14 of this act.*

3 5. Before approving an application, the ~~{Commission}~~ Office shall establish
4 the amount of matching money that the applicant must provide for the program.
5 The amount established by the ~~{Commission}~~ Office for that applicant must not be
6 less than 25 percent of the amount the ~~{Commission}~~ Office approves for the
7 program.

8 6. If the ~~{Commission}~~ Office approves an application, it shall notify the
9 applicant, in writing, within 10 days after the application is approved.

10 7. If the ~~{Commission}~~ Office denies an application, it shall, within 10 days
11 after the application is denied, notify the applicant in writing. The notice must
12 include the reason for denying the application.

13 **Sec. 34.** NRS 231.149 is hereby amended to read as follows:

14 231.149 1. The ~~{Commission}~~ Office may apply for or accept any gifts,
15 grants, donations or contributions from any source to carry out the provisions of
16 NRS 231.141 to 231.152, inclusive.

17 2. Any money the ~~{Commission}~~ Office receives pursuant to subsection 1
18 must be deposited in the State Treasury pursuant to NRS 231.151.

19 **Sec. 35.** NRS 231.151 is hereby amended to read as follows:

20 231.151 1. Any money the ~~{Commission}~~ Office receives pursuant to NRS
21 231.149 or that is appropriated to carry out the provisions of NRS 231.141 to
22 231.152, inclusive:

23 (a) Must be deposited in the State Treasury and accounted for separately in the
24 State General Fund; and

25 (b) May only be used to carry out those provisions.

26 2. Except as otherwise provided in subsection 3, the balance remaining in the
27 account that has not been committed for expenditure on or before June 30 of a
28 fiscal year reverts to the State General Fund.

29 3. In calculating the uncommitted remaining balance in the account at the end
30 of a fiscal year, any money in the account that is attributable to a gift, grant,
31 donation or contribution:

32 (a) To the extent not inconsistent with a term of the gift, grant, donation or
33 contribution, shall be deemed to have been committed for expenditure before any
34 money that is attributable to a legislative appropriation; and

35 (b) Must be excluded from the calculation of the uncommitted remaining
36 balance in the account at the end of the fiscal year if necessary to comply with a
37 term of the gift, grant, donation or contribution.

38 4. The ~~{Commission}~~ Office shall administer the account. Any interest or
39 income earned on the money in the account must be credited to the account. Any
40 claims against the account must be paid as other claims against the State are paid.

41 **Sec. 36.** NRS 231.152 is hereby amended to read as follows:

42 231.152 The ~~{Commission}~~ Office may adopt such regulations as are
43 necessary to carry out the provisions of NRS 231.147.

44 **Sec. 37.** (Deleted by amendment.)

45 **Sec. 38.** (Deleted by amendment.)

46 **Sec. 39.** (Deleted by amendment.)

47 **Sec. 40.** (Deleted by amendment.)

48 **Sec. 41.** NRS 231.350 is hereby amended to read as follows:

49 231.350 1. The Committee for the Development of Projects Relating to
50 Tourism is hereby created within the Commission on Tourism. The Committee
51 consists of:

52 (a) The Lieutenant Governor, who is an ex officio member of the Committee
53 and shall serve as the Chair of the Committee;

(b) Three members of the ~~{Commission on Economic Development}~~ **Board**, appointed by the Lieutenant Governor; and

(c) Three members of the Commission on Tourism, appointed by the Lieutenant Governor.

2. If an appointed member of the Committee ceases to be a member of the ~~{Commission on Economic Development}~~ **Board** or the Commission on Tourism, the appointed member becomes ineligible for membership on the Committee and the Lieutenant Governor shall appoint a replacement from the ~~{Commission on Economic Development}~~ **Board** or the Commission on Tourism, respectively.

3. The Lieutenant Governor may remove an appointed member from the Committee if the member neglects his or her duty or commits malfeasance in office.

4. The appointed members of the Committee who are members of the ~~{Commission on Economic Development}~~ **Board** or the Commission on Tourism, respectively, may be paid the per diem allowance and travel expenses provided for state officers and employees generally by their respective commissions, as the budgets of those commissions allow.

5. The Committee shall meet at the call of the Lieutenant Governor.

6. The Commission on Tourism and the ~~{Commission on Economic Development}~~ **Office** shall jointly provide administrative support for the Committee.

Sec. 42. (Deleted by amendment.)

Sec. 43. NRS 232.522 is hereby amended to read as follows:

232.522 The Director may:

1. Create within the Department, as part of the Office of the Director, an Office of Business Finance and Planning to:

(a) Administer and coordinate programs related to financing for the assistance of entities engaged in business and industry in this state;

(b) Provide information to the public concerning the regulatory programs, assistance programs, and other services and activities of the Department; and

(c) Interact with other public or private entities to coordinate and improve access to the Department's programs related to the growth and retention of business and industry in this state.

2. Create within the Department, as part of the Office of Business Finance and Planning, a Center for Business Advocacy and Services:

(a) To assist small businesses in obtaining information about financing and other basic resources which are necessary for success;

(b) In cooperation with the Executive Director of the ~~{Commission on}~~ **Office of Economic Development**, to increase public awareness of the importance of developing manufacturing as an industry and to assist in identifying and encouraging public support of businesses and industries that manufacture goods in this state;

(c) To serve as an advocate for small businesses, subject to the supervision of the Director or the Director's representative, both within and outside the Department;

(d) To assist the Office of Business Finance and Planning in establishing an information and referral service within the Department that is responsive to the inquiries of business and industry which are directed to the Department or any entity within the Department; and

(e) In cooperation with the Executive Director of the ~~{Commission on}~~ **Office of Economic Development**, to advise the Director and the Office of Business Finance and Planning in developing and improving programs of the Department to

1 serve more effectively and support the growth, development and diversification of
2 business and industry in this state.

3 3. Require divisions, offices, commissions, boards, agencies or other entities
4 of the Department to work together to carry out their statutory duties, to resolve or
5 address particular issues or projects or otherwise to increase the efficiency of the
6 operation of the Department as a whole and the level of communication and
7 cooperation among the various entities within the Department.

8 **Sec. 44.** NRS 232.935 is hereby amended to read as follows:

9 232.935 1. In appointing members of the Governor's Workforce Investment
10 Board, the Governor shall ensure that the membership as a whole represents:

11 (a) Industry sectors which are essential to this State and which are driven
12 primarily by demand;

13 (b) Communities and areas of economic development which are essential to
14 this State; and

15 (c) The diversity of the workforce of this State, including, without limitation,
16 geographic diversity and the diversity within regions of this State.

17 2. The Governor's Workforce Investment Board shall:

18 (a) Identify:

19 (1) Industry sectors which are essential to this State; and

20 (2) The region or regions of this State where the majority of the operations
21 of each of those industry sectors is conducted.

22 (b) Establish:

23 (1) Regional goals for economic development for each of the industry
24 sectors identified pursuant to paragraph (a); and

25 (2) A council for each industry sector.

26 (c) Consider and develop programs to promote:

27 (1) Strategies to improve labor markets for industries and regions of this
28 State, including, without limitation, improving the availability of relevant
29 information;

30 (2) Coordination of the efforts of relevant public and private agencies and
31 organizations;

32 (3) Strategies for providing funding as needed by various industry sectors;

33 (4) Increased production capacities for various industry sectors;

34 (5) The development of useful measurements of performance and
35 outcomes in various industry sectors;

36 (6) Participation by and assistance from state and local government
37 agencies;

38 (7) Expanded market penetration, including, without limitation, by
39 providing assistance to employers with small numbers of employees;

40 (8) Partnerships between labor and management;

41 (9) Business associations;

42 (10) The development of improved instructional and educational resources
43 for employers and employees; and

44 (11) The development of improved economies of scale, as applicable, in
45 industry sectors.

46 3. Each industry sector council established pursuant to subparagraph (2) of
47 paragraph (b) of subsection 2:

48 (a) Must be composed of representatives from:

49 (1) Employers within that industry;

50 (2) Organized labor within that industry;

51 (3) Universities and community colleges; and

52 (4) Any other relevant group of persons deemed to be appropriate by the
53 Board.

(b) Shall, within the parameters set forth in the American Recovery and Reinvestment Act of 2009 or the parameters of any other program for which the federal funding is available, identify job training and education programs which the industry sector council determines to have the greatest likelihood of meeting the regional goals for economic development established for that industry sector pursuant to subparagraph (1) of paragraph (b) of subsection 2.

4. The Board shall:

(a) Identify and apply for federal funding available for the job training and education programs identified pursuant to paragraph (b) of subsection 3;

(b) Consider and approve or disapprove applications for money;

(c) Provide and administer grants of money to industry sector councils for the purpose of establishing job training and education programs in industry sectors for which regional goals for economic development have been established pursuant to subparagraph (1) of paragraph (b) of subsection 2; and

(d) Adopt regulations establishing:

(1) Guidelines for the submission and review of applications to receive grants of money from the Department; and

(2) Criteria and standards for the eligibility for and use of any grants made pursuant to paragraph (c).

Except as otherwise required as a condition of federal funding, the regulations required by this subsection must give priority to job training and education programs that are consistent with the State Plan for Economic Development developed by the Executive Director of the Office of Economic Development pursuant to subsection 2 of section 14 of this act.

5. *In carrying out its powers and duties pursuant to this section, the Board shall consult with the Executive Director of the Office of Economic Development and shall cooperate with the Executive Director in implementing the State Plan for Economic Development developed by the Executive Director pursuant to subsection 2 of section 14 of this act.*

6. As used in this section, "industry sector" means a group of employers closely linked by common products or services, workforce needs, similar technologies, supply chains or other economic links.

Sec. 45. NRS 75.100 is hereby amended to read as follows:

75.100 1. The Secretary of State shall provide for the establishment of a state business portal to facilitate interaction among businesses and governmental agencies in this State by allowing businesses to conduct necessary transactions with governmental agencies in this State through use of the state business portal.

2. The Secretary of State shall:

(a) Establish, through cooperative efforts, the standards and requirements necessary to design, build and implement the state business portal;

(b) Establish the standards and requirements necessary for a state or local agency to participate in the state business portal;

(c) Authorize a state or local agency to participate in the state business portal if the Secretary of State determines that the agency meets the standards and requirements necessary for such participation;

(d) Determine the appropriate requirements to be used by businesses and governmental agencies conducting transactions through use of the state business portal; ~~and~~

(e) *In carrying out the provisions of this section, consult with the Executive Director of the Office of Economic Development to ensure that the activities of the Secretary of State are consistent with the State Plan for Economic Development developed by the Executive Director pursuant to subsection 2 of section 14 of this act; and*

(f) Adopt such regulations and take any appropriate action as necessary to carry out the provisions of this chapter.

Sec. 46. ~~[NRS 120A.620 is hereby amended to read as follows:]~~

~~120A.620 1. There is hereby created in the State General Fund the Abandoned Property Trust Account.~~

~~2. All money received by the Administrator under this chapter, including the proceeds from the sale of abandoned property, must be deposited by the Administrator in the State General Fund for credit to the Account.~~

~~3. Before making a deposit, the Administrator shall record the name and last known address of each person appearing from the holders' reports to be entitled to the abandoned property and the name and last known address of each insured person or annuitant, and with respect to each policy or contract listed in the report of an insurance company, its number, the name of the company and the amount due. The record must be available for public inspection at all reasonable business hours.~~

~~4. The Administrator may pay from money available in the Account:~~

~~(a) Any costs in connection with the sale of abandoned property;~~

~~(b) Any costs of mailing and publication in connection with any abandoned property;~~

~~(c) Reasonable service charges;~~

~~(d) Any costs incurred in examining the records of a holder and in collecting the abandoned property;~~

~~(e) Any valid claims filed pursuant to this chapter.~~

~~5. Except as otherwise provided in NRS 120A.610, by the end of each fiscal year, the balance in the Account must be transferred as follows:~~

~~(a) The sum of \$10,000,000 to the Catalyst Fund created by section 16 of this act.~~

~~(b) The sum of \$7,600,000 [each year must be transferred] to the Millennium Scholarship Trust Fund created by NRS 396.926.~~

~~[(b)] (c) The remainder must be transferred to the State General Fund, but remains subject to the valid claims of holders pursuant to NRS 120A.590 and owners pursuant to NRS 120A.640. No such claim may be satisfied from money in the Catalyst Fund or the Millennium Scholarship Trust Fund.~~

~~6. If there is an insufficient amount of money in the Account to pay any cost or charge pursuant to subsection 4, the State Board of Examiners may, upon the application of the Administrator, authorize a temporary transfer from the State General Fund to the Account of an amount necessary to pay those costs or charges. The Administrator shall repay the amount of the transfer as soon as sufficient money is available in the Account.~~ **(Deleted by amendment.)**

Sec. 47. NRS 218D.355 is hereby amended to read as follows:

218D.355 1. Any state legislation enacted on or after July 1, ~~[2009;]~~ **2012**, which authorizes or requires the ~~[Commission on Economic Development] Office~~ to approve any abatement of taxes or increases the amount of any abatement of taxes which the ~~[Commission] Office~~ is authorized or required to approve:

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

(b) Does not apply to:

(1) Any taxes imposed pursuant to NRS 374.110 or 374.190; or

(2) Any entity that receives:

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

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

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

- (1) The date the recipient commenced operation in this State;
- (2) The number of employees actually employed by the recipient and the average hourly wage of those employees;
- (3) An accounting of any fees paid by the recipient to the State and to local governmental entities;
- (4) An accounting of the property taxes paid by the recipient and the amount of those taxes that would have been due if not for the abatement;
- (5) An accounting of the sales and use taxes paid by the recipient and the amount of those taxes that would have been due if not for the abatement;
- (6) An accounting of the total capital investment made in connection with the project to which the abatement applies; and
- (7) An accounting of the total investment in personal property made in connection with the project to which the abatement applies.

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

(a) Based upon the information submitted to the Department of Taxation pursuant to paragraph (c) of subsection 1, prepare a written report of its findings regarding whether the costs of the abatement exceed the benefits of the abatement; and

(b) Submit the report to the Director of the Legislative Counsel Bureau for transmittal to the Legislature.

Sec. 47.5. NRS 274.020 is hereby amended to read as follows:

274.020 "Administrator" means the ~~{state officer appointed by the Governor to administer the provisions of this chapter.}~~ *Executive Director of the Office of Economic Development.*

Sec. 48. NRS 274.090 is hereby amended to read as follows:

274.090 1. The ~~{Governor shall appoint a qualified person in the Commission on}~~ *Executive Director of the Office of Economic Development {to}* *shall* serve as Administrator.

2. The Administrator shall:

(a) Administer this chapter.

(b) Submit reports evaluating the effectiveness of the programs established pursuant to this chapter together with any suggestions for legislation to the Legislature by February 1 of every odd-numbered year. The reports must contain statistics concerning initial and current population, employment, per capita income, corporate income and the construction of housing for each specially benefited zone.

(c) Adopt all necessary regulations to carry out the provisions of this chapter.

Sec. 49. 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

1 the ~~{Commission-on}~~ *Office of* Economic Development for a partial abatement of
2 one or more of the taxes imposed pursuant to chapter 361 or 374 of NRS. The
3 governing body of the county, city or town shall provide notice of the request to the
4 board of trustees of the school district in which the business would operate. The
5 notice must set forth the date, time and location of the hearing at which the
6 governing body will consider whether to endorse the application.

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

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

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

13 3. A person whose application has been endorsed by the governing body of
14 the county, city or town, as applicable, pursuant to this section may submit the
15 application to the ~~{Commission-on}~~ *Office of* Economic Development. The
16 ~~{Commission}~~ *Office* shall approve the application if the ~~{Commission}~~ *Office*
17 makes the following determinations:

18 (a) The business is consistent with:

19 (1) The State Plan for ~~{Industrial Development and Diversification that is~~
20 ~~developed by the Commission pursuant to NRS 231.067.}~~ *Economic Development*
21 *developed by the Executive Director of the Office of Economic Development*
22 *pursuant to subsection 2 of section 14 of this act;* and

23 (2) Any guidelines adopted ~~{pursuant to the State Plan.}~~ *by the Executive*
24 *Director of the Office of Economic Development to implement the State Plan for*
25 *Economic Development.*

26 (b) The applicant has executed an agreement with the ~~{Commission}~~ *Office*
27 which states that the business will, after the date on which a certificate of eligibility
28 for the abatement is issued pursuant to subsection 4:

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

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

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

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

42 (d) The applicant invested or commits to invest a minimum of \$500,000 in
43 capital.

44 4. If the ~~{Commission-on}~~ *Office of* Economic Development approves an
45 application for a partial abatement, the ~~{Commission}~~ *Office* shall immediately
46 forward a certificate of eligibility for the abatement to:

47 (a) The Department of Taxation;

48 (b) The Nevada Tax Commission; and

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

52 5. *If a business whose partial abatement has been approved pursuant to this*
53 *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. The ~~Commission on~~ Office of Economic Development may adopt such regulations as the ~~Commission on~~ Office determines to be necessary or advisable to carry out the provisions of this section.

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

Sec. 50. 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 ~~Commission on~~ 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 ~~Commission on~~ Office of Economic Development. The ~~Commission on~~ Office shall approve the application if the ~~Commission on~~ Office makes the following determinations:

(a) The business is consistent with:

(1) The State Plan for ~~Industrial Development and Diversification that is developed by the Commission pursuant to NRS 231.067;~~ Economic Development developed by the Executive Director of Economic Development pursuant to subsection 2 of section 14 of this act; and

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

(b) The applicant has executed an agreement with the ~~{Commission}~~ *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:

(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 ~~{Commission}~~ *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.

4. If the ~~{Commission-on}~~ *Office of* Economic Development approves an application for a partial abatement, the ~~{Commission}~~ *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 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. The ~~{Commission-on}~~ *Office of* Economic Development may adopt such regulations as the ~~{Commission}~~ *Office* determines to be necessary or advisable to carry out the provisions of this section.

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

Sec. 51. 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 ~~{Commission-on}~~ *Office of* Economic Development for a partial abatement of one

1 or more of the taxes imposed pursuant to chapter 361 or 374 of NRS. The
2 governing body of the county, city or town shall provide notice of the request to the
3 board of trustees of the school district in which the business operates. The notice
4 must set forth the date, time and location of the hearing at which the governing
5 body will consider whether to endorse the application.

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

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

12 3. A person whose application has been endorsed by the governing body of
13 the county, city or town, as applicable, pursuant to this section may submit the
14 application to the ~~{Commission-on}~~ *Office of Economic Development*. The
15 ~~{Commission}~~ *Office* shall approve the application if the ~~{Commission}~~ *Office*
16 makes the following determinations:

17 (a) The business is consistent with:

18 (1) The State Plan for ~~{Industrial Development and Diversification that is~~
19 ~~developed by the Commission pursuant to NRS 231.067-}~~ *Economic Development*
20 *developed by the Executive Director of the Office of Economic Development*
21 *pursuant to subsection 2 of section 14 of this act;* and

22 (2) Any guidelines adopted ~~{pursuant to the State Plan.}~~ *by the Executive*
23 *Director of the Office of Economic Development to implement the State Plan for*
24 *Economic Development.*

25 (b) The applicant has executed an agreement with the ~~{Commission}~~ *Office*
26 which states that the business will, after the date on which a certificate of eligibility
27 for the abatement is issued pursuant to subsection 4:

28 (1) Continue in operation in the enterprise community for a period
29 specified by the ~~{Commission.}~~ *Office*, which must be at least 5 years; and

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

32 ➤ The agreement must bind successors in interest of the business for the specified
33 period.

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

37 (d) The business:

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

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

43 4. If the ~~{Commission-on}~~ *Office of Economic Development* approves an
44 application for a partial abatement, the ~~{Commission}~~ *Office* shall:

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

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

49 (1) The Department of Taxation;

50 (2) The Nevada Tax Commission; and

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

5. *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. The ~~Commission on~~ 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 ~~Commission on~~ Office determines to be necessary or advisable to carry out the provisions of this section.

~~6.7~~ 7. An applicant for an abatement who is aggrieved by a final decision of the ~~Commission on~~ Office of Economic Development may petition for judicial review in the manner provided in chapter 233B of NRS.

~~7.7~~ 8. 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. 52. (Deleted by amendment.)

Sec. 52.3. Chapter 349 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *Except as otherwise provided in NRS 349.640, the Director shall not finance a project without the approval of the Office of Economic Development. The Office shall approve the financing of a project if it determines that the project is consistent with the State Plan for Economic Development developed by the Executive Director of the Office pursuant to subsection 2 of section 14 of this act.*

2. *The Director shall cooperate with the Office of Economic Development in carrying out the provisions of this section and provide such assistance as the Office determines to be necessary for that purpose.*

Sec. 52.5. NRS 349.400 is hereby amended to read as follows:

349.400 As used in NRS 349.400 to 349.670, inclusive, *and section 52.3 of this act*, unless the context otherwise requires, the words and terms defined in NRS

349.405 to 349.540, inclusive, have the meanings ascribed to them in those sections.

Sec. 52.7. NRS 349.560 is hereby amended to read as follows:

349.560 It is the intent of the Legislature to authorize the Director , *with the approval of the Office of Economic Development*, to finance, acquire, own, lease, improve and dispose of properties to:

1. Promote industry and employment and develop trade by inducing manufacturing, industrial, warehousing and commercial enterprises and organizations for research and development to locate, remain or expand in this state to further prosperity throughout the State and to further the use of the agricultural products and the natural resources of this state.

2. Enhance public safety by protecting hotels, motels, apartment buildings, casinos, office buildings and their occupants from fire.

3. Promote the public health by enabling the acquisition, development, expansion and maintenance of health and care facilities and supplemental facilities for health and care facilities which will provide services of high quality at reasonable rates to the residents of the community in which the facilities are situated.

4. Promote the educational, cultural, economic and general welfare of the public by financing civic and cultural enterprises, certain educational institutions and the preservation or restoration of historic structures.

5. Promote the social welfare of the residents of this state by enabling a corporation for public benefit to acquire, develop, expand and maintain facilities that provide services for those residents.

6. Promote the generation of electricity in this state.

Sec. 53. (Deleted by amendment.)

Sec. 53.3. NRS 349.580 is hereby amended to read as follows:

349.580 Except as otherwise provided in NRS 349.595 and 349.640, the Director shall not finance a project unless, before financing:

1. The Director finds that:

(a) The project to be financed has been approved for financing pursuant to the requirements of NRS 244A.669 to 244A.763, inclusive, or 268.512 to 268.568, inclusive; and

(b) There has been a request by a city or county to have the Director issue bonds to finance the project; or

2. The Director finds and both the Board and the governing body of the city or county where the project is to be located approve the findings of the Director that:

(a) The project consists of any land, building or other improvement and all real and personal properties necessary in connection therewith, excluding inventories, raw materials and working capital, whether or not in existence, which is suitable for new construction, improvement, preservation, restoration, rehabilitation or redevelopment:

(1) For manufacturing, industrial, warehousing, civic, cultural or other commercial enterprises, educational institutions, corporations for public benefit or organizations for research and development;

(2) For a health and care facility or a supplemental facility for a health and care facility;

(3) Of real or personal property appropriate for addition to a hotel, motel, apartment building, casino or office building to protect it or its occupants from fire;

(4) Of a historic structure; or

(5) For a renewable energy generation project;

(b) The project will provide a public benefit;

(c) The contemplated lessee, purchaser or other obligor has sufficient financial resources to place the project in operation and to continue its operation, meeting the obligations of the lease, purchase contract or financing agreement;

(d) There are sufficient safeguards to assure that all money provided by the Department will be expended solely for the purposes of the project;

(e) The project would be compatible with existing facilities in the area adjacent to the location of the project;

(f) ~~The project;~~

~~(1) Is compatible with the plan of the State for economic diversification and development or for the marketing and development of tourism in this state; or~~

~~(2) Promotes the generation of electricity in this state;~~

~~(g)}~~ Through the advice of counsel or other reliable source, the project has received all approvals by the local, state and federal governments which may be necessary to proceed with construction, improvement, rehabilitation or redevelopment of the project; and

~~(h)}~~ (g) There has been a request by a city, county, lessee, purchaser, other obligor or other enterprise to have the Director issue revenue bonds for industrial development to finance the project.

Sec. 53.5. NRS 349.595 is hereby amended to read as follows:

349.595 1. ~~The~~ *Except as otherwise provided in section 52.3 of this act,* the Director may provide financing for a project pursuant to this section if:

(a) The financing is limited in amount and purpose to the payment of the costs associated with:

(1) The acquisition, refurbishing, replacement and installation of equipment for the project; and

(2) The issuance of bonds pursuant to this section;

(b) The total amount of the bonds issued pursuant to this section for a particular project does not exceed \$2,500,000;

(c) The Director determines that the bonds will:

(1) Be sold only to qualified institutional buyers, as defined in Rule 144A of the Securities and Exchange Commission, 17 C.F.R. § 230.144A, in minimum denominations of at least \$100,000; or

(2) Receive a rating within one of the top four rating categories of Moody's Investors Service, Inc., Standard and Poor's Rating Services or Fitch IBCA, Inc.;

(d) The Director makes the findings set forth in paragraphs (a) to ~~(e), inclusive, (g) and (h)}~~ (g), *inclusive*, of subsection 2 of NRS 349.580, and the governing body of the city or county where the project is to be located approves the findings of the Director; and

(e) The Director complies with the guidelines established pursuant to subsection 2.

2. The Board shall establish guidelines for the provision of financing for a project pursuant to this section.

Sec. 53.7. NRS 349.640 is hereby amended to read as follows:

349.640 1. Any bonds issued under the provisions of NRS 244A.669 to 244A.763, inclusive, 268.512 to 268.568, inclusive, or 349.400 to 349.670, inclusive, *and section 52.3 of this act* may be refunded by the Director by the issuance of refunding bonds in an amount which the Director deems necessary to refund the principal of the bonds to be so refunded, any unpaid interest thereon and any premiums and incidental expenses necessary to be paid in connection with refunding.

2. Refunding may be carried out whether the bonds to be refunded have matured or thereafter mature, either by sale of the refunding bonds and the

1 application of the proceeds to the payment of the bonds to be refunded, or by
2 exchange of the refunding bonds for the bonds to be refunded. The holders of the
3 bonds to be refunded must not be compelled, without their consent, to surrender
4 their bonds for payment or exchange before the date on which they are payable by
5 maturity, option to redeem or otherwise, or if they are called for redemption before
6 the date on which they are by their terms subject to redemption by option or
7 otherwise.

8 3. All refunding bonds issued pursuant to this section must be payable solely
9 from revenues and other money out of which the bonds to be refunded thereby are
10 payable or from revenues out of which bonds of the same character may be made
11 payable under this or any other law then in effect at the time of the refunding.

12 4. The Director shall not issue refunding bonds unless before the refinancing
13 the Director finds that issuance of refunding bonds will provide a lower cost of
14 financing for the obligor or provide some other public benefit, but the findings ,
15 ~~and~~ determinations *and approval* required by NRS 349.580, 349.590 and 349.595
16 *and section 52.3 of this act* are not required with respect to refunding bonds issued
17 pursuant to this section.

18 **Sec. 54.** NRS 349.800 is hereby amended to read as follows:

19 349.800 1. If the Director certifies to the Governor that there is a need to
20 issue revenue bonds to carry out the program and that it is feasible to do so, the
21 Governor may issue an executive order creating an Advisory Committee on
22 Financing Exports, consisting of three members appointed by the Director.

23 2. The Director, in consultation with the Executive Director of the
24 ~~{Commission on}~~ *Office of* Economic Development and with the approval of the
25 Governor, shall appoint to serve as members of the Committee three persons who
26 have proven experience in international trade and economic development which
27 they acquired while engaged in finance, manufacturing, business administration,
28 municipal finance, economics, law or general business.

29 3. After the initial terms, the term of each member is 3 years.

30 **Sec. 55.** NRS 360.225 is hereby amended to read as follows:

31 360.225 1. During the course of an investigation undertaken pursuant to
32 NRS 360.130 of a person claiming:

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

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

35 (c) A deferral of the payment of taxes on the sale of capital goods pursuant to
36 NRS 372.397 or 374.402; or

37 (d) An abatement of taxes on the gross receipts from the sale, storage, use or
38 other consumption of eligible machinery or equipment pursuant to NRS 374.357,
39 the Department shall investigate whether the person meets the eligibility
40 requirements for the abatement, partial abatement, exemption or deferral that the
41 person is claiming.

42 2. If the Department finds that the person does not meet the eligibility
43 requirements for the abatement, exemption or deferral which the person is claiming,
44 the Department shall report its findings to the ~~{Commission on}~~ *Office of* Economic
45 Development and take any other necessary actions.

46 **Sec. 56.** NRS 360.750 is hereby amended to read as follows:

47 360.750 1. A person who intends to locate or expand a business in this State
48 may apply to the ~~{Commission on}~~ *Office of* Economic Development for a partial
49 abatement of one or more of the taxes imposed on the new or expanded business
50 pursuant to chapter 361, 363B or 374 of NRS.

51 2. The ~~{Commission on}~~ *Office of* Economic Development shall approve an
52 application for a partial abatement if the ~~{Commission}~~ *Office* makes the following
53 determinations:

1 (a) The business is consistent with:

2 (1) The State Plan for ~~Industrial Development and Diversification that is~~
3 ~~developed by the Commission pursuant to NRS 231.067.~~ *Economic Development*
4 *developed by the Executive Director of the Office of Economic Development*
5 *pursuant to subsection 2 of section 14 of this act;* and

6 (2) Any guidelines adopted ~~[pursuant to the State Plan.]~~ *by the Executive*
7 *Director of the Office to implement the State Plan for Economic Development.*

8 (b) The applicant has executed an agreement with the ~~[Commission]~~ *Office*
9 which must:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

51 (I) The business will provide a health insurance plan for all employees
52 that includes an option for health insurance coverage for dependents of the
53 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 ~~{Commission}~~ 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 ~~{Commission}~~ 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 ~~{Commission}~~ Office by regulation pursuant to subsection 8.

3. Notwithstanding the provisions of subsection 2, the ~~{Commission-on}~~ Office of Economic Development:

(a) Shall not consider an application for a partial abatement unless the ~~{Commission}~~ 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 ~~{Commission}~~ 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) of subsection 2;

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

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

5 4. If the ~~{Commission-on}~~ *Office of* Economic Development approves an
6 application for a partial abatement, the ~~{Commission-on}~~ *Office* shall immediately
7 forward a certificate of eligibility for the abatement to:

8 (a) The Department;

9 (b) The Nevada Tax Commission; and

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

12 5. An applicant for a partial abatement pursuant to this section or an existing
13 business whose partial abatement is in effect shall, upon the request of the
14 Executive Director of the ~~{Commission-on}~~ *Office of* Economic Development,
15 furnish the Executive Director with copies of all records necessary to verify that the
16 applicant meets the requirements of subsection 2.

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

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

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

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

33 7. A county treasurer:

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

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

39 8. The ~~{Commission-on}~~ *Office of* Economic Development:

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

43 (b) May adopt such other regulations as the ~~{Commission-on}~~ *Office of*
44 Economic Development determines to be necessary to carry out the provisions of
45 this section and NRS 360.755.

46 9. The Nevada Tax Commission:

47 (a) Shall adopt regulations regarding:

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

50 (2) Any security that a business is required to post to qualify for a partial
51 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 ~~{Commission-on}~~ *Office of* Economic Development may petition for judicial review in the manner provided in chapter 233B of NRS.

