

Amendment No. 164

Assembly Amendment to Assembly Bill No. 170	(BDR 32-302)
Proposed by: Assembly Committee on Taxation	
Amends: Summary: Yes Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes	

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

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

ASSEMBLY BILL NO. 170—~~[ASSEMBLYMAN]~~ ASSEMBLYMEN
HANSEN AND BENITEZ-THOMPSON

PREFILED FEBRUARY 13, 2017

Referred to Committee on Taxation

SUMMARY—~~[Extends]~~ Revises the requirement for the Office of Economic Development to submit quarterly reports relating to certain economic development incentives. (BDR 32-302)

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

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

AN ACT relating to economic development; ~~[extending]~~ revising the requirement for the Office of Economic Development to submit quarterly reports relating to certain economic development incentives; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes the Office of Economic Development to approve applications for partial abatements of certain taxes and the issuance of transferable tax credits submitted by the lead participant engaged in a qualified project with other participants for a common purpose or business endeavor and which is located within the geographic boundaries of a single project site in this State. (NRS 360.880-360.980) The authorization to approve such applications will expire on June 30, 2032, for projects with a capital investment of at least \$1 billion in this State and on June 30, 2036, for projects with a capital investment of at least \$3.5 billion in this State. (Section 41 of chapter 4, Statutes of Nevada 2014, 28th Special Session, p. 28; section 69 of chapter 2, Statutes of Nevada 2015, 29th Special Session, p. 54)

Under existing law, the Office must make and submit to the Governor and the Legislature certain quarterly reports concerning the qualified projects for which the Office has approved partial abatements of taxes and the issuance of transferable tax credits. (NRS 360.895, 360.975) The requirement for submitting such reports will expire on July 1, 2017, for projects with a capital investment of at least \$1 billion in this State and expired on July 1, 2016, for projects with a capital investment of at least \$3.5 billion in this State. (NRS 360.895, 360.975) ~~[This bill extends the requirement for submitting quarterly reports until the authorization to approve the related tax abatements and transferable tax credits expires on June 30, 2022, and June 30, 2036, respectively.]~~ Section 1 of this bill revises the requirement for submitting such reports concerning projects with a capital investment of at least \$1 billion in this State by: (1) extending the requirement to submit quarterly reports until June 30, 2020; and (2) requiring the submission of semiannual reports for the period beginning on July 1, 2020, and ending on June 30, 2025. Section 2 of this bill revises the requirement for submitting reports concerning projects with a capital investment of at least \$3.5 billion by requiring the submission of semiannual reports for the period beginning on July 1, 2017, and ending on June 30, 2024. Under sections 1 and 2, the Office is not required to submit a quarterly or semiannual report, as applicable, if, within 75 days after the end

of the period covered by a report, the Office has received an audit of the participants in the project for the period that would have been covered by the report.

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

Section 1. NRS 360.895 is hereby amended to read as follows:

360.895 1. The Office of Economic Development shall, on or before October 1 of each year, prepare and submit to the Governor and to the Director of the Legislative Counsel Bureau for transmittal to the Legislature an annual report which includes:

(a) For the immediately preceding fiscal year:

(1) The number of applications submitted pursuant to NRS 360.889;

(2) The number of qualified projects for which an application was approved;

(3) The amount of transferable tax credits approved;

(4) The amount of transferable tax credits used;

(5) The amount of transferable tax credits transferred;

(6) The amount of transferable tax credits taken against each allowable fee or tax, including the actual amount used and outstanding, in total and for each qualified project;

(7) The number of partial abatements approved;

(8) The dollar amount of the partial abatements;

(9) The number of employees engaged in construction of each qualified project who are residents of Nevada and the number of employees employed by each participant in a qualified project who are residents of Nevada;

(10) The number of qualified employees employed by each participant in a qualified project and the total amount of wages paid to those persons; and

(11) For each qualified project, an assessment of whether the participants in the qualified project are making satisfactory progress towards meeting the investment requirements necessary to support the determination by the Office that the project is a qualified project.

(b) For each partial abatement from taxation that the Office approved during the fiscal years which are 3 fiscal years, 6 fiscal years, 10 fiscal years and 15 fiscal years immediately preceding the submission of the report:

(1) The dollar amount of the partial abatement;

(2) The value of infrastructure included as an incentive for the qualified project;

(3) The economic sector in which each participant in the qualified project operates, the number of primary jobs related to the qualified project, the average wage paid to employees employed by the participants in the qualified project and the assessed values of personal property and real property of the qualified project; and

(4) Any other information that the Office determines to be useful.

2. ~~For~~ Except as otherwise provided in subsection 4, in addition to the annual reports required to be prepared and submitted pursuant to subsection 1, for the period beginning on December 19, 2015, and ending on ~~July 1, 2017~~, June 30, 2020, the Office shall, not less frequently than every calendar quarter, prepare and submit to the Governor and the Director of the Legislative Counsel Bureau for transmittal to the Legislature a report which includes, for the immediately preceding calendar quarter:

(a) The dollar amount of the partial abatements approved for the lead participant in each qualified project;

(b) The number of employees engaged in construction of each qualified project who are residents of Nevada and the number of employees employed by each participant in each qualified project who are residents of Nevada;

(c) The number of qualified employees employed by each participant in each qualified project and the total amount of wages paid to those persons;

(d) For each qualified project an assessment of whether the participants in the qualified project are making satisfactory progress towards meeting the investment requirements necessary to support the determination by the Office that the project is a qualified project; and

(e) Any other information requested by the Legislature.

3. Except as otherwise provided in subsection 4, in addition to the annual reports required to be prepared and submitted pursuant to subsection 1, for the period beginning on July 1, 2020, and ending on June 30, 2025, the Office shall, not less frequently than every 6 months, prepare and submit to the Governor and the Director of the Legislative Counsel Bureau for transmittal to the Legislature a report which includes, for the immediately preceding 6 months, the information required to be included in a report prepared and submitted pursuant to subsection 2.

4. The Office is not required to prepare and submit the report required by subsection 2 or 3 if, within 75 days after the end of the period covered by the report:

(a) The Office receives an audit of the participants in the project for the period that would have been covered by the report; and

(b) That audit contains the information required to be included in the report pursuant to paragraphs (a) to (d), inclusive, of subsection 2.

5. In addition to the reports required to be prepared and submitted pursuant to subsections 1 and 2, the Office shall, upon request, make available to the Legislature any information concerning a qualified project or any participant in a qualified project. The Office shall make available any information requested pursuant to this subsection within the period specified in the request.

~~4.4~~ 6. The Office shall provide to the Fiscal Analysis Division of the Legislative Counsel Bureau a copy of any agreement entered into by the Office and the lead participant not later than 30 days after the agreement is executed.

~~4.5~~ 7. Notwithstanding the provisions of any other specific statute, the information requested by the Legislature pursuant to this section may include information considered confidential for other purposes. If such confidential information is requested, the Office shall make the information available to the Fiscal Analysis Division of the Legislative Counsel Bureau for confidential examination.

Sec. 2. NRS 360.975 is hereby amended to read as follows:

360.975 1. The Office of Economic Development shall, on or before October 1 of each year, prepare and submit to the Governor and to the Director of the Legislative Counsel Bureau for transmittal to the Legislature an annual report which includes:

(a) For the immediately preceding fiscal year:

(1) The number of applications submitted pursuant to NRS 360.945;

(2) The number of qualified projects for which an application was approved;

(3) The amount of transferable tax credits approved;

(4) The amount of transferable tax credits used;

(5) The amount of transferable tax credits transferred;

(6) The amount of transferable tax credits taken against each allowable fee or tax, including the actual amount used and outstanding, in total and for each qualified project;

(7) The number of abatements approved;

(8) The dollar amount of the abatements;

(9) The number of employees engaged in construction of each qualified project who are residents of Nevada and the number of employees employed by each participant in a qualified project who are residents of Nevada;

(10) The number of qualified employees employed by each participant in a qualified project and the total amount of wages paid to those persons; and

(11) For each qualified project, an assessment of whether the participants in the qualified project are making satisfactory progress towards meeting the investment requirements necessary to support the determination by the Office that the project is a qualified project.

(b) For each abatement from taxation that the Office approved during the fiscal years which are 3 fiscal years, 6 fiscal years, 10 fiscal years and 20 fiscal years immediately preceding the submission of the report:

(1) The dollar amount of the abatement;

(2) The value of infrastructure included as an incentive for the qualified project;

(3) The economic sector in which each participant in the qualified project operates, the number of primary jobs related to the qualified project, the average wage paid to employees employed by the participants in the qualified project and the assessed values of personal property and real property of the qualified project; and

(4) Any other information that the Office determines to be useful.

2. ~~For~~ Except as otherwise provided in subsection 3, in addition to the annual reports required to be prepared and submitted pursuant to subsection 1, for the period beginning on ~~September 11, 2014,~~ July 1, 2017, and ending on ~~July 1, 2016,~~ June 30, 2024, the Office shall, not less frequently than every ~~calendar quarter,~~ 6 months, prepare and submit to the Governor and the Director of the Legislative Counsel Bureau for transmittal to the Legislature a report which includes, for the immediately preceding ~~calendar quarter,~~ 6 months:

(a) The dollar amount of the abatements approved for the lead participant in each qualified project;

(b) The number of employees engaged in construction of each qualified project who are residents of Nevada and the number of employees employed by each participant in each qualified project who are residents of Nevada;

(c) The number of qualified employees employed by each participant in each qualified project and the total amount of wages paid to those persons;

(d) For each qualified project an assessment of whether the participants in the qualified project are making satisfactory progress towards meeting the investment requirements necessary to support the determination by the Office that the project is a qualified project; and

(e) Any other information requested by the Legislature.

3. The Office is not required to prepare and submit the report required by subsection 2 if, within 75 days after the end of the period covered by the report:

(a) The Office receives an audit of the participants in the project for the period that would have been covered by the report; and

(b) That audit contains the information required to be included in the report pursuant to paragraphs (a) to (d), inclusive, of subsection 2.

4. In addition to the reports required to be prepared and submitted pursuant to subsections 1 and 2, the Office shall, upon request, make available to the

1 Legislature any information concerning a qualified project or any participant in a
2 qualified project. The Office shall make available any information requested
3 pursuant to this subsection within the period specified in the request.

4 ~~4.4~~ 5. The Office shall provide to the Fiscal Analysis Division of the
5 Legislative Counsel Bureau a copy of any agreement entered into by the Office and
6 the lead participant not later than 30 days after the agreement is executed.

7 ~~5.4~~ 6. Notwithstanding the provisions of any other specific statute, the
8 information requested by the Legislature pursuant to this section may include
9 information considered confidential for other purposes. If such confidential
10 information is requested, the Office shall make the information available to the
11 Fiscal Analysis Division of the Legislative Counsel Bureau for confidential
12 examination.

13 **Sec. 3.** The provisions of subsection 1 of NRS 218D.380 do not apply to any
14 provision of this act which adds or revises a requirement to submit a report to the
15 Legislature.

16 **Sec. 4.** 1. This act becomes effective upon passage and approval.

17 2. Section 1 of this act expires by limitation on June 30, 2032.

18 3. Section 2 of this act expires by limitation on June 30, 2036.