

**Amendment No. 164**

Assembly Amendment to Assembly Bill No. 170	(BDR 32-302)
<b>Proposed by:</b> Assembly Committee on Taxation	
<b>Amends:</b> 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.

BJF



Date: 4/9/2017

A.B. No. 170—Extends the requirement for the Office of Economic Development to submit quarterly reports relating to certain economic development incentives. (BDR 32-302)





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, 2026, 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

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27 of the period covered by a report, the Office has received an audit of the participants in  
28 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:

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

2 360.895 1. The Office of Economic Development shall, on or before  
3 October 1 of each year, prepare and submit to the Governor and to the Director of  
4 the Legislative Counsel Bureau for transmittal to the Legislature an annual report  
5 which includes:

6 (a) For the immediately preceding fiscal year:

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

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

10 (3) The amount of transferable tax credits approved;

11 (4) The amount of transferable tax credits used;

12 (5) The amount of transferable tax credits transferred;

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

16 (7) The number of partial abatements approved;

17 (8) The dollar amount of the partial abatements;

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

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

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

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

30 (1) The dollar amount of the partial abatement;

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

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

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

39 2. ~~It is~~ Except as otherwise provided in subsection 4, in addition to the  
40 annual reports required to be prepared and submitted pursuant to subsection 1, for  
41 the period beginning on December 19, 2015, and ending on ~~July 1, 2017,~~ June  
42 30, 2020, the Office shall, not less frequently than every calendar quarter, prepare  
43 and submit to the Governor and the Director of the Legislative Counsel Bureau for  
44 transmittal to the Legislature a report which includes, for the immediately  
45 preceding calendar quarter:

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

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

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

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

12 (e) Any other information requested by the Legislature.

13 3. Except as otherwise provided in subsection 4, in addition to the annual  
14 reports required to be prepared and submitted pursuant to subsection 1, for the  
15 period beginning on July 1, 2020, and ending on June 30, 2025, the Office shall,  
16 not less frequently than every 6 months, prepare and submit to the Governor and  
17 the Director of the Legislative Counsel Bureau for transmittal to the Legislature  
18 a report which includes, for the immediately preceding 6 months, the information  
19 required to be included in a report prepared and submitted pursuant to subsection  
20 2.

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

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

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

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

33 ~~4+~~ 6. The Office shall provide to the Fiscal Analysis Division of the  
34 Legislative Counsel Bureau a copy of any agreement entered into by the Office and  
35 the lead participant not later than 30 days after the agreement is executed.

36 ~~5+~~ 7. Notwithstanding the provisions of any other specific statute, the  
37 information requested by the Legislature pursuant to this section may include  
38 information considered confidential for other purposes. If such confidential  
39 information is requested, the Office shall make the information available to the  
40 Fiscal Analysis Division of the Legislative Counsel Bureau for confidential  
41 examination.

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

43 360.975 1. The Office of Economic Development shall, on or before  
44 October 1 of each year, prepare and submit to the Governor and to the Director of  
45 the Legislative Counsel Bureau for transmittal to the Legislature an annual report  
46 which includes:

47 (a) For the immediately preceding fiscal year:

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

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

51 (3) The amount of transferable tax credits approved;

52 (4) The amount of transferable tax credits used;

53 (5) The amount of transferable tax credits transferred;

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

4 (7) The number of abatements approved;

5 (8) The dollar amount of the abatements;

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

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

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

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

18 (1) The dollar amount of the abatement;

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

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

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

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

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

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

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

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

45 (e) Any other information requested by the Legislature.

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

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

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

52 4. In addition to the reports required to be prepared and submitted pursuant to  
53 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.