Sec. 57. NRS 360.755 is hereby amended to read as follows:

360.755 1. If the ~~{Commission-on}~~ *Office of* Economic Development approves an application by a business for a partial abatement pursuant to NRS 360.750, the agreement with the ~~{Commission}~~ *Office* must provide that the business:

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

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

2. If the Department conducts an audit of the business to determine whether the business is in compliance with the requirements for the partial abatement, the Department shall, upon request, provide the audit report to the ~~{Commission-on}~~ *Office of* Economic Development.

3. Until the business has exhausted all appeals to the Department and the Nevada Tax Commission relating to the audit, the information contained in the audit report provided to the ~~{Commission-on}~~ *Office of* Economic Development:

(a) Is confidential proprietary information of the business;

(b) Is not a public record; and

(c) Must not be disclosed to any person who is not an officer or employee of the ~~{Commission-on}~~ *Office of* Economic Development unless the business consents to the disclosure.

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

(a) The audit report provided to the ~~{Commission-on}~~ *Office of* Economic Development is a public record; and

(b) Upon request by any person, the Executive Director of the ~~{Commission-on}~~ *Office of* Economic Development shall disclose the audit report to the person who made the request, except for any information in the audit report that is protected from disclosure pursuant to subsection 5.

5. Before the Executive Director of the ~~{Commission-on}~~ *Office of* Economic Development discloses the audit report to the public, the business may submit a request to the Executive Director to protect from disclosure any information in the audit report which, under generally accepted business practices, would be considered a trade secret or other confidential proprietary information of the business. After consulting with the business, the Executive Director shall determine whether to protect the information from disclosure. The decision of the Executive Director is final and is not subject to judicial review. If the Executive Director determines to protect the information from disclosure, the protected information:

(a) Is confidential proprietary information of the business;

(b) Is not a public record;

(c) Must be redacted by the Executive Director from any audit report that is disclosed to the public; and

(d) Must not be disclosed to any person who is not an officer or employee of the ~~{Commission-on}~~ *Office of* Economic Development unless the business consents to the disclosure.

1 **Sec. 58.** NRS 360.757 is hereby amended to read as follows:

2 360.757 1. ~~If the Commission on~~ *The Office of* Economic Development
3 ~~receives an~~ *shall not take any action on an* application for any abatement of taxes
4 ~~imposed on a business, the Commission shall, at~~ *pursuant to NRS 274.310,*
5 *274.320, 274.330* ~~or 360.750~~ *, 701A.110 or 701A.365* *or any other specific*
6 *statute unless the Office:*

7 (a) *Takes that action at a public hearing conducted for that purpose; and*

8 (b) *At least 30 days before the* ~~meeting at which the Commission takes any~~
9 ~~action on the application, provide~~ *hearing, provides* notice of the application to:

10 ~~(a)~~ (1) The governing body of the county, the board of trustees of the school
11 district and the governing body of the city or town, if any, in which the *pertinent*
12 business ~~facility or building~~ is or will be located; ~~and~~

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

15 (3) *The general public.*

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

19 3. The ~~Commission on~~ *Office of* Economic Development shall adopt
20 regulations relating to the notice required by this section.

21 **Sec. 59.** NRS 361.0687 is hereby amended to read as follows:

22 361.0687 1. A person who intends to locate or expand a business in this
23 State may, pursuant to NRS 360.750, apply to the ~~Commission on~~ *Office of*
24 Economic Development for a partial abatement from the taxes imposed by this
25 chapter.

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

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

32 (1) The business will make a capital investment in the county of at least
33 \$50,000,000 if the business is an industrial or manufacturing business or at least
34 \$5,000,000 if the business is not an industrial or manufacturing business; and

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

39 (b) If the business is a new business in a county whose population is less than
40 100,000 or a city whose population is less than 60,000:

41 (1) The business will make a capital investment in the county of at least
42 \$5,000,000 if the business is an industrial or manufacturing business or at least
43 \$500,000 if the business is not an industrial or manufacturing business; and

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

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

52 (a) The partial abatement must:

53 (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 ~~{Commission on}~~ *Office of* Economic Development shall notify the county assessor of the county in which the business is located of the approval of the partial abatement, including, without limitation, the duration and percentage of the partial abatement that the ~~{Commission}~~ *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. 60. NRS 363B.120 is hereby amended to read as follows:

363B.120 1. An employer that qualifies pursuant to the provisions of NRS 360.750 is entitled to an exemption of 50 percent of the amount of tax otherwise due pursuant to NRS 363B.110 during the first 4 years of its operation.

2. If a partial abatement from the taxes otherwise due pursuant to NRS 363B.110 is approved by the ~~{Commission on}~~ *Office of* Economic Development pursuant to NRS 360.750, the partial abatement must be administered and carried out in the manner set forth in NRS 360.750.

Sec. 61. 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 ~~{Commission on}~~ *Office of* Economic Development for such a deferment. 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. The ~~{Commission on}~~ *Office of* Economic Development shall certify the person's eligibility for a deferment if:

(a) The purchase is consistent with the ~~{Commission's plan for industrial development and diversification;}~~ *State Plan for Economic Development developed by the Executive Director of the Office pursuant to subsection 2 of section 14 of this act;* and

(b) The ~~{Commission}~~ *Office* determines that the deferment is a significant factor in the decision of the person to locate or expand a business in this State.

↪ Upon certification, the ~~{Commission}~~ *Office* shall immediately forward the deferment to the Nevada Tax Commission.

4. 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. 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; and

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

Sec. 62. NRS 374.357 is hereby amended to read as follows:

374.357 1. A person who maintains a business or intends to locate a business in this State may, pursuant to NRS 360.750, apply to the ~~{Commission on}~~ **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 360.750.

2. If an application for an abatement is approved pursuant to NRS 360.750:

(a) The taxpayer is eligible for an abatement from the tax imposed by this chapter for not more than 2 years.

(b) The abatement must be administered and carried out in the manner set forth in NRS 360.750.

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

(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. 63. 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.

(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 ~~{Commission on}~~ **Office of** Economic Development for such a deferment. 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. The ~~{Commission on}~~ **Office of** Economic Development shall certify the person's eligibility for a deferment if:

(a) The purchase is consistent with the ~~{Commission's plan for industrial development and diversification;}~~ *State Plan for Economic Development developed by the Executive Director of the Office pursuant to subsection 2 of section 14 of this act;* and

(b) The ~~{Commission}~~ *Office* determines that the deferment is a significant factor in the decision of the person to locate or expand a business in this State.

↳ Upon certification, the ~~{Commission}~~ *Office* shall immediately forward the deferment to the Nevada Tax Commission.

4. 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. 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; and

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

Sec. 64. NRS 380A.041 is hereby amended to read as follows:

380A.041 1. The Governor shall appoint to the Council:

(a) A representative of public libraries;

(b) A trustee of a legally established library or library system;

(c) A representative of school libraries;

(d) A representative of academic libraries;

(e) A representative of special libraries or institutional libraries;

(f) A representative of persons with disabilities;

(g) A representative of the public who uses these libraries;

(h) A representative of recognized state labor organizations;

(i) A representative of private sector employers;

(j) A representative of private literacy organizations, voluntary literacy organizations or community-based literacy organizations; and

(k) A classroom teacher who has demonstrated outstanding results in teaching children or adults to read.

2. The director of the following state agencies or their designees shall serve as ex officio members of the Council:

(a) The Department of Cultural Affairs;

(b) The Department of Education;

(c) The Department of Employment, Training and Rehabilitation;

(d) The Department of Health and Human Services;

(e) The ~~{Commission on}~~ *Office of* Economic Development; and

(f) The Department of Corrections.

3. Officers of State Government whose agencies provide funding for literacy services may be designated by the Governor or the Chair of the Council to serve whenever matters within the jurisdiction of the agency are considered by the Council.

4. The Governor shall ensure that there is appropriate representation on the Council of urban and rural areas of the State, women, persons with disabilities, and racial and ethnic minorities.

5. A person may not serve as a member of the Council for more than two consecutive terms.

Sec. 65. NRS 408.210 is hereby amended to read as follows:

408.210 1. The Director may restrict the use of, or close, any highway whenever the Director considers the closing or restriction of use necessary:

(a) For the protection of the public.

(b) For the protection of such highway from damage during storms or during construction, reconstruction, improvement or maintenance operations thereon.

(c) To promote economic development or tourism in the best interest of the State or upon the written request of the Executive Director of the ~~Commission on~~ **Office of** Economic Development or the Director of the Commission on Tourism.

2. The Director may:

(a) Divide or separate any highway into separate roadways, wherever there is particular danger to the traveling public of collisions between vehicles proceeding in opposite directions or from vehicular turning movements or cross-traffic, by constructing curbs, central dividing sections or other physical dividing lines, or by signs, marks or other devices in or on the highway appropriate to designate the dividing line.

(b) Lay out and construct frontage roads on and along any highway or freeway and divide and separate any such frontage road from the main highway or freeway by means of curbs, physical barriers or by other appropriate devices.

3. The Director may remove from the highways any unlicensed encroachment which is not removed, or the removal of which is not commenced and thereafter diligently prosecuted, within 5 days after personal service of notice and demand upon the owner of the encroachment or the owner's agent. In lieu of personal service upon that person or agent, service of the notice may also be made by registered or certified mail and by posting, for a period of 5 days, a copy of the notice on the encroachment described in the notice. Removal by the Department of the encroachment on the failure of the owner to comply with the notice and demand gives the Department a right of action to recover the expense of the removal, cost and expenses of suit, and in addition thereto the sum of \$100 for each day the encroachment remains beyond 5 days after the service of the notice and demand.

4. If the Director determines that the interests of the Department are not compromised by a proposed or existing encroachment, the Director may issue a license to the owner or the owner's agent permitting an encroachment on the highway. Such a license is revocable and must provide for relocation or removal of the encroachment in the following manner. Upon notice from the Director to the owner of the encroachment or the owner's agent, the owner or agent may propose a time within which he or she will relocate or remove the encroachment as required. If the Director and the owner or the owner's agent agree upon such a time, the Director shall not himself remove the encroachment unless the owner or the owner's agent has failed to do so within the time agreed. If the Director and the owner or the owner's agent do not agree upon such a time, the Director may remove the encroachment at any time later than 30 days after the service of the original notice upon the owner or the owner's agent. Service of notice may be made in the manner provided by subsection 3. Removal of the encroachment by the Director gives the Department the right of action provided by subsection 3, but the penalty must be computed from the expiration of the agreed period or 30-day period, as the case may be.

Sec. 66. NRS 417.105 is hereby amended to read as follows:

417.105 1. Each year on or before October 1, the Office of Veterans' Services shall review the reports submitted pursuant to NRS 333.3368 and 338.13846.

2. In carrying out the provisions of subsection 1, the Office of Veterans' Services shall seek input from:

(a) The Purchasing Division of the Department of Administration.

(b) The State Public Works Board.

(c) The ~~Commission on~~ **Office of** Economic Development.

(d) Groups representing the interests of veterans of the Armed Forces of the United States.

(e) The business community.

(f) Local businesses owned by veterans with service-connected disabilities.

3. After performing the duties described in subsections 1 and 2, the Office of Veterans' Services shall make recommendations to the Legislative Commission regarding the continuation, modification, promotion or expansion of the preferences for local businesses owned by veterans with service-connected disabilities which are described in NRS 333.3366 and 338.13844.

4. As used in this section:

(a) "Business owned by a veteran with a service-connected disability" has the meaning ascribed to it in NRS 338.13841.

(b) "Local business" has the meaning ascribed to it in NRS 333.3363.

(c) "Veteran with a service-connected disability" has the meaning ascribed to it in NRS 338.13843.

Sec. 67. NRS 670.130 is hereby amended to read as follows:

670.130 In furtherance of its purposes and in addition to the powers conferred on business corporations by law, the corporation has, subject to the restrictions and limitations contained in this chapter, the following powers:

1. To elect, appoint and employ officers, agents and employees, to make contracts and incur liabilities for any of the purposes of the corporation. The corporation shall not incur any secondary liability by way of guaranty or endorsement of the obligations of any natural person, firm, corporation, joint-stock company, association or trust, or in any other manner, except that the corporation may guarantee or endorse obligations of borrowers.

2. To borrow money and negotiate guarantees from federal agencies for any of the purposes of the corporation, to issue its bonds, debentures, notes or other evidences of indebtedness, whether secured or unsecured, and to secure them by mortgage, pledge, deed of trust or other lien on its property, franchises, rights and privileges of every kind and nature, or any part of them or interest in them, without securing stockholder approval.

3. To make loans to any natural person, firm, corporation, joint-stock company, association or trust, and to establish and regulate the terms and conditions with respect to those loans and the charges for interest and service connected therewith, except that the corporation shall not approve any application for a loan unless the person applying for the loan shows that he or she has applied for the loan through ordinary banking channels and that the loan has been refused by at least one bank or other financial institution.

4. To purchase, receive, hold, lease or otherwise acquire, and to sell, convey, transfer, lease or otherwise dispose of real and personal property, together with such rights and privileges as may be incidental and appurtenant to the property and the use of it, including but not restricted to any real or personal property acquired by the corporation from time to time in the satisfaction of debts or enforcement of obligations.

5. To acquire the goodwill, business, rights, real and personal property and other assets, or any part of them, or interest in them, of any natural person, firm, corporation, joint-stock company, association or trust, and to assume, undertake or pay the obligations, debts and liabilities of that natural person, firm, corporation, joint-stock company, association or trust; to acquire improved or unimproved real estate for the purpose of constructing industrial plants or other business establishments on it or for the purpose of disposing of that real estate to others for the construction of industrial plants or other business establishments; and to

1 acquire, construct or reconstruct, alter, repair, maintain, operate, sell, convey,
2 transfer, lease or otherwise dispose of industrial plants or business establishments.

3 6. To acquire, subscribe for, own, hold, sell, assign, transfer, mortgage,
4 pledge or otherwise dispose of the stock, shares, bonds, debentures, notes or other
5 securities and evidences of interest in or indebtedness of any natural person, firm,
6 corporation, joint-stock company, association or trust, and while the owner or
7 holder thereof to exercise all the rights, powers and privileges of ownership
8 including the right to vote thereon.

9 7. To mortgage, pledge or otherwise encumber any property, right or thing of
10 value acquired pursuant to the powers contained in subsection 4, 5 or 6 as security
11 for the payment of any part of the purchase price of them.

12 8. To cooperate with and avail itself of the facilities of the United States
13 Department of Commerce, the ~~{Commission on}~~ Office of Economic Development
14 and any other similar state or federal governmental agencies; and to cooperate with
15 and assist, and otherwise encourage organizations in the various communities of the
16 State in the promotion, assistance and development of the business prosperity and
17 economic welfare of those communities or of this state.

18 9. To do all acts and things necessary or convenient to carry out the powers
19 expressly granted in this chapter.

20 **Sec. 68.** NRS 670A.150 is hereby amended to read as follows:

21 670A.150 In furtherance of its purposes and in addition to the powers
22 conferred on business corporations by law, the corporation may, subject to the
23 restrictions and limitations contained in this chapter:

24 1. Elect, appoint and employ officers, agents and employees, make contracts,
25 including without limitation, contracts to share personnel and services with other
26 public or private entities to carry out the State Plan for Economic Development, and
27 may incur liabilities for any of the purposes of the corporation. The corporation
28 shall not incur any secondary liability by way of guaranty or endorsement of the
29 obligations of any natural person, firm, corporation, joint-stock company,
30 association or trust, or in any other manner, except that the corporation may
31 guarantee or endorse industrial revenue bonds, individually or in groups, issued
32 under the laws of this state and the obligations of borrowers.

33 2. Borrow money and negotiate guarantees from federal agencies for any of
34 the purposes of the corporation, issue its bonds, debentures, notes or other
35 evidences of indebtedness, whether secured or unsecured, and may secure them by
36 mortgage, pledge, deed of trust or other lien on its property, franchises, rights and
37 privileges of every kind and nature, or any part of them or interest in them, without
38 securing stockholder approval.

39 3. Make loans to any natural person, firm, corporation, joint-stock company,
40 association or trust, and may establish and regulate the terms and conditions with
41 respect to those loans and the charges for interest and service connected therewith,
42 except that the corporation shall not approve any application for a loan unless the
43 person applying for the loan shows that he or she has applied for the loan through
44 ordinary banking channels and that the loan has been refused by at least one bank
45 or other financial institution.

46 4. Purchase, receive, hold, lease or otherwise acquire, and to sell, convey,
47 transfer, lease or otherwise dispose of real and personal property, together with
48 such rights and privileges as may be incidental and appurtenant to the property and
49 the use of it, including but not restricted to any real or personal property acquired
50 by the corporation from time to time in the satisfaction of debts or enforcement of
51 obligations.

52 5. Acquire the goodwill, business, rights, real and personal property and other
53 assets, or any part of them, or interest in them, of any natural person, firm,

corporation, joint-stock company, association or trust, and assume, undertake or pay the obligations, debts and liabilities of that natural person, firm, corporation, joint-stock company, association or trust; to acquire improved or unimproved real estate to construct industrial plants or other business establishments on it or to dispose of that real estate to others for the construction of industrial plants or other business establishments; and may acquire, construct or reconstruct, alter, repair, maintain, operate, sell, convey, transfer, lease or otherwise dispose of industrial plants or business establishments.

6. Acquire, subscribe for, own, hold, sell, assign, transfer, mortgage, pledge or otherwise dispose of the stock, shares, bonds, debentures, notes or other securities and evidences of interest in or indebtedness of any natural person, firm, corporation, joint-stock company, association or trust, and while the owner or holder thereof may exercise all the rights, powers and privileges of ownership including the right to vote thereon.

7. Mortgage, pledge or otherwise encumber any property, right or thing of value acquired pursuant to the powers contained in subsection 4, 5 or 6 as security for the payment of any part of the purchase price of them.

8. Cooperate with and avail itself of the facilities of the United States Department of Commerce, the ~~{Commission on}~~ *Office of* Economic Development and any other similar state or federal governmental agencies and may cooperate with and assist, and otherwise encourage organizations in the various communities of the State in the promotion, assistance and development of the business prosperity and economic welfare of those communities or of this state.

9. Do all acts and things necessary or convenient to carry out the powers expressly granted in this chapter.

Sec. 69. NRS 670A.180 is hereby amended to read as follows:

670A.180 1. The business and affairs of the corporation must be managed and conducted by a board of directors, a president, a vice president, a secretary, a treasurer and such other officers and agents as the corporation by its bylaws may authorize. The board of directors must consist of a number not less than 9 nor more than 15 as may be determined in the first instance by the incorporators and after that annually by the stockholders of the corporation. The Director of the Department of Business and Industry and the Executive Director of the ~~{Commission on}~~ *Office of* Economic Development shall serve ex officio as nonvoting directors, but without any liability as such, except for gross negligence or willful misconduct.

2. The board of directors may exercise all the powers of the corporation except those conferred by law or by the bylaws of the corporation upon the stockholders and shall choose and appoint all the agents and officers of the corporation and fill all vacancies except vacancies in the office of director, which must be filled as provided in this section.

3. The voting directors must be elected in the first instance by the incorporators and after that at least five directors must be elected by the members of the corporation and at least two directors must be elected by the stockholders at the annual meeting. The annual meeting must be held during the month of January or, if no annual meeting is held in the year of incorporation, then within 90 days after the approval of the articles of incorporation at a special meeting as provided in this chapter.

4. The voting directors shall hold office until the next annual meeting of the corporation or special meeting held in lieu of the annual meeting after the election and until their successors are elected and qualified, unless sooner removed in accordance with the provisions of the bylaws.

5. Any vacancy in the office of a voting director must be filled by the directors.

6. Directors and officers are not responsible for losses unless the losses have been occasioned by the willful misconduct of those directors and officers.

Sec. 70. NRS 701A.110 is hereby amended to read as follows:

701A.110 1. Except as otherwise provided in this section, the Director, in consultation with the Office of Economic Development, shall grant a partial abatement from the portion of the taxes imposed pursuant to chapter 361 of NRS, other than any taxes imposed for public education, on a building or other structure that is determined to meet the equivalent of the silver level or higher by an independent contractor authorized to make that determination in accordance with the Green Building Rating System adopted by the Director pursuant to NRS 701A.100, if:

(a) No funding is provided by any governmental entity in this State for the acquisition, design or construction of the building or other structure or for the acquisition of any land therefor. For the purposes of this paragraph:

(1) Private activity bonds must not be considered funding provided by a governmental entity.

(2) The term "private activity bond" has the meaning ascribed to it in 26 U.S.C. § 141.

(b) The owner of the property:

(1) Submits an application for the partial abatement to the Director. If such an application is submitted for a project that has not been completed on the date of that submission and there is a significant change in the scope of the project after that date, the application must be amended to include the change or changes.

(2) Except as otherwise provided in this subparagraph, provides to the Director, within 48 months after applying for the partial abatement, proof that the building or other structure meets the equivalent of the silver level or higher, as determined by an independent contractor authorized to make that determination in accordance with the Green Building Rating System adopted by the Director pursuant to NRS 701A.100. The Director may, for good cause shown, extend the period for providing such proof.

(3) Files a copy of each application and amended application submitted to the Director pursuant to subparagraph (1) with the:

(I) Chief of the Budget Division of the Department of Administration;

(II) Department of Taxation;

(III) County assessor;

(IV) County treasurer;

(V) ~~Commission on~~ Office of Economic Development;

(VI) Board of county commissioners; and

(VII) City manager and city council, if any.

(c) The abatement 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 section 14 of this act.

2. As soon as practicable after the Director receives the application and proof required by subsection 1, the Director, in consultation with the Office of Economic Development, shall ~~with the assistance of the Director,~~ determine whether the building or other structure is eligible for the abatement and, if so, forward a certificate of eligibility for the abatement to the:

(a) Department of Taxation;

(b) County assessor; ~~and~~

(c) County treasurer ~~;~~ and

(d) ~~Commission on~~ Office of Economic Development.

3. As soon as practicable after receiving a copy of:
(a) An application pursuant to subparagraph (3) of paragraph (b) of subsection 1:

(1) The Chief of the Budget Division shall publish a fiscal note that indicates an estimate of the fiscal impact of the partial abatement on the State; and

(2) The Department of Taxation shall publish a fiscal note that indicates an estimate of the fiscal impact of the partial abatement on each affected local government, and forward a copy of the fiscal note to each affected local government.

(b) A certificate of eligibility pursuant to subsection 2, the Department of Taxation shall forward a copy of the certificate to each affected local government.

4. The partial abatement:

(a) Must be for a duration of not more than 10 years and in an annual amount that equals, for a building or other structure that meets the equivalent of:

(1) The silver level, 25 percent of the portion of the taxes imposed pursuant to chapter 361 of NRS, other than any taxes imposed for public education, that would otherwise be payable for the building or other structure, excluding the associated land;

(2) The gold level, 30 percent of the portion of the taxes imposed pursuant to chapter 361 of NRS, other than any taxes imposed for public education, that would otherwise be payable for the building or other structure, excluding the associated land; or

(3) The platinum level, 35 percent of the portion of the taxes imposed pursuant to chapter 361 of NRS, other than any taxes imposed for public education, that would otherwise be payable for the building or other structure, excluding the associated land.

(b) Does not apply during any period in which the owner of the building or other structure is receiving another abatement or exemption pursuant to this chapter or NRS 361.045 to 361.159, inclusive, from the taxes imposed pursuant to chapter 361 of NRS.

(c) Terminates upon any determination by the Director that the building or other structure has ceased to meet the equivalent of the silver level or higher. The Director shall provide notice and a reasonable opportunity to cure any noncompliance issues before making a determination that the building or other structure has ceased to meet that standard. The Director shall immediately provide notice of each determination of termination to the:

(1) Department of Taxation, who shall immediately notify each affected local government of the determination;

(2) County assessor;

(3) County treasurer; and

(4) ~~Commission on~~ Office of Economic Development.

5. *If a partial abatement terminates pursuant to paragraph (c) of subsection 4, the owner of the property to which the partial abatement applied shall repay to the county treasurer the amount of the exemption that was allowed pursuant to this section before the date of that termination. The owner 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. The ~~Office of Economic Development, with the assistance of the~~ Director, *in consultation with the Office of Economic Development*, shall adopt regulations:

(a) Establishing the qualifications and methods to determine eligibility for the abatement;

(b) Prescribing such forms as will ensure that all information and other documentation necessary to make an appropriate determination is filed with the Director; and

(c) Prescribing the criteria for determining when there is a significant change in the scope of a project for the purposes of subparagraph (1) of paragraph (b) of subsection 1,

and the Department of Taxation shall adopt such additional regulations as it determines to be appropriate to carry out the provisions of this section.

~~[6-]~~ 7. The Director shall:

(a) Cooperate with the Office of Economic Development in carrying out the provisions of this section ; ~~and provide such assistance as the Office determines to be necessary for that purpose;~~ and

(b) 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 ~~[by the Office]~~ pursuant to this section.

8. As used in this section:

(a) "Building or other structure" does not include any building or other structure for which the principal use is as a residential dwelling for not more than four families.

(b) "Director" means the Director of the Office of Energy appointed pursuant to NRS 701.150.

(c) "Taxes imposed for public education" means:

(1) Any ad valorem tax authorized or required by chapter 387 of NRS;

(2) Any ad valorem tax authorized or required by chapter 350 of NRS for the obligations of a school district, including, without limitation, any ad valorem tax necessary to carry out the provisions of subsection 5 of NRS 350.020; and

(3) Any other ad valorem tax for which the proceeds thereof are dedicated to the public education of pupils in kindergarten through grade 12.

Sec. 71. NRS 701A.210 is hereby amended to read as follows:

701A.210 1. Except as otherwise provided in this section, if a:

(a) Business that engages in the primary trade of preparing, fabricating, manufacturing or otherwise processing raw material or an intermediate product through a process in which at least 50 percent of the material or product is recycled on-site; or

(b) Business that includes as a primary component a facility for the generation of electricity from recycled material,

is found by the ~~[Commission on]~~ *Office of Economic Development* to have as a primary purpose the conservation of energy or the substitution of other sources of energy for fossil sources of energy and obtains certification from the ~~[Commission on]~~ *Office of Economic Development* pursuant to NRS 360.750, the ~~[Commission on]~~ *Office* may, if the business additionally satisfies the requirements set forth in subsection 2 of NRS 361.0687, grant to the business a partial abatement from the taxes imposed on real property pursuant to chapter 361 of NRS.

2. If a partial abatement from the taxes imposed on real property pursuant to chapter 361 of NRS is approved by the ~~[Commission on]~~ *Office of Economic Development* pursuant to NRS 360.750 for a business described in subsection 1:

(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 real property payable by the business each year; and

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

(b) The Executive Director of the ~~{Commission on}~~ *Office of* Economic Development shall notify the county assessor of the county in which the business is located of the approval of the partial abatement, including, without limitation, the duration and percentage of the partial abatement that the ~~{Commission}~~ *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.

3. The partial abatement provided in this section applies only to the business for which certification was granted pursuant to NRS 360.750 and the property used in connection with that business. The exemption does not apply to property in this State that is not related to the business for which the certification was granted pursuant to NRS 360.750 or to property in existence and subject to taxation before the certification was granted.

4. As used in this section, "facility for the generation of electricity from recycled material" means a facility for the generation of electricity that uses recycled material as its primary fuel, including material from:

(a) Industrial or domestic waste, other than hazardous waste, even though it includes a product made from oil, natural gas or coal, such as plastics, asphalt shingles or tires;

(b) Agricultural crops, whether terrestrial or aquatic, and agricultural waste, such as manure and residue from crops; and

(c) Municipal waste, such as sewage and sludge.

➤ The term includes all the equipment in the facility used to process and convert into electricity the energy derived from a recycled material fuel.

Sec. 72. NRS 701A.360 is hereby amended to read as follows:

701A.360 1. A person who intends to locate a facility for the generation of process heat from solar renewable energy, a wholesale facility for the generation of electricity from renewable energy, a facility for the generation of electricity from geothermal resources or a facility for the transmission of electricity produced from renewable energy or geothermal resources in this State may apply to the Director for a partial abatement of the local sales and use taxes, the taxes imposed pursuant to chapter 361 of NRS, or both local sales and use taxes and taxes imposed pursuant to chapter 361 of NRS.

2. A facility that is owned, operated, leased or otherwise controlled by a governmental entity is not eligible for an abatement pursuant to NRS 701A.300 to 701A.390, inclusive.

3. As soon as practicable after the Director receives an application for a partial abatement, the Director shall submit the application to the Commissioner and forward a copy of the application to:

(a) The Chief of the Budget Division of the Department of Administration;

(b) The Department of Taxation;

(c) The board of county commissioners;

(d) The county assessor;

(e) The county treasurer; and

(f) The ~~{Commission on}~~ *Office of* Economic Development.

4. With the copy of the application forwarded to the county treasurer, the Director shall include a notice that the local jurisdiction may request a presentation regarding the facility. A request for a presentation must be made within 30 days after receipt of the application.

1 5. The Commissioner shall hold a public hearing on the application. The
2 hearing must not be held earlier than 30 days after all persons listed in subsection 3
3 have received a copy of the application.

4 **Sec. 73.** NRS 701A.365 is hereby amended to read as follows:

5 701A.365 1. Except as otherwise provided in subsection 2, the
6 Commissioner, in consultation with the Office of Economic Development, shall
7 approve an application for a partial abatement pursuant to NRS 701A.300 to
8 701A.390, inclusive, if the ~~Office, with the assistance of the~~ Commissioner, in
9 consultation with the Office of Economic Development, makes the following
10 determinations:

11 (a) The applicant has executed an agreement with the Commissioner which
12 must:

13 (1) State that the facility will, after the date on which a certificate of
14 eligibility for the abatement is issued pursuant to NRS 701A.370, continue in
15 operation in this State for a period specified by the Commissioner, which must be at
16 least 10 years, and will continue to meet the eligibility requirements for the
17 abatement; and

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

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

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

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

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

32 (2) Establishing the facility will require the facility to make a capital
33 investment of at least \$10,000,000 in this State;

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

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

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

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

50 (e) If the facility will be located in a county whose population is less than
51 100,000 or a city whose population is less than 60,000, the facility meets the
52 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 Commissioner 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;

(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 Commissioner 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 section 14 of this act.

2. The Commissioner ~~[Office of Economic Development]~~ 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 Commissioner *, in consultation with the Office of Economic Development*, may, if the Commissioner *, 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 Commissioner and the Director shall cooperate with the Office of Economic Development in carrying out the provisions of this section. ~~and~~

~~provide such assistance as the Office determines to be necessary for that purpose.]~~

5. The Commissioner 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 [by the Office] pursuant to this section.

Sec. 74. NRS 701A.370 is hereby amended to read as follows:

701A.370 1. If the Commissioner ~~[Office of Economic Development]~~ approves an application for a partial abatement pursuant to NRS 701A.300 to 701A.390, inclusive, of:

(a) Property taxes imposed pursuant to chapter 361 of NRS, the partial abatement must:

(1) Be for a duration of the 20 fiscal years immediately following the date of approval of the application;

(2) Be equal to 55 percent of the taxes on real and personal property payable by the facility each year; and

(3) Not apply during any period in which the facility is receiving another abatement or exemption from property taxes imposed pursuant to chapter 361 of NRS, other than any partial abatement provided pursuant to NRS 361.4722.

(b) Local sales and use taxes:

(1) The partial abatement must:

(I) Be for the 3 years beginning on the date of approval of the application;

(II) Be equal to that portion of the combined rate of all the local sales and use taxes payable by the facility each year which exceeds 0.25 percent; and

(III) Not apply during any period in which the facility is receiving another abatement or exemption from local sales and use taxes.

(2) The Department of Taxation shall issue to the facility a document certifying the abatement which can be presented to retailers at the time of sale. The document must clearly state that the purchaser is only required to pay sales and use taxes imposed in this State at the rate of 2.25 percent.

2. Upon approving an application for a partial abatement pursuant to NRS 701A.300 to 701A.390, inclusive, the Commissioner ~~[Office of Economic Development]~~ shall immediately notify the Director of the terms of the abatement and the Director shall immediately forward a certificate of eligibility for the abatement to:

(a) The Department of Taxation;

(b) The board of county commissioners;

(c) The county assessor;

(d) The county treasurer; and

(e) The ~~[Commissioner]~~ Office of Economic Development. ~~[Commissioner.]~~

Sec. 75. NRS 701A.375 is hereby amended to read as follows:

701A.375 1. As soon as practicable after receiving a copy of an application pursuant to NRS 701A.360:

(a) The Chief of the Budget Division of the Department of Administration shall publish a fiscal note that indicates an estimate of the fiscal impact of the partial abatement on the State and forward a copy of the fiscal note to the Director for submission to the Commissioner ~~H~~ and *the Office of Economic Development; and*

(b) The Department of Taxation shall publish a fiscal note that indicates an estimate of the fiscal impact of the partial abatement on each affected local government, and forward a copy of the fiscal note to each affected local government and to the Director for submission to the Commissioner ~~H~~ *and the Office of Economic Development.*

2. As soon as practicable after receiving a copy of a certificate of eligibility pursuant to NRS 701A.370, the Department of Taxation shall forward a copy of the certificate to each affected local government.

Sec. 76. NRS 701A.380 is hereby amended to read as follows:

701A.380 1. A partial abatement approved by the ~~Commissioner~~ Office of Economic Development pursuant to NRS 701A.300 to 701A.390, inclusive, terminates upon any determination by the Commissioner that the facility has ceased to meet any eligibility requirements for the abatement.

2. The Commissioner shall provide notice and a reasonable opportunity to cure any noncompliance issues before making a determination that the facility has ceased to meet those requirements.

3. The Commissioner shall immediately provide notice of each determination of termination to the Director, and the Director shall immediately provide a copy of the notice to:

(a) The Department of Taxation, which shall immediately notify each affected local government of the determination;

(b) The board of county commissioners;

(c) The county assessor;

(d) The county treasurer; and

(e) The ~~Commissioner~~ Office of Economic Development.

4. A facility whose partial abatement is terminated pursuant to this section shall repay to:

(a) The county treasurer the amount of the exemption from property taxes imposed pursuant to chapter 361 of NRS; and

(b) The Department of Taxation the amount of the exemption from local sales and use taxes,

that was allowed pursuant to this section before the date of that termination. Except as otherwise provided in NRS 360.232 and 360.320, the facility 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.

Sec. 77. ~~NRS 701A.385 is hereby amended to read as follows:~~

~~701A.385 Notwithstanding any statutory provision to the contrary, if the [Commissioner] Office of Economic Development approves an application for a partial abatement pursuant to NRS 701A.300 to 701A.390, inclusive, of~~

~~1. Property taxes imposed pursuant to chapter 361 of NRS, the amount of all the property taxes which are collected from the facility for the period of the abatement must be allocated and distributed in such a manner that:~~

~~(a) Forty-five percent of that amount is deposited in the Renewable Energy Fund created by NRS 701A.450; and~~

~~(b) Fifty-five percent of that amount is distributed to the local governmental entities that would otherwise be entitled to receive those taxes in proportion to the relative amount of those taxes those entities would otherwise be entitled to receive.~~

~~2. Local sales and use taxes, the State Controller shall allocate, transfer and remit an amount equal to all the sales and use taxes imposed in this State and collected from the facility for the period of the abatement in the same manner as if that amount consisted solely of the proceeds of taxes imposed by NRS 374.110 and 374.190.] (Deleted by amendment.)~~

Sec. 78. NRS 701A.390 is hereby amended to read as follows:

701A.390 The Commissioner:

1. Shall adopt regulations:

(a) Prescribing the minimum level of benefits that a facility must provide to its employees if the facility is going to use benefits paid to employees as a basis to qualify for a partial abatement pursuant to NRS 701A.300 to 701A.390, inclusive;

(b) Prescribing such requirements for an application for a partial abatement pursuant to NRS 701A.300 to 701A.390, inclusive, as will ensure that all information and other documentation necessary for the Commissioner ~~and~~ in consultation with the Office of Economic Development to make an appropriate determination is filed with the Director;

(c) Requiring each recipient of a partial abatement pursuant to NRS 701A.300 to 701A.390, inclusive, to file annually with the Director, for submission to the Commissioner, such information and documentation as may be necessary for the Commissioner to determine whether the recipient is in compliance with any eligibility requirements for the abatement; and

(d) Regarding the capital investment that a facility must make to meet the requirement set forth in paragraph (d) or (e) of subsection 1 of NRS 701A.365; and

2. May adopt such other regulations as the Commissioner determines to be necessary to carry out the provisions of NRS 701A.300 to 701A.390, inclusive.

Sec. 79. NRS 704.032 is hereby amended to read as follows:

704.032 The ~~{Commission-on}~~ Office of Economic Development may participate in proceedings before the Public Utilities Commission of Nevada concerning a public utility in the business of supplying electricity or natural gas to advocate the accommodation of the State Plan for ~~{Industrial Development and Diversification}~~ Economic Development developed by the Executive Director of the Office pursuant to subsection 2 of section 14 of this act. The ~~{Commission-on}~~ Office of Economic Development may intervene as a matter of right in a proceeding pursuant to NRS 704.736 to 704.754, inclusive, or 704.991.

Sec. 80. NRS 704.223 is hereby amended to read as follows:

704.223 1. If a business with a new industrial load has been certified by the ~~{Commission-on}~~ Office of Economic Development pursuant to NRS 231.139, the Public Utilities Commission of Nevada may authorize a public utility that furnishes electricity for the business to purchase or transmit a portion of the electricity provided to the business to reduce the overall cost of the electricity to the business. The purchases of electricity may be made by the business with the new industrial load, by agreement between the public utility and the business or by the public utility on behalf of the business, and must be made in accordance with such rates, terms and conditions as are established by the Public Utilities Commission of Nevada.

2. If additional facilities are determined by the affected utility to be required as the result of authorization granted pursuant to subsection 1, the facilities must be constructed, owned and operated by the affected utility. The business must agree as a condition to the authorization granted pursuant to subsection 1 to continue its business in operation in Nevada for 30 years. The agreement must require appropriate security for the reimbursement of the utility for the remaining portion of the value of the facilities which has not been depreciated by the utility and will not be mitigated by use of the facilities for other customers in the event that the business, or its successor in interest, does not remain in operation for 30 years.

3. Nothing in this section authorizes the Federal Energy Regulatory Commission to order the purchase or transmittal of electricity in the manner described in subsection 1.

4. All of the rules, regulations and statutes pertaining to the Public Utilities Commission of Nevada and public utilities apply to actions taken pursuant to this section.

5. Any authorization granted by the Public Utilities Commission of Nevada pursuant to this section must include such terms and conditions as the Commission determines are necessary to ensure that the rates or charges assessed to other customers of the public utility do not subsidize the cost of providing service to the business.

Sec. 80.5. Section 11 of this act is hereby amended to read as follows:

The Board shall:

1. Review and evaluate all programs of economic development in this State and make recommendations to the Legislature for legislation to improve the effectiveness of those programs in implementing the State Plan for Economic Development developed by the Executive Director pursuant to subsection 2 of section 14 of this act.

2. Recommend to the Executive Director a State Plan for Economic Development and make recommendations to the Executive Director for carrying out the State Plan for Economic Development.

3. Recommend to the Executive Director the criteria for the designation of regional development authorities.

4. Make recommendations to the Executive Director for the designation for the southern region of this State, the northern region of this State and the rural region of this State, one or more regional development authorities for each region.

5. Provide advice and recommendations to the Executive Director concerning:

(a) The procedures to be followed by any entity seeking to obtain any development resource, allocation, grant or loan from the Office;

(b) The criteria to be used by the Office in providing development resources and making allocations, grants and loans;

(c) The requirements for reports from the recipients of development resources, allocations, grants and loans from the Office concerning the use thereof; and

(d) Any other activities of the Office.

6. Review each proposal by the Executive Director to enter into a contract pursuant to section 15.5 of this act for more than \$100,000 or allocate, grant or loan more than \$100,000 to any entity and, as the Board determines to be in the best interests of the State, approve or disapprove the proposed allocation, grant or loan. Notwithstanding any other statutory provision to the contrary, the Executive Director shall not enter into any contract pursuant to section 15.5 of this act for more than \$100,000 or make any allocation, grant or loan of more than \$100,000 to any entity unless the allocation, grant or loan is approved by the Board.

Sec. 81. Section 12 of this act is hereby amended to read as follows:

Sec. 12. 1. There is hereby created within the Office of the Governor the Office of Economic Development ~~H~~, **consisting of:**

(a) A Division of Economic Development; and

(b) A Division of Motion Pictures.

2. The Governor shall propose a budget for the Office.

3. Employees of the Office are not in the classified or unclassified service of this State and serve at the pleasure of the Executive Director.

Sec. 82. Section 14 of this act is hereby amended to read as follows:

Sec. 14. After considering any pertinent advice and recommendations of the Board, the Executive Director:

1. Shall direct and supervise the administrative and technical activities of the Office.

2. Shall develop and may periodically revise a State Plan for Economic Development, which must include a statement of:

(a) New industries which have the potential to be developed in this State;

- (b) The strengths and weaknesses of this State for business incubation;
- (c) The competitive advantages and weaknesses of this State;
- (d) The manner in which this State can leverage its competitive advantages and address its competitive weaknesses;
- (e) A strategy to encourage the creation and expansion of businesses in this State and the relocation of businesses to this State; and
- (f) Potential partners for the implementation of the strategy, including, without limitation, the Federal Government, local governments, local and regional organizations for economic development, chambers of commerce, and private businesses, investors and nonprofit entities.

3. Shall develop criteria for the designation of regional development authorities pursuant to subsection 4.

4. Shall designate as many regional development authorities for each region of this State as the Executive Director determines to be appropriate to implement the State Plan for Economic Development. In designating regional development authorities, the Executive Director must consult with local governmental entities affected by the designation. The Executive Director may, if he or she determines that such action would aid in the implementation of the State Plan for Economic Development, remove the designation of any regional development authority previously designated pursuant to this section.

5. Shall establish procedures for entering into contracts with regional development authorities to provide services to aid, promote and encourage the economic development of this State.

6. May apply for and accept any gift, donation, bequest, grant or other source of money to carry out the provisions of *NRS 231.020 to 231.139, inclusive, and* sections 12 to ~~{15.5, inclusive, and 17 to}~~ 22, inclusive, of this act.

7. May adopt such regulations as may be necessary to carry out the provisions of *NRS 231.020 to 231.139, inclusive, and* sections 12 to ~~{15.5, inclusive, and 17 to}~~ 22, inclusive, of this act.

8. In a manner consistent with the laws of this State, may reorganize the programs of economic development in this State to further the State Plan for Economic Development. If, in the opinion of the Executive Director, changes to the laws of this State are necessary to implement the economic development strategy for this State, the Executive Director must recommend the changes to the Governor and the Legislature.

Sec. 83. Section 15 of this act is hereby amended to read as follows:

Sec. 15. Under the direction of the Executive Director, the Office ~~{shall:}~~ :

1. ~~{Provide}~~ *Shall provide* administrative and technical support to the Board.

2. ~~{Support}~~ *Shall support* the efforts of the Board, the regional development authorities designated by the Executive Director pursuant to subsection 4 of section 14 of this act and the private sector to encourage the creation and expansion of businesses in Nevada and the relocation of businesses to Nevada.

3. *Shall coordinate and oversee all economic development programs in this State to ensure that such programs are consistent with the State Plan for Economic Development developed by the Executive Director pursuant to subsection 2 of section 14 of this act, including, without limitation:*

(a) *Coordinating the economic development activities of agencies of this State, local governments in this State and local and regional organizations for economic development to avoid duplication of effort or conflicting efforts;*

(b) *Working with local, state and federal authorities to streamline the process for obtaining abatements, financial incentives, grants, loans and all necessary permits and licenses for the creation or expansion of business in Nevada or the relocation of businesses to Nevada; and*

(c) *Reviewing, analyzing and making recommendations for the approval or disapproval of applications for abatements, financial incentives, development resources, and grants and loans of money provided by the Office.*

4. *May:*

(a) *Participate in any federal programs for economic development that are consistent with the State Plan for Economic Development developed by the Executive Director pursuant to subsection 2 of section 14 of this act; and*

(b) *When practicable and authorized by federal law, act as the agency of this State to administer such federal programs.*

Sec. 84. Section 16 of this act is hereby amended to read as follows:

Sec. 16. 1. The Catalyst Fund is hereby created as a special revenue fund in the State Treasury.

2. The Catalyst Fund is a continuing fund without reversion. The interest and income earned on money in the Catalyst Fund, after deducting any applicable charges, must be credited to the Catalyst Fund.

3. All payments of principal and interest on any loan made with money from the Catalyst Fund must be deposited in the State Treasury for credit to the Fund.

4. The ~~{Commission on Economic Development}~~ *Executive Director* shall administer the Catalyst Fund and may apply for and accept any gift, grant, donation, bequest or other source of money for deposit in the Catalyst Fund.

Sec. 85. 1. On or before October 1, 2011, the Advisory Council on Economic Development created by section 8 of this act shall conduct an analysis and evaluation of the effectiveness of the programs of economic development in this State and the economic strengths and weaknesses of this State, by organizing teams, which may include, without limitation:

(a) An oversight team, consisting of the leaders of State Government and the Nevada System of Higher Education selected by the Advisory Council, to manage the work of conducting the analysis and evaluation and to compile interim reports and a final report on the analysis and evaluation.

(b) A research team to work with the Nevada System of Higher Education and existing organizations for economic development to:

(1) Identify and analyze industry clusters and innovation opportunities in this State; and

(2) Evaluate the best practices of economic development programs nationwide.

(c) An infrastructure planning team to:

(1) Inventory existing infrastructure in this State; and

(2) Identify the improvements to the infrastructure in this State which are needed to aid and encourage the economic development of this State.

(d) A technology commercialization and capital planning team to:

(1) Research best practices for the commercialization of research and technology; and

(2) Engage businesses, entrepreneurs and investors to commercialize research and technology developed in this State.

(e) An economic impact analysis team to develop an investment prospectus for this State based on the work performed by the other teams.

(f) An external research validation team to recommend a consulting firm to be hired by the Advisory Council. Within the limits of legislative appropriations, the Advisory Council shall retain a qualified, independent consultant to validate the economic assumptions used by the teams and review completed economic analyses.

2. In establishing the State Plan for Economic Development pursuant to subsection 2 of section 14 of this act, the Executive Director of the Office of Economic Development created pursuant to section 12 of this act shall use the analysis and evaluation conducted pursuant to this section.

Sec. 86. 1. NRS 231.030, 231.040, 231.050, 231.065, 231.067, 231.070, 231.080, 231.090, 231.110 and 231.142 are hereby repealed.

2. NRS 231.153, 231.154, 231.155, 231.156, 277.300, 277.305, 277.310, 277.315, 277.320, 277.325, 277.330, 277.335, 277.340, 277.345, 277.350, 277.355, 277.360, 277.365, 277.370, 277.375, 277.380, 277.385 and 277.390 are hereby repealed.

Sec. 87. On July 1, 2011, the State Controller shall transfer the unexpended balance, if any, remaining in the Nevada Economic Development Account in the State General Fund to the Catalyst Fund created by section 16 of this act.

Sec. 88. The board of directors of each regional development district created pursuant to NRS 277.300 to 277.390, inclusive, before July 1, 2011, shall settle the affairs of and dissolve the district not later than December 31, 2011.

Sec. 89. Sections 52.3 to 53.7, inclusive, of this act do not apply to or affect any bonds, notes or other securities issued before July 1, 2012, pursuant to NRS 244A.669 to 244A.763, inclusive, 268.512 to 268.568, inclusive, 349.400 to 349.670, inclusive, or 349.935 to 349.961, inclusive.

Sec. 90. 1. Any administrative regulations adopted by an officer, agency or other entity whose name has been changed or whose responsibilities have been transferred pursuant to the provisions of this act to another officer, agency or other entity remain in force until amended by the officer, agency or other entity to which the responsibility for the adoption of the regulations has been transferred.

2. Any contracts or other agreements entered into by an officer, agency or other entity whose name has been changed or whose responsibilities have been transferred pursuant to the provisions of this act to another officer, agency or other entity are binding upon the officer, agency or other entity to which the responsibility for the administration of the provisions of the contract or other agreement has been transferred. Such contracts and other agreements may be enforced by the officer, agency or other entity to which the responsibility for the enforcement of the provisions of the contract or other agreement has been transferred.

3. Any action taken by an officer, agency or other entity whose name has been changed or whose responsibilities have been transferred pursuant to the provisions of this act to another officer, agency or other entity remains in effect as if taken by the officer, agency or other entity to which the responsibility for the enforcement of such actions has been transferred.

Sec. 91. The Legislative Counsel shall:

1. In preparing the reprint and supplements to the Nevada Revised Statutes, appropriately change any references to an officer, agency or other entity whose

1 name is changed or whose responsibilities are transferred pursuant to the provisions
2 of this act to refer to the appropriate officer, agency or other entity.

3 2. In preparing supplements to the Nevada Administrative Code,
4 appropriately change any references to an officer, agency or other entity whose
5 name is changed or whose responsibilities are transferred pursuant to the provisions
6 of this act to refer to the appropriate officer, agency or other entity.

7 **Sec. 92.** As soon as practicable after the effective date of this section, each
8 entity that received a grant pursuant to NRS 231.065 or 231.067 on or after July 1,
9 2009, and before July 1, 2011, shall provide a report to the Commission on
10 Economic Development and the Advisory Council on Economic Development
11 which includes:

12 1. A detailed accounting for the use of all money received;

13 2. A description of the results achieved from the expenditures accounted for
14 pursuant to subsection 1; and

15 3. A statement of the leads on future business growth developed as a direct
16 result of the grant.

17 **Sec. 93.** 1. This section and sections 2 to 8, inclusive, 23.7, 29.5, 30.3,
18 30.7, 31.5, 85 and 87 to 92, inclusive, of this act become effective upon passage
19 and approval.

20 2. Sections 1, 9 to ~~16~~ 15, inclusive, 16, 18 to 22, inclusive, 23.3, 31.3 and
21 46 and subsection 2 of section 86 of this act become effective on July 1, 2011.

22 3. Sections 1.5, ~~15.5~~, 17, 17.5, 23, 24 to 29, inclusive, 30, 31, 31.7 to 45,
23 inclusive, and 47 to 84, inclusive, and subsection 1 of section 86 of this act become
24 effective on July 1, 2012.

25 4. Sections 9 and 46 of this act expire by limitation on June 30, 2012.

LEADLINES OF REPEALED SECTIONS

231.030 Creation; divisions.

231.040 Members: Appointment; qualifications.

231.050 Meetings; quorum; Secretary; removal of members.

231.065 Powers and duties: Grants to assist projects of economic
diversification in certain counties.

231.067 Powers and duties: State Plan for Industrial Development and
Diversification; promotion of economic interests of State; grants for economic
development; agency for issuing permits to relocating or expanding businesses.

231.070 Salary of members.

231.080 Executive Director: Qualifications; appointment; restrictions on
other employment.

231.090 Executive Director: Powers and duties.

231.110 Employees.

231.142 "Commission" defined.

231.153 Creation; transfer of money to State General Fund.

231.154 Administration; grants for purpose of economic development;
exceptions.

231.155 Regulations.

231.156 Biennial report to Director of Legislative Counsel Bureau;
required contents of report.

277.300 Legislative findings; purpose; general duties of district.

277.305 Definitions.

277.310 "Board" defined.

277.315 "Development region" and "region" defined.

277.320 "Governmental unit" defined.

277.325 "Regional development district" and "district" defined.

277.330 "Subregional" defined.

277.335 Authority of counties and cities to establish district; petitioning of Governor; contiguity; duties of Governor; ability of other counties and cities to join district.

277.340 Initial governing body; composition of board of directors; bylaws; operating budget; dues; membership.

277.345 Board of directors: Qualifications and duties of chair; election of officers; meetings; staff; executive director; personnel system; independent audits; contracting for services.

277.350 Powers; preparation and submission of comprehensive economic development strategies and other plans; right of counties and cities to conduct local or subregional planning unaffected.

277.355 Additional discretionary powers of district.

277.360 Establishment of nonprofit corporation; powers of nonprofit corporation; authority of district to receive and administer certain housing funds; rights of counties and cities unaffected.

277.365 Reassignment or addition of county to development region; requirement of contiguity; approval or denial of request; appeal to Governor.

277.370 Preparation and contents of annual reports; periodic reports assessing performance of district.

277.375 Advisory committees.

277.380 Cooperation by state departments and agencies; Governor to develop working agreements.

277.385 Grants and financial assistance: Designation of responsible state agency; distribution of money from State General Fund; gifts, grants and loans; depositories.

277.390 Population of county or city.