

Amendment No. 621

Assembly Amendment to Assembly Bill No. 400	(BDR 18-803)
Proposed by: Assembly Committee on Taxation	
Amendment Box: Replaces Amendment No. 410.	
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.

DLJ/BJE



Date: 4/22/2019

A.B. No. 400—Revises provisions governing economic development.
(BDR 18-803)



ASSEMBLY BILL NO. 400—ASSEMBLYWOMAN
BENITEZ-THOMPSON

MARCH 21, 2019

Referred to Committee on Taxation

SUMMARY—Revises provisions governing economic development.
(BDR ~~[18-803]~~ **22-803**)FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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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 abatements; ~~[prohibiting the Office of Economic Development from granting certain tax abatements to a person who has already received tax abatements;]~~ prohibiting the Office ***of Economic Development*** from approving certain abatements of the taxes imposed for the support of local schools; ***prohibiting the Office from approving certain partial abatements of taxes if the applicant has previously received the partial abatement of taxes;*** and providing other matters properly relating thereto.

Legislative Counsel's Digest:

~~[— Under existing law, the Executive Director of the Office of Economic Development is required to develop and periodically revise a State Plan for Economic Development. Such a plan must not include provisions for the granting of any abatement, partial abatement or exemption from taxes to certain persons who are subject to certain taxes on the net proceeds of minerals or certain gaming license fees. (NRS 231.053) Section 1 of this bill also prohibits such a plan from including provisions for the granting of any abatement or partial abatement to a person to whom an abatement or partial abatement has already been granted and is in effect.]~~

Existing law authorizes the Office of Economic Development to approve an abatement or a partial abatement of ~~[the Local School Support Tax]~~ ***certain sales and use taxes*** in certain circumstances. (NRS 274.310, 274.320, 274.330, 360.750, ***360.753***, 360.754, ~~[374.356, 374.357, 374.358]~~ ***360.889, 360.945***) ***Sections 5-8, 11-13, 15, [and 18] 16 and 18.5*** of this bill ~~[remove that authorization. Sections 2-4, 9, 10 and 14-17 of this bill make conforming changes.]~~ ***provide that such an abatement does not apply to sales and use taxes that are imposed by the Sales and Use Tax Act and the Local School Support Tax Law if the application for the abatement is submitted on or after the passage and approval of this bill. Sections 11 and 12 of this bill also prohibit the Office from awarding certain partial abatements of taxes imposed on a new or expanding business if the applicant previously received such a partial abatement for locating or expanding the business in this State.***

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

Section 1. ~~NRS 231.053 is hereby amended to read as follows:~~

~~231.053 After considering any advice and recommendations of the Board, the Executive Director:~~

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

~~2. Shall develop and may periodically revise a State Plan for Economic Development, which:~~

~~(a) Must include a statement of:~~

~~(1) New industries which have the potential to be developed in this State;~~

~~(2) The strengths and weaknesses of this State for business incubation;~~

~~(3) The competitive advantages and weaknesses of this State;~~

~~(4) The manner in which this State can leverage its competitive advantages and address its competitive weaknesses;~~

~~(5) A strategy to encourage the creation and expansion of businesses in this State and the relocation of businesses to this State; and~~

~~(6) Potential partners for the implementation of the strategy, including, without limitation, the Federal Government, local governments, local and regional organizations for economic development, chambers of commerce, and private businesses, investors and nonprofit entities; and~~

~~(b) Must not include provisions for the granting of any abatement, partial abatement or exemption from taxes or any other incentive for economic development to a person [who will]:~~

~~(1) Who will locate or expand a business in this State that is subject to the tax imposed pursuant to NRS 362.130 or the gaming license fees imposed by the provisions of NRS 463.370;~~

~~(2) For which any abatement or partial abatement has been approved by the Office and is in effect.~~

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

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

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

~~6. May apply for and accept any gift, donation, bequest, grant or other source of money to carry out the provisions of NRS 231.020 to 231.139, inclusive, and 231.1555 to 231.1597, inclusive.~~

~~7. May adopt such regulations as may be necessary to carry out the provisions of NRS 231.020 to 231.139, inclusive, and 231.1555 to 231.1597, inclusive.~~

~~8. In a manner consistent with the laws of this State, may reorganize the programs of economic development in this State to further the State Plan for Economic Development. If, in the opinion of the Executive Director, changes to the~~

laws of this State are necessary to implement the economic development strategy for this State, the Executive Director must recommend the changes to the Governor and the Legislature. **(Deleted by amendment.)**

Sec. 2. ~~[NRS 231.0685 is hereby amended to read as follows:~~

~~231.0685 The Office shall, on or before January 15 of each odd-numbered year, prepare and submit to the Director of the Legislative Counsel Bureau for transmission to the Legislature a report concerning the abatements from taxation that the Office approved pursuant to NRS 274.310, [274.320,] 274.330, 360.750, 360.752, 360.753 or 360.754. The report must set forth, for each abatement from taxation that the Office approved during the fiscal years which are 3 fiscal years and 6 fiscal years immediately preceding the submission of the report:~~

- ~~1. The dollar amount of the abatement;~~
- ~~2. The location of the business for which the abatement was approved;~~
- ~~3. The value of infrastructure included as an incentive for the business;~~
- ~~4. If applicable, the number of employees that the business for which the abatement was approved employs or will employ;~~
- ~~5. Whether the business for which the abatement was approved is a new business or an existing business;~~
- ~~6. The economic sector in which the business operates, the number of primary jobs related to the business, the average wage paid to employees of the business and the assessed values of personal property and real property of the business;~~
- ~~7. Any information concerning whether the business for which the abatement was approved participates or has participated in a program of workforce development, as defined in NRS 231.146, implemented by the Executive Director; and~~
- ~~8. Any other information that the Office determines to be useful.] **(Deleted by amendment.)**~~

Sec. 3. ~~[NRS 231A.170 is hereby amended to read as follows:~~

~~231A.170 1. For the purpose of NRS 231A.110, a qualified active low-income community business is limited to those businesses meeting the Small Business Administration size eligibility standards established in 13 C.F.R. §§ 121.101 to 201, inclusive, at the time the qualified low income community investment is made. A business must be considered a qualified active low income community business for the duration of the qualified community development entity's investment in, or loan to, the business if the entity reasonably expects, at the time it makes the investment or loan, that the business will continue to satisfy the requirements for being a qualified active low income community business, other than the Small Business Administration size standards, throughout the entire period of the investment or loan.~~

~~2. Except as otherwise provided in this subsection, the businesses limited by this section do not include any business that derives or projects to derive 15 percent or more of its annual revenue from the rental or sale of real estate. This exclusion does not apply to a business that is controlled by, or under common control with, another business if the second business:~~

~~(a) Does not derive or project to derive 15 percent or more of its annual revenue from the rental or sale of real estate; and~~

~~(b) Is the primary tenant of the real estate leased from the first business.~~

~~3. The following businesses are not qualified active low income community businesses:~~

~~(a) A business that has received an abatement from taxation pursuant to NRS 274.310, [274.320,] 274.330, 360.750, 360.753 or 360.754.~~

~~(b) An entity that has liability for insurance premium tax on a premium tax report filed pursuant to NRS 680B.030.~~

- ~~1 (c) A business engaged in banking or lending;~~
~~2 (d) A massage parlor;~~
~~3 (e) A bath house;~~
~~4 (f) A tanning salon;~~
~~5 (g) A country club;~~
~~6 (h) A business operating under a nonrestricted license for gaming issued~~
~~7 pursuant to NRS 463.170;~~
~~8 (i) A liquor store;~~
~~9 (j) A golf course.] (Deleted by amendment.)~~

10 **Sec. 4.** ~~NRS 266.267 is hereby amended to read as follows:~~
11 ~~266.267 [1.] A city council shall not enter into a lease of real property~~
12 ~~owned by the city for a term of 3 years or longer or enter into a contract for the sale~~
13 ~~of real property until after the property has been appraised pursuant to NRS~~
14 ~~268.059. Except as otherwise provided in this section, paragraph (c) of subsection 1~~
15 ~~of NRS 268.050 and subsection 2 of NRS 496.080:~~
16 ~~[(a)] 1. The sale or lease of real property must be made in the manner~~
17 ~~required pursuant to NRS 268.059, 268.061 and 268.062; and~~
18 ~~[(b)] 2. A lease or sale must be made at or above the highest appraised value~~
19 ~~of the real property as determined pursuant to the appraisal conducted pursuant to~~
20 ~~NRS 268.059.~~
21 ~~[2. The city council may sell or lease real property for less than its appraised~~
22 ~~value to any person who maintains or intends to maintain a business within the~~
23 ~~boundaries of the city which is eligible pursuant to NRS 374.357 for an abatement~~
24 ~~from the sales and use taxes imposed pursuant to chapter 374 of NRS.]] (Deleted~~
25 ~~by amendment.)~~

26 **Sec. 5.** NRS 274.310 is hereby amended to read as follows:
27 274.310 1. A person who intends to locate a business in this State within:
28 (a) A historically underutilized business zone, as defined in 15 U.S.C. § 632;
29 (b) A redevelopment area created pursuant to chapter 279 of NRS;
30 (c) An area eligible for a community development block grant pursuant to 24
31 C.F.R. Part 570; or
32 (d) An enterprise community established pursuant to 24 C.F.R. Part 597,
33 may submit a request to the governing body of the county, city or town in which
34 the business would operate for an endorsement of an application by the person to
35 the Office of Economic Development for a partial abatement of one or more of the
36 taxes imposed pursuant to chapter 361 ~~for 374~~ of NRS ~~or~~ or the local sales and
37 use taxes. The governing body of the county, city or town shall provide notice of
38 the request to the board of trustees of the school district in which the business
39 would operate. The notice must set forth the date, time and location of the hearing
40 at which the governing body will consider whether to endorse the application. As
41 used in this subsection, "local sales and use taxes" means the taxes imposed on
42 the gross receipts of any retailer from the sale of tangible personal property sold
43 at retail, or stored, used or otherwise consumed, in the political subdivision in
44 which the business is located, except the taxes imposed by the Sales and Use Tax
45 Act and the Local School Support Tax Law.

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

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

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

1 application to the Office of Economic Development. The Office shall approve the
2 application if the Office makes the following determinations:

3 (a) The business is consistent with:

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

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

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

9 (1) The date on which the abatement becomes effective, as agreed to by the
10 applicant and the Office, which must not be earlier than the date on which the
11 Office received the application; and

12 (2) That the business will, after the date on which the abatement becomes
13 effective:

14 (I) Commence operation and continue in operation in the historically
15 underutilized business zone, as defined in 15 U.S.C. § 632, redevelopment area
16 created pursuant to chapter 279 of NRS, area eligible for a community development
17 block grant pursuant to 24 C.F.R. Part 570 or enterprise community established
18 pursuant to 24 C.F.R. Part 597 for a period specified by the Office, which must be
19 at least 5 years; and

20 (II) Continue to meet the eligibility requirements set forth in this
21 subsection.

22 ➤ The agreement must bind successors in interest of the business for the specified
23 period.

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

27 (d) The applicant invested or commits to invest a minimum of \$500,000 in
28 capital assets that will be retained at the location of the business in the historically
29 underutilized business zone, as defined in 15 U.S.C. § 632, redevelopment area
30 created pursuant to chapter 279 of NRS, area eligible for a community development
31 block grant pursuant to 24 C.F.R. Part 570 or enterprise community established
32 pursuant to 24 C.F.R. Part 597 until at least the date which is 5 years after the date
33 on which the abatement becomes effective.

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

37 (a) The Department of Taxation;

38 (b) The Nevada Tax Commission; and

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

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

44 (a) The partial abatement must be for a duration of not less than 1 year but not
45 more than 5 years.

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

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

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

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

1 ↪ the business shall repay to the Department of Taxation or, if the partial
2 ~~abatement was from the property tax imposed pursuant to chapter 361 of NRS, to~~
3 ~~the~~ county treasurer, the amount of the exemption that was allowed pursuant to this
4 section before the failure of the business to comply unless the Nevada Tax
5 Commission determines that the business has substantially complied with the
6 requirements of this section. Except as otherwise provided in NRS 360.232 and
7 360.320, the business shall, in addition to the amount of the exemption required to
8 be paid pursuant to this subsection, pay interest on the amount due at the rate most
9 recently established pursuant to NRS 99.040 for each month, or portion thereof,
10 from the last day of the month following the period for which the payment would
11 have been made had the partial abatement not been approved until the date of
12 payment of the tax.

13 7. The Office of Economic Development may adopt such regulations as the
14 Office determines to be necessary or advisable to carry out the provisions of this
15 section.

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

19 **Sec. 6.** NRS 274.310 is hereby amended to read as follows:

20 274.310 1. A person who intends to locate a business in this State within:

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

22 (b) A redevelopment area created pursuant to chapter 279 of NRS;

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

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

26 ↪ may submit a request to the governing body of the county, city or town in which
27 the business would operate for an endorsement of an application by the person to
28 the Office of Economic Development for a partial abatement of one or more of the
29 taxes imposed pursuant to chapter 361 ~~for 374~~ of NRS ~~or~~ or the local sales and
30 use taxes. The governing body of the county, city or town shall provide notice of
31 the request to the board of trustees of the school district in which the business
32 would operate. The notice must set forth the date, time and location of the hearing
33 at which the governing body will consider whether to endorse the application. As
34 used in this subsection, "local sales and use taxes" means the taxes imposed on
35 the gross receipts of any retailer from the sale of tangible personal property sold
36 at retail, or stored, used or otherwise consumed, in the political subdivision in
37 which the business is located, except the taxes imposed by the Sales and Use Tax
38 Act and the Local School Support Tax Law.

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

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

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

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

49 (a) The business is consistent with:

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

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

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

(1) The date on which the 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; and

(2) That the business will, after the date on which a certificate of eligibility for the abatement is issued pursuant to subsection 4:

(I) Commence operation and continue in operation in the historically underutilized business zone, as defined in 15 U.S.C. § 632, redevelopment area created pursuant to chapter 279 of NRS, area eligible for a community development block grant pursuant to 24 C.F.R. Part 570 or enterprise community established pursuant to 24 C.F.R. Part 597 for a period specified by the Office, which must be at least 5 years; and

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

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

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

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

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

(a) The Department of Taxation;

(b) The Nevada Tax Commission; and

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

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

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

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

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

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

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

Sec. 6.3. NRS 274.320 is hereby amended to read as follows:

274.320 1. A person who intends to expand a business in this State within:
(a) A historically underutilized business zone, as defined in 15 U.S.C. § 632;
(b) A redevelopment area created pursuant to chapter 279 of NRS;
(c) An area eligible for a community development block grant pursuant to 24 C.F.R. Part 570; or

(d) An enterprise community established pursuant to 24 C.F.R. Part 597,
➤ may submit a request to the governing body of the county, city or town in which the business operates for an endorsement of an application by the person to the Office of Economic Development for a partial abatement of the local sales and use taxes imposed on capital equipment, ~~pursuant to chapter 374 of NRS,~~ The governing body of the county, city or town shall provide notice of the request to the board of trustees of the school district in which the business operates. The notice must set forth the date, time and location of the hearing at which the governing body will consider whether to endorse the application. As used in this subsection, "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 business is located, except the taxes imposed by the Sales and Use Tax Act and the Local School Support Tax Law.

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

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

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

(a) The business is consistent with:

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

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

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

(1) The date on which the 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; and

(2) That the business will, after the date on which the abatement becomes effective:

(I) Continue in operation in the historically underutilized business zone, as defined in 15 U.S.C. § 632, redevelopment area created pursuant to chapter 279 of NRS, area eligible for a community development block grant pursuant to 24 C.F.R. Part 570 or enterprise community established pursuant to 24 C.F.R. Part 597 for a period specified by the Office, which must be at least 5 years; and

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

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

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

(d) The applicant invested or commits to invest a minimum of \$250,000 in capital equipment that will be retained at the location of the business in the historically underutilized business zone, as defined in 15 U.S.C. § 632, redevelopment area created pursuant to chapter 279 of NRS, area eligible for a community development block grant pursuant to 24 C.F.R. Part 570 or enterprise community established pursuant to 24 C.F.R. Part 597 until at least the date which is 5 years after the date on which the abatement becomes effective.

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

- (a) The Department of Taxation; and
- (b) The Nevada Tax Commission.

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

(a) The partial abatement must be for a duration of not less than 1 year but not more than 5 years.

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

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

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

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

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

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

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

Sec. 6.5. NRS 274.320 is hereby amended to read as follows:

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

- (a) A historically underutilized business zone, as defined in 15 U.S.C. § 632;
- (b) A redevelopment area created pursuant to chapter 279 of NRS;
- (c) An area eligible for a community development block grant pursuant to 24 C.F.R. Part 570; or

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

may submit a request to the governing body of the county, city or town in which the business operates for an endorsement of an application by the person to the Office of Economic Development for a partial abatement of the local sales and use taxes imposed on capital equipment ~~[pursuant to chapter 374 of NRS.]~~ The governing body of the county, city or town shall provide notice of the request to the board of trustees of the school district in which the business operates. The notice

1 must set forth the date, time and location of the hearing at which the governing
2 body will consider whether to endorse the application. As used in this subsection,
3 “local sales and use taxes” means the taxes imposed on the gross receipts of any
4 retailer from the sale of tangible personal property sold at retail, or stored, used
5 or otherwise consumed, in the political subdivision in which the business is
6 located, except the taxes imposed by the Sales and Use Tax Act and the Local
7 School Support Tax Law.

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

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

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

18 (a) The business is consistent with:

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

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

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

24 (1) The date on which the abatement becomes effective, as agreed to by the
25 applicant and the Office, which must not be earlier than the date on which the
26 Office received the application; and

27 (2) That the business will, after the date on which a certificate of eligibility
28 for the abatement is issued pursuant to subsection 4:

29 (I) Continue in operation in the historically underutilized business
30 zone, as defined in 15 U.S.C. § 632, redevelopment area created pursuant to chapter
31 279 of NRS, area eligible for a community development block grant pursuant to 24
32 C.F.R. Part 570 or enterprise community established pursuant to 24 C.F.R. Part 597
33 for a period specified by the Office, which must be at least 5 years; and

34 (II) Continue to meet the eligibility requirements set forth in this
35 subsection.

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

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

41 (d) The applicant invested or commits to invest a minimum of \$250,000 in
42 capital equipment.

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

46 (a) The Department of Taxation; and

47 (b) The Nevada Tax Commission.

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

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

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

1 ↳ the business shall repay to the Department of Taxation the amount of the
2 exemption that was allowed pursuant to this section before the failure of the
3 business to comply unless the Nevada Tax Commission determines that the
4 business has substantially complied with the requirements of this section. Except as
5 otherwise provided in NRS 360.232 and 360.320, the business shall, in addition to
6 the amount of the exemption required to be paid pursuant to this subsection, pay
7 interest on the amount due at the rate most recently established pursuant to NRS
8 99.040 for each month, or portion thereof, from the last day of the month following
9 the period for which the payment would have been made had the partial abatement
10 not been approved until the date of payment of the tax.

11 6. The Office of Economic Development may adopt such regulations as the
12 Office determines to be necessary or advisable to carry out the provisions of this
13 section.

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

17 **Sec. 7.** NRS 274.330 is hereby amended to read as follows:

18 274.330 1. A person who owns a business which is located within an
19 enterprise community established pursuant to 24 C.F.R. Part 597 in this State may
20 submit a request to the governing body of the county, city or town in which the
21 business is located for an endorsement of an application by the person to the Office
22 of Economic Development for a partial abatement of one or more of the taxes
23 imposed pursuant to chapter 361 ~~for 374~~ of NRS ~~or~~ or the local sales and use
24 taxes. The governing body of the county, city or town shall provide notice of the
25 request to the board of trustees of the school district in which the business operates.
26 The notice must set forth the date, time and location of the hearing at which the
27 governing body will consider whether to endorse the application. As used in this
28 subsection, "local sales and use taxes" means the taxes imposed on the gross
29 receipts of any retailer from the sale of tangible personal property sold at retail,
30 or stored, used or otherwise consumed, in the political subdivision in which the
31 business is located, except the taxes imposed by the Sales and Use Tax Act and
32 the Local School Support Tax Law.

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

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

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

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

43 (a) The business is consistent with:

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

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

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

49 (1) The date on which the abatement becomes effective, as agreed to by the
50 applicant and the Office, which must not be earlier than the date on which the
51 Office received the application; and

52 (2) That the business will, after the date on which the abatement becomes
53 effective:

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

3 (II) Continue to meet the eligibility requirements set forth in this
4 subsection.

5 ➤ The agreement must bind successors in interest of the business for the specified
6 period.

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

10 (d) The business:

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

13 (2) Pays such employees a wage of not less than 100 percent of the
14 federally designated level signifying poverