

ASSEMBLY BILL NO. 385—ASSEMBLYMEN MCCURDY AND NEAL

MARCH 21, 2019

Referred to Committee on Taxation

SUMMARY—Enacts the Southern Nevada Enterprise Community Economic Development Act. (BDR S-865)

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 tax credits; enacting the Southern Nevada Enterprise Community Economic Development Act; creating the Southern Nevada Enterprise Community Advisory Council; providing for the issuance of transferable tax credits to a project that satisfies certain requirements related to the economic development of the Southern Nevada Enterprise Community and certain other requirements; authorizing the governing body of a city or county to grant abatements of certain permitting and licensing fees imposed or charged by the city or county; removing authorization for the issuance of certain transferrable tax credits for certain qualified projects; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law designates certain areas in the urban core of the Las Vegas Valley as the Southern Nevada Enterprise Community. (Chapter 407, Statutes of Nevada 2007, pp. 1781-86) Existing law authorizes the Office of Economic Development to approve applications for the issuance of transferable tax credits submitted by the lead participant engaged in certain qualified projects that make a new capital investment in this State of at least \$1 billion and meet certain other requirements. (NRS 360.889) **Sections 19-23 and 25** of this bill eliminate the authority for the Office to issue such transferrable tax credits. **Sections 1-17** of this bill authorize the Office to instead approve applications for the issuance of transferable tax credits submitted by a business engaged in certain emerging industries which proposes to locate or expand in the geographic boundaries of the Community. **Section 11** of this bill authorizes such a business to apply to the Office for such tax credits. **Section 12** of this bill requires the Office to approve such an application if, in addition to certain other requirements: (1) the project would promote the economic



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development of this State and aid the implementation of the State Plan for Economic Development; (2) the business will assist in the development of the workforce residing in the Community; and (3) at least 50 percent of the employees engaged in the construction of the project and 50 percent of the employees employed at the project are residents of Nevada. **Section 12** further provides that any action by the Office concerning an application must be taken at a public meeting.

Upon approval of an application, **section 13** of this bill requires the Office to issue to a qualified business a certificate of eligibility for transferable tax credits. **Section 14** of this bill provides that: (1) the amount of transferable tax credits which may be approved in any fiscal year must not exceed \$7,600,000; and (2) the total amount of transferable tax credits which may be approved pursuant to this bill must not exceed \$38,000,000. **Section 14** also prohibits the Office from approving any applications for transferable tax credits for any fiscal year beginning on or after July 1, 2025.

Section 11 provides that the transferable tax credits may be applied to: (1) the excise tax on banks and payroll taxes imposed by chapters 363A and 363B of NRS; (2) the gaming license fees imposed by the provisions of NRS 463.370; (3) the general tax on insurance premiums imposed by chapter 680B of NRS; or (4) any combination of such taxes and fees. Additionally, **section 11** requires that the business annually provide the Office with an audit of the qualified project that is certified by an independent certified public accountant in this State who is approved by the Office.

Section 15 of this bill requires a business to repay any portion of transferable tax credits and any portion of an abatement to which the lead participant is not entitled if the Office determines that the lead participant becomes ineligible for the incentives. **Section 16** of this bill requires the Office to make and submit to the Legislature certain reports concerning any transferable tax credits provided to a business pursuant to **sections 1-17**. **Section 16** also requires the Office to, upon request, make available to the Legislature any information concerning a business receiving the transferable tax credits.

Section 17 of this bill authorizes the governing body of a city or county to grant abatements of certain permitting and licensing fees imposed or charged by the city or county to a business that receives transferable tax credits pursuant to **sections 1-17**.

Sections 9 and 10 of this bill create the Southern Nevada Enterprise Community Advisory Council to advise and collaborate with certain governmental entities on projects and proposed projects, to coordinate with the Governor's Office of Economic Development in an effort to recruit businesses engaged in an emerging industry to locate in the Community and to ensure that the needs and opinions of residents of the Southern Nevada Enterprise Community are reflected in the granting of tax credits pursuant to **sections 1-17**.

WHEREAS, On December 21, 1994, President William Jefferson Clinton designated nine census tracts in the urban core of the Las Vegas Valley as an "enterprise community"; and

WHEREAS, The designation was accompanied by an award of \$2,950,000 in Title XX funds to be used for projects in the enterprise community; and

WHEREAS, The Southern Nevada Enterprise Community so created includes the target areas of West Las Vegas, East Las Vegas, Meadows Village and North Las Vegas; and



WHEREAS, The Southern Nevada Enterprise Community involves a partnership among the cities of Las Vegas and North Las Vegas, and Clark County, working together to harness resources from the public, private and nonprofit sectors to provide programs, services and facilities to the target areas; and

WHEREAS, Cooperation between emerging industries, local governments and communities can serve as a vital means for revitalizing neighborhoods economically and making opportunities for workforce development available to communities; now, therefore,

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

Section 1. This Act may be cited as the Southern Nevada Enterprise Community Economic Development Act.

Sec. 2. As used in sections 1 to 17, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 3 to 8, inclusive, of this act have the meanings ascribed to them in those sections.

Sec. 3. "Business" means a person or entity that is engaged in business in an emerging industry and intends to locate or expand in the Community.

Sec. 4. "Community" means the area designated as the Southern Nevada Enterprise Community in section 5 of chapter 407, Statutes of Nevada 2007.

Sec. 5. "Council" means the Southern Nevada Enterprise Community Advisory Council created pursuant to section 9 of this act.

Sec. 6. "Department" means the Department of Taxation.

Sec. 7. "Emerging industry" means the following industries:

1. Aerospace and defense;
2. Information technology; and
3. Natural resource technologies.

Sec. 8. "Qualified business" means a business which the Office of Economic Development determines meets all the requirements set forth in subsections 2, 3 and 4 of section 11 of this act.

Sec. 9. 1. The Southern Nevada Enterprise Community Advisory Council is hereby created.

2. The Council consists of nine members, appointed in consultation with residents of the Community, as follows:

(a) One member of the Nevada Congressional Delegation selected from among its membership or his or her designee;



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(b) One member of the Assembly and one member of the Senate who represent the Community selected by the Legislative Commission;

(c) One member of the Clark County Board of County Commissioners selected from among its membership;

(d) One member of the Las Vegas City Council from among its membership;

(e) One member of the North Las Vegas City Council from among its membership; and

(f) Three representatives of the private sector who reside in the Community, appointed as follows:

(1) One member appointed by the Las Vegas Metro Chamber of Commerce, or its successor organization;

(2) One member appointed by the Latin Chamber of Commerce, or its successor organization; and

(3) One member appointed by the Urban Chamber of Commerce, or its successor organization.

3. Each member of the Council serves for a term of 3 years. A vacancy on the Council must be filled in the same manner as the original appointment. A member may be reappointed to the Council.

4. The members of the Council shall elect a Chair and Vice Chair by majority vote. After the initial election, the Chair and Vice Chair shall hold office for a term of 1 year beginning on August 1 of each year. If a vacancy occurs in the office of Chair or Vice Chair, the members of the Council shall elect a Chair or Vice Chair, as appropriate, from among its members for the remainder of the unexpired term.

Sec. 10. The primary purposes of the Council are to:

1. Advise the governmental entities that have members on the Council with respect to any project or proposed project;

2. Advise and collaborate with the Office of Economic Development, county redevelopment authorities and the governing body of any county, school district, city or town, if any, in which any project will be located with respect to a project or proposed project or the recruitment of businesses to locate a project in the Community;

3. Ensure that the needs and opinions of the residents of the Community are reflected adequately in the issuance of transferrable tax credits pursuant to sections 1 to 17, inclusive, of this act; and

4. Assist and coordinate with the Office of Economic Development to recruit businesses engaged in business in an emerging industry to locate or expand in the Community. The Office of Economic Development shall assist and coordinate with the Council in such recruitment.



Sec. 11. 1. A business may apply to the Office of Economic Development for a certificate of eligibility for transferable tax credits which may be applied to:

(a) Any tax imposed by chapters 363A and 363B of NRS;
(b) The gaming license fees imposed by the provisions of NRS 463.370;

(c) Any tax imposed by chapter 680B of NRS; or
(d) Any combination of the fees and taxes described in paragraphs (a), (b) and (c).

2. For the business to be eligible for the transferable tax credits described in subsection 1, the business must:

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

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

(c) Provide documentation satisfactory to the Office that the business is engaged in an emerging industry;

(d) Provide documentation satisfactory to the Office that the business is or will be located within the geographic boundaries of the Community;

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

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

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

(h) Provide documentation satisfactory to the Office that the business provides a plan of health insurance and that each employee employed at the project by the business is offered coverage under the plan of health insurance provided by the business;

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



(j) Provide documentation satisfactory to the Office that the business will assist in the development of the workforce in the Community, including programs for the recruitment and training of residents of the Community for employment at the project and programs to provide internships to residents of the Community;

(k) Agree to provide the Office with a full compliance audit of the project at the end of each fiscal year which:

(1) Shows the amount of money invested in this State by the business;

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

(3) Shows the number of employees employed at the project by the business and the number of those employees who are residents of Nevada;

(4) Shows the number of residents of the Community participating in the programs described in paragraph (j); and

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

(l) Pay the cost of the audit required by paragraph (k); and

(m) Meet any other requirements prescribed by the Office.

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

(a) A detailed description of the business and the project which the business will locate or expand in the Community;

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

(c) A detailed description of the programs described in paragraph (j) of subsection 2 that the business will provide;

(d) The name and address of the business, which must be an address in this State; and

(e) Any other information required by the Office.

4. For an employee to be considered a resident of Nevada for the purposes of this section, the business must maintain the following documents in the personnel file of the employee:

(a) A copy of the:

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

(2) If the employee is a veteran of the Armed Forces of the United States, a current and valid Nevada driver's license of the



1 employee or a current and valid identification card for the employee
2 issued by the Department of Motor Vehicles;

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

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

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

10 5. For the purpose of obtaining from the Executive Director of
11 the Office any waiver of the requirement set forth in paragraph (i)
12 of subsection 2, the business must submit to the Executive Director
13 of the Office written documentation of the efforts to meet the
14 requirement and documented proof that an insufficient number of
15 Nevada residents is available and qualified for employment.

16 6. The Executive Director of the Office shall make available to
17 the public and post on the Internet website of the Office:

18 (a) Any request for a waiver of the requirements set forth in
19 paragraph (i) of subsection 2; and

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

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

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

38 **Sec. 12.** 1. If the Office of Economic Development receives
39 an application pursuant to section 11 of this act, the Office:

40 (a) Shall not take any action on the application unless the Office
41 takes that action at a public meeting conducted for that purpose.

42 (b) Shall, at least 30 days before any public meeting conducted
43 for the purpose of taking any action on the application, provide
44 notice of the application and the date, time and location of the public
45 meeting at which the Office will consider the application to:



(1) The business;

(2) The Department;

(3) The Nevada Gaming Control Board;

(4) The Council;

(5) The governing body of the county, the board of trustees of the school district and the governing body of the city or town, if any, in which the business will locate or expand;

(6) The governing body of any other political subdivision that the Office determines could experience a direct economic effect as a result of the location or expansion of the business in the Community; and

(7) The general public.

(c) Shall allow the governing body of the county, the board of trustees of the school district and the governing body of the city or town, if any, in which the business will locate or expand to provide comment at any public meeting conducted for the purpose of taking any action on the application.

2. The date of the public meeting to consider an application submitted pursuant to section 11 of this act must be not later than 60 days after the date on which the Office receives the completed application.

3. The Office shall approve an application submitted pursuant to section 11 of this act if the Office finds that the project is a qualified business. The Office shall issue a decision on the application not later than 30 days after the conclusion of the public meeting on the application.

4. The business applying for transferable tax credits pursuant to section 11 of this act shall submit all accountings and other required information to the Office and the Department not later than 30 days after a date specified in the decision issued by the Office. If the Office or the Department determines that information submitted pursuant to this subsection is incomplete, the business shall, not later than 30 days after receiving notice that the information is incomplete, provide to the Office or the Department, as applicable, all additional information required by the Office or the Department.

5. Until the Office of Economic Development provides notice of the application and the public meeting pursuant to paragraph (b) of subsection 1, the information contained in the application provided to the Office of Economic Development:

(a) Is confidential proprietary information of the business applying for the transferable tax credits;

(b) Is not public record; and

(c) Must not be disclosed to any person who is not an officer or employee of the Office of Economic Development unless the business consents to the disclosure.



6. After the Office provides notice of the application and the public meeting pursuant to paragraph (b) of subsection 1:

(a) The application is a public record; and

(b) Upon request by any person, the Executive Director of the Office shall disclose the application to the person who made the request, except for any information in the application that is protected from disclosure pursuant to subsection 7.

7. Before the Executive Director of the Office discloses the application to the public, the business submitting the application may submit a request to the Executive Director of the Office to protect from disclosure any information in the application 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 of the Office shall determine whether to protect the information from disclosure. The decision of the Executive Director of the Office is final and is not subject to judicial review. If the Executive Director of the Office 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 of the Office from any copy of the application that is disclosed to the public; and

(d) Must not be disclosed to any person who is not an officer or employee of the Office of Economic Development unless the business consents to the disclosure.

Sec. 13. 1. If the Office of Economic Development approves an application for a certificate of eligibility for transferable tax credits submitted pursuant to subsection 1 of section 11 of this act, the Office shall immediately forward a copy of the certificate of eligibility which identifies the estimated amount of the tax credits available pursuant to this section to:

(a) The qualified business;

(b) The Department; and

(c) The Nevada Gaming Control Board.

2. Within 14 business days after receipt of an audit provided by the qualified business for a qualified project pursuant to paragraph (k) of subsection 2 of section 11 of this act and any other accountings or other information required by the Office, the Office shall determine whether to certify the audit and make a final determination of whether a certificate of transferable tax credits will be issued. If the Office certifies the audit and determines that all other requirements for the transferable tax credits have been met, the Office shall notify the qualified business that the transferable tax credits will be issued. Within 30 days after the receipt of the notice,



1 the qualified business shall make an irrevocable declaration of the
2 amount of transferable tax credits that will be applied to each fee or
3 tax set forth in paragraphs (a), (b) and (c) of subsection 1 of section
4 11 of this act, thereby accounting for all of the credits which will be
5 issued. Upon receipt of the declaration, the Office shall issue to the
6 qualified business a certificate of transferable tax credits in the
7 amount approved by the Office for the fees or taxes included in
8 the declaration. The qualified business shall notify the Department
9 upon transferring any of the transferable tax credits. The Office shall
10 notify the Department and the Nevada Gaming Control Board of all
11 transferable tax credits issued, segregated by each fee or tax set
12 forth in paragraphs (a), (b) and (c) of subsection 1 of section 11 of
13 this act. The Department shall notify the Office and the Nevada
14 Gaming Control Board of the amount of any transferable tax credits
15 transferred.

16 **Sec. 14.** 1. Except as otherwise provided in this section, the
17 Office of Economic Development shall not approve transferable tax
18 credits:

19 (a) For Fiscal Year 2019-2020, 2020-2021, 2021-2022, 2022-
20 2023, 2023-2024 or 2024-2025, if approval of the transferable tax
21 credits would cause the total amount of transferable tax credits
22 issued pursuant to sections 1 to 17, inclusive, of this act in that fiscal
23 year to exceed \$7,600,000.

24 (b) For a fiscal year beginning on or after July 1, 2025.

25 2. The total amount of transferable tax credits issued pursuant
26 to sections 1 to 17, inclusive, of this act to all qualified projects in
27 this State must not exceed \$38,000,000.

28 3. If in any fiscal year the Office does not approve an amount
29 of transferable tax credits equal to the total amount authorized by
30 paragraph (a) or (b) of subsection 1, the remaining amount of
31 transferable tax credits must be carried forward and made available
32 for approval during subsequent fiscal years ending on or before
33 June 30, 2025.

34 4. Each transferable tax credit issued pursuant to sections 1 to
35 17, inclusive, of this act, expires 4 years after the date on which the
36 transferable tax credit is issued to the lead participant. A transferable
37 tax credit issued pursuant to sections 1 to 17, inclusive, of this act
38 may be transferred only once.

39 **Sec. 15.** 1. A qualified business that received a certificate of
40 eligibility pursuant to section 13 of this act shall, upon the request of
41 the Office of Economic Development, furnish the Office with copies
42 of all records necessary to verify that the qualified business meets
43 the eligibility requirements for any transferable tax credits issued
44 pursuant to section 13 of this act.



2. The qualified business shall repay to the Department or the Nevada Gaming Control Board, as applicable, any portion of the transferable tax credits to which the qualified business is not entitled if:

(a) The qualified business submits any false statement, representation or certification in any document submitted for the purpose of obtaining transferable tax credits; or

(b) The qualified business otherwise becomes ineligible for transferable tax credits after receiving the transferable tax credits pursuant to sections 1 to 17, inclusive, of this act.

3. Transferable tax credits purchased in good faith are not subject to forfeiture unless the transferee submitted fraudulent information in connection with the purchase.

4. The Secretary of State may, upon application by the Executive Director of the Office, revoke or suspend the state business license of the qualified business if the qualified project is required to repay any portion of transferable tax credits pursuant to subsection 2 and which the Office determines is not in compliance with the provisions of this section governing repayment. If the state business license of the qualified business is suspended or revoked pursuant to this subsection, the Secretary of State shall provide written notice of the action to the qualified business. The Secretary of State shall not reinstate a state business license suspended pursuant to this subsection or issue a new state business license to the qualified business whose state business license has been revoked pursuant to this subsection unless the Executive Director of the Office provides proof satisfactory to the Secretary of State that the qualified business is in compliance with the requirements of this section governing repayment.

Sec. 16. 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, for the immediately preceding fiscal year:

(a) The number of applications submitted pursuant to section 11 of this act;

(b) The number of qualified businesses for which an application was approved;

(c) The amount of transferable tax credits approved;

(d) The amount of transferable tax credits used;

(e) The amount of transferable tax credits transferred;

(f) 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 business;



(g) The number of employees engaged in construction at each location in the Community where a qualified business is locating or expanding who are residents of Nevada and the number of employees employed by the qualified business at each such location who are residents of Nevada;

(h) The number of employees employed by the qualified business at each location in the Community where a qualified business is locating or expanding and the total amount of wages paid to those persons; and

(i) The number of residents of the Community participating in the programs described in paragraph (j) of subsection 2 of section 11 of this act.

2. 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 December 19, 2020, and ending on June 30, 2025, 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 number of employees engaged in construction at each location in the Community where a qualified business is locating or expanding who are residents of Nevada and the number of employees employed by the qualified business at each such location who are residents of Nevada;

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

(c) 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 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) and (b) 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 Legislature any information concerning a qualified business. The Office shall make available any information requested pursuant to this subsection within the period specified in the request.

5. The Office shall provide to the Fiscal Analysis Division of the Legislative Counsel Bureau a copy of any agreement entered



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into by the Office and the qualified business not later than 30 days after the agreement is executed.

6. 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. 17. 1. For the purpose of encouraging local economic development, the governing body of a city or county in which a qualified business is locating or expanding may grant to any qualified business that received a certificate of eligibility pursuant to section 13 of this act an abatement of all or any percentage of the amount of any permitting fee or licensing fee which the local government is authorized to impose or charge pursuant to chapter 244 or 268 of NRS.

2. Before granting any abatement pursuant to subsection 1, the governing body of the city or county must provide by ordinance for a pilot project for granting abatements to such businesses.

3. A governing body of a city or county that grants an abatement pursuant to subsection 1 shall, on or before October 1 of each year in which such an abatement is granted, 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, for the immediately preceding fiscal year:

(a) The number of qualified businesses locating or expanding within the jurisdiction of the governing body for which a certificate of eligibility for transferable tax credits was approved;

(b) If applicable, the number and dollar amount of the abatements granted by the governing body pursuant to subsection 1; and

(c) The number of persons within the jurisdiction of the governing body that were employed by each qualified business that received a certificate of eligibility pursuant to section 13 of this act and the amount of wages paid to those persons.

Sec. 18. NRS 239.010 is hereby amended to read as follows:

239.010 1. Except as otherwise provided in this section and NRS 1.4683, 1.4687, 1A.110, 3.2203, 41.071, 49.095, 49.293, 62D.420, 62D.440, 62E.516, 62E.620, 62H.025, 62H.030, 62H.170, 62H.220, 62H.320, 75A.100, 75A.150, 76.160, 78.152, 80.113, 81.850, 82.183, 86.246, 86.54615, 87.515, 87.5413, 87A.200, 87A.580, 87A.640, 88.3355, 88.5927, 88.6067, 88A.345, 88A.7345, 89.045, 89.251, 90.730, 91.160, 116.757, 116A.270, 116B.880, 118B.026, 119.260, 119.265, 119.267, 119.280, 119A.280, 119A.653, 119B.370, 119B.382, 120A.690, 125.130, 125B.140,



1 126.141, 126.161, 126.163, 126.730, 127.007, 127.057, 127.130,
2 127.140, 127.2817, 128.090, 130.312, 130.712, 136.050, 159.044,
3 159A.044, 172.075, 172.245, 176.01249, 176.015, 176.0625,
4 176.09129, 176.156, 176A.630, 178.39801, 178.4715, 178.5691,
5 179.495, 179A.070, 179A.165, 179D.160, 200.3771, 200.3772,
6 200.5095, 200.604, 202.3662, 205.4651, 209.392, 209.3925,
7 209.419, 209.521, 211A.140, 213.010, 213.040, 213.095, 213.131,
8 217.105, 217.110, 217.464, 217.475, 218A.350, 218E.625,
9 218F.150, 218G.130, 218G.240, 218G.350, 228.270, 228.450,
10 228.495, 228.570, 231.069, 231.1473, 233.190, 237.300, 239.0105,
11 239.0113, 239B.030, 239B.040, 239B.050, 239C.140, 239C.210,
12 239C.230, 239C.250, 239C.270, 240.007, 241.020, 241.030,
13 241.039, 242.105, 244.264, 244.335, 247.540, 247.550, 247.560,
14 250.087, 250.130, 250.140, 250.150, 268.095, 268.490, 268.910,
15 271A.105, 281.195, 281.805, 281A.350, 281A.680, 281A.685,
16 281A.750, 281A.755, 281A.780, 284.4068, 286.110, 287.0438,
17 289.025, 289.080, 289.387, 289.830, 293.4855, 293.5002, 293.503,
18 293.504, 293.558, 293.906, 293.908, 293.910, 293B.135, 293D.510,
19 331.110, 332.061, 332.351, 333.333, 333.335, 338.070, 338.1379,
20 338.1593, 338.1725, 338.1727, 348.420, 349.597, 349.775, 353.205,
21 353A.049, 353A.085, 353A.100, 353C.240, 360.240, 360.247,
22 360.255, 360.755, 361.044, 361.610, 365.138, 366.160, 368A.180,
23 370.257, 370.327, 372A.080, 378.290, 378.300, 379.008, 379.1495,
24 385A.830, 385B.100, 387.626, 387.631, 388.1455, 388.259,
25 388.501, 388.503, 388.513, 388.750, 388A.247, 388A.249, 391.035,
26 391.120, 391.925, 392.029, 392.147, 392.264, 392.271, 392.315,
27 392.317, 392.325, 392.327, 392.335, 392.850, 394.167, 394.1698,
28 394.447, 394.460, 394.465, 396.3295, 396.405, 396.525, 396.535,
29 396.9685, 398A.115, 408.3885, 408.3886, 408.3888, 408.5484,
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693A.480, 693A.615, 696B.550, 696C.120, 703.196, 704B.320,
704B.325, 706.1725, 706A.230, 710.159, 711.600, sections 35, 38
and 41 of chapter 478, Statutes of Nevada 2011 and section 2 of
chapter 391, Statutes of Nevada 2013 *and section 12 of this act* and
unless otherwise declared by law to be confidential, all public books
and public records of a governmental entity must be open at all
times during office hours to inspection by any person, and may be
fully copied or an abstract or memorandum may be prepared from
those public books and public records. Any such copies, abstracts or
memoranda may be used to supply the general public with copies,
abstracts or memoranda of the records or may be used in any other
way to the advantage of the governmental entity or of the general
public. This section does not supersede or in any manner affect the
federal laws governing copyrights or enlarge, diminish or affect in
any other manner the rights of a person in any written book or
record which is copyrighted pursuant to federal law.

2. A governmental entity may not reject a book or record
which is copyrighted solely because it is copyrighted.

3. A governmental entity that has legal custody or control of a
public book or record shall not deny a request made pursuant to
subsection 1 to inspect or copy or receive a copy of a public book or
record on the basis that the requested public book or record contains
information that is confidential if the governmental entity can
redact, delete, conceal or separate the confidential information from
the information included in the public book or record that is not
otherwise confidential.



4. A person may request a copy of a public record in any medium in which the public record is readily available. An officer, employee or agent of a governmental entity who has legal custody or control of a public record:

(a) Shall not refuse to provide a copy of that public record in a readily available medium because the officer, employee or agent has already prepared or would prefer to provide the copy in a different medium.

(b) Except as otherwise provided in NRS 239.030, shall, upon request, prepare the copy of the public record and shall not require the person who has requested the copy to prepare the copy himself or herself.

Sec. 19. NRS 360.889 is hereby amended to read as follows:

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

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

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

~~—(2) The gaming license fees imposed by the provisions of NRS 463.370;~~

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

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

~~—(b) A~~ a partial abatement of property taxes, employer excise taxes or local sales and use taxes, or any combination of any of those taxes.

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

(c) Meet any other requirements prescribed by the Office.

3. In addition to meeting the requirements set forth in subsection 2, for a project located on more than one site in this State to be eligible for the partial abatement of the taxes described in ~~paragraph (b) of~~ subsection 1, the lead participant must, on behalf of the project, submit an application that meets the requirements of subsection 4 on or before June 30, 2019, and provide documentation satisfactory to the Office that:

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

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

(c) Each participant offers primary jobs and:

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

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

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

4. An application submitted pursuant to subsection 2 must include:



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

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

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

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

(e) If the application includes one or more partial abatements, an agreement executed by the Office with the lead participant in the project which:

(1) Complies with the requirements of NRS 360.755;

(2) States the date on which the partial abatement becomes effective, as agreed to by the applicant and the Office, which must not be earlier than the date on which the Office received the application;

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

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

(f) Any other information required by the Office.

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

(a) A copy of the:

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

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



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

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

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

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

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

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

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

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

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

Sec. 20. NRS 360.893 is hereby amended to read as follows:

360.893 1. If the Office of Economic Development approves an application for a partial abatement of property taxes, employer excise taxes or local sales and use taxes submitted pursuant to ~~paragraph (b) of~~ subsection 1 of NRS 360.889, the Office shall immediately forward a certificate of eligibility for the partial abatement of the taxes described in that paragraph to:

(a) The Department;

(b) The Nevada Tax Commission; and



(c) The county treasurer of the county in which the qualified project will be located.

2. Except as otherwise provided in subsection 3, the partial abatement for the lead participant in the qualified project must:

(a) For property taxes, be for a duration of not more than 10 years after the effective date of the partial abatement and in an amount that equals 75 percent of the amount of the property taxes that would otherwise be owed by each participant for the qualified project;

(b) For employer excise taxes, be for a duration of not more than 10 years after the effective date of the partial abatement and in an amount that equals 75 percent of the amount of the employer excise taxes that would otherwise be owed by each participant for employees employed by the participant for the qualified project; and

(c) For local sales and use taxes, be for a duration of not more than 15 years after the effective date of the partial abatement and in an amount that equals the amount of the local sales and use taxes that would otherwise be owed by each participant in the qualified project.

3. If the qualified project is a project located on more than one site in this State, the partial abatement for the lead participant must:

(a) For property taxes, be for a duration of not more than 10 years after the effective date of the partial abatement and in an amount that equals 75 percent of the amount of the property taxes that would otherwise be owed by each participant for the qualified project;

(b) For employer excise taxes, be for a duration of not more than 10 years after the effective date of the partial abatement and in an amount that equals 75 percent of the amount of the employer excise taxes that would otherwise be owed by each participant for employees employed by the participant for the qualified project; and

(c) For local sales and use taxes, be for a duration of not more than 15 years after the effective date of the partial abatement and in an amount that equals that portion of the combined rate of all the local sales and use taxes payable by each participant in the qualified project each year which exceeds 0.6 percent. The Department of Taxation shall issue to the lead participant 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 2.6 percent. As used in this paragraph, "local sales and use taxes" means the taxes imposed on the gross receipts of any retailer from the sale of tangible personal property sold at retail, or stored, used or otherwise consumed, in the political subdivision in which the new



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1 or expanded business is located, except the taxes imposed by the
2 Sales and Use Tax Act.

3 ➡ Notwithstanding any other provision of law, if the Office of
4 Economic Development approves an application for a partial
5 abatement of property taxes, employer excise taxes or local sales
6 and use taxes submitted pursuant to ~~paragraph (b) of~~ subsection 1
7 of NRS 360.889 for a lead participant of a qualified project located
8 on more than one site in this State, the State Controller shall
9 allocate, transfer and remit an amount equal to all the sales and use
10 taxes imposed in this State and collected from the qualified project
11 for the period of the abatement in the same manner as if that amount
12 consisted solely of the proceeds of the taxes imposed by NRS
13 374.110 and 374.190.

14 4. As a condition of approving a partial abatement of taxes
15 pursuant to NRS 360.880 to 360.896, inclusive, the Executive
16 Director of the Office of Economic Development, if he or she
17 determines it to be in the best interests of the State of Nevada, may
18 require the lead participant to pay at such time or times as deemed
19 appropriate, an amount of money equal to all or a portion of the
20 abated taxes into a trust fund in the State Treasury to be held until
21 all or a portion of the requirements for the partial abatement have
22 been met. Interest and income earned on money in the trust fund
23 must be credited to the trust fund. Any money remaining in the trust
24 fund at the end of a fiscal year does not revert to the State General
25 Fund, and the balance in the trust fund must be carried forward to
26 the next fiscal year. Money in the trust fund must not be used for
27 any purpose other than the purposes set forth in subsections 5 and 6.

28 5. If any assessment, or installment thereof, imposed on a
29 qualified project pursuant to chapter 271 of NRS is delinquent, the
30 money in the trust fund established pursuant to subsection 4 must:

31 (a) First be used to repay the bonds or other obligations of the
32 State which are issued in connection with the qualified project.

33 (b) If any money remains in the trust fund after payments are
34 made pursuant to paragraph (a), be used to repay bonds or other
35 obligations of a municipality issued in connection with the qualified
36 project.

37 6. Upon a determination by the Executive Director of the
38 Office of Economic Development that the requirements for the
39 partial abatement have been met, the money in the trust fund
40 established pursuant to subsection 4, including any interest and
41 income earned on the money during the time it was in the trust fund,
42 must be returned to the lead participant. If the Executive Director of
43 the Office of Economic Development determines that the
44 requirements for the partial abatement have not been met:



(a) Except as otherwise provided in this subsection:

(1) The money in the trust fund established pursuant to subsection 4, after any payment made pursuant to subsection 5, must be transferred to the entity that would have received the money if the Office had not approved the partial abatement, as determined by the Department; and

(2) Any amount of money in the trust fund used to repay bonds or other obligations of the State or municipality pursuant to subsection 5 must proportionally reduce the amount transferred to an entity pursuant to subparagraph (1).

(b) The interest and income earned on the money in the trust fund during the time it was in the trust fund must be distributed to an entity receiving a distribution pursuant to paragraph (a) in the proportion that the money distributed to the entity pursuant to that paragraph bears to the total money distributed pursuant to that paragraph.

7. If the Office approves a partial abatement of local sales and use taxes, the Office shall issue to the lead participant in the qualified project a document certifying the partial abatement which can be presented to retailers at the time of sale. The document must clearly state the rate of sales and use taxes which the purchaser is required to pay in the county in which the abatement is effective.

Sec. 21. NRS 360.894 is hereby amended to read as follows:

360.894 1. The lead participant in a qualified project shall, upon the request of the Office of Economic Development, furnish the Office with copies of all records necessary to verify that the qualified project meets the eligibility requirements for ~~{any transferable tax credits issued pursuant to NRS 360.891 and}~~ the partial abatement of any taxes pursuant to NRS 360.893.

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

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

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

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



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

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

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

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

(b) Ceases operation before the time specified in the agreement described in paragraph (e) of subsection 4 of NRS 360.889,

the lead participant shall repay to the Department or, if the partial abatement is from the property tax imposed by chapter 361 of NRS, to the appropriate county treasurer, the amount of the partial abatement that was allowed to the lead participant pursuant to NRS 360.893 before the failure of the lead participant to meet the requirements for eligibility. Except as otherwise provided in NRS 360.232 and 360.320, the lead participant shall, in addition to the amount of the partial abatement required to be repaid by the lead participant pursuant to this subsection, pay interest on the amount due from the lead participant 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.

~~5.]~~ **3.** The Secretary of State may, upon application by the Executive Director of the Office, revoke or suspend the state business license of the lead participant in a qualified project which is required to repay ~~any portion of transferable tax credits pursuant to subsection 2 or~~ the amount of any partial abatement pursuant to subsection ~~4]~~ **2** and which the Office determines is not in compliance with the provisions of this section governing repayment. If the state business license of the lead participant in a qualified project is suspended or revoked pursuant to this subsection, the Secretary of State shall provide written notice of the action to the lead participant. The Secretary of State shall not reinstate a state business license suspended pursuant to this subsection or issue a new state business license to the lead participant whose state business license has been revoked pursuant to this subsection unless the Executive Director of the Office provides proof satisfactory to the Secretary of State that the lead participant is in compliance with the requirements of this section governing repayment.



Sec. 22. 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) (4) The dollar amount of the partial abatements;~~

~~(9) (5) 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) (6) 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) (7) 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. 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 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



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

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

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

14 **Sec. 23.** NRS 360.896 is hereby amended to read as follows:

15 360.896 1. For the purpose of encouraging local economic
16 development, the governing body of a city or county in which a
17 qualified project is located may grant to any participant in a
18 qualified project an abatement of all or any percentage of the
19 amount of any permitting fee or licensing fee which the local
20 government is authorized to impose or charge pursuant to chapter
21 244 or 268 of NRS.

22 2. Before granting any abatement pursuant to subsection 1, the
23 governing body of the city or county must provide by ordinance for
24 a pilot project for granting abatements to participants in a qualified
25 project.

26 3. A governing body of a city or county that grants an
27 abatement pursuant to subsection 1 shall, on or before October 1 of
28 each year in which such an abatement is granted, prepare and submit
29 to the Governor and to the Director of the Legislative Counsel
30 Bureau for transmittal to the Legislature an annual report which
31 includes, for the immediately preceding fiscal year:

32 (a) ~~{The number of qualified projects located within the~~
33 ~~jurisdiction of the governing body for which a certificate of~~
34 ~~eligibility for transferable tax credits was approved;~~

35 ~~—(b)—~~ If applicable, the number and dollar amount of the
36 abatements granted by the governing body pursuant to subsection 1;
37 and

38 ~~{(e)}~~ (b) The number of persons within the jurisdiction of the
39 governing body that were employed by each participant in a
40 qualified project and the amount of wages paid to those persons.

41 **Sec. 24.** The provisions of subsection 1 of NRS 218D.380 do
42 not apply to any provision of this act which adds or revises a
43 requirement to submit a report to the Legislature.

44 **Sec. 25.** NRS 360.891 and 360.892 are hereby repealed.



1 **Sec. 26.** This act becomes effective on July 1, 2019, and
2 expires by limitation on June 30, 2032.

TEXT OF REPEALED SECTIONS

360.891 Approval of application for certificate of eligibility for transferable tax credits; issuance of certificate; computation of amount of transferable tax credits which may be approved for qualified project.

1. If the Office of Economic Development approves an application for a certificate of eligibility for transferable tax credits submitted pursuant to paragraph (a) of subsection 1 of NRS 360.889, the Office shall immediately forward a copy of the certificate of eligibility which identifies the estimated amount of the tax credits available pursuant to this section to:

- (a) The lead participant in the qualified project;
- (b) The Department; and
- (c) The Nevada Gaming Control Board.

2. Within 14 business days after receipt of an audit provided by the lead participant in the qualified project pursuant to paragraph (1) of subsection 2 of NRS 360.889 and any other accountings or other information required by the Office, the Office shall determine whether to certify the audit and make a final determination of whether a certificate of transferable tax credits will be issued. If the Office certifies the audit and determines that all other requirements for the transferable tax credits have been met, the Office shall notify the lead participant in the qualified project that the transferable tax credits will be issued. Within 30 days after the receipt of the notice, the lead participant in the qualified project shall make an irrevocable declaration of the amount of transferable tax credits that will be applied to each fee or tax set forth in subparagraphs (1), (2) and (3) of paragraph (a) of subsection 1 of NRS 360.889, thereby accounting for all of the credits which will be issued. Upon receipt of the declaration, the Office shall issue to the lead participant a certificate of transferable tax credits in the amount approved by the Office for the fees or taxes included in the declaration. The lead participant shall notify the Department upon transferring any of the transferable tax credits. The Office shall notify the Department and the Nevada Gaming Control Board of all transferable tax credits issued, segregated by each fee or tax set forth in subparagraphs (1), (2) and (3) of paragraph (a) of subsection 1 of NRS 360.889. The



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Department shall notify the Office and the Nevada Gaming Control Board of the amount of any transferable tax credits transferred.

3. A qualified project may be approved for a certificate of eligibility for transferable tax credits in the amount of \$9,500 for each qualified employee, up to a maximum of 4,000 qualified employees.

4. For the purpose of computing the amount of transferable tax credits for which a qualified project is eligible pursuant to subsection 3:

(a) Each qualified employee must be:

(1) Employed by a participant at the site of the qualified project.

(2) Employed full-time and scheduled to work for an average minimum of 30 hours per week.

(3) Employed for at least the last 3 consecutive months of the fiscal year.

(4) Offered coverage under a plan of health insurance provided by his or her employer.

(b) The wages for federal income tax purposes reported or required to be reported on Form W-2 of the qualified employees of the qualified project must be paid at an average rate of \$22 per hour.

(c) An employee engaged solely in the construction of the qualified project is deemed not to be a qualified employee.

360.892 Limitations on amounts of transferable tax credits which may be issued by Office of Economic Development.

1. Except as otherwise provided in this section, the Office of Economic Development shall not approve transferable tax credits:

(a) For Fiscal Year 2017-2018, 2018-2019, 2019-2020, 2020-2021, 2021-2022, 2022-2023, 2023-2024 or 2024-2025, if approval of the transferable tax credits would cause the total amount of transferable tax credits issued pursuant to NRS 360.880 to 360.896, inclusive, in that Fiscal Year to exceed \$7,600,000.

(b) For a fiscal year beginning on or after July 1, 2025.

2. The total amount of transferable tax credits issued pursuant to NRS 360.880 to 360.896, inclusive, to all qualified projects in this State must not exceed \$38,000,000.

3. If in any fiscal year the Office does not approve an amount of transferable tax credits equal to the total amount authorized by paragraph (a) or (b) of subsection 1, the remaining amount of transferable tax credits must be carried forward and made available for approval during subsequent fiscal years ending on or before June 30, 2025.

4. Each transferable tax credit issued pursuant to NRS 360.880 to 360.896, inclusive, expires 4 years after the date on which the transferable tax credit is issued to the lead participant. A transferable



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tax credit issued pursuant to NRS 360.880 to 360.896, inclusive, may be transferred only once.

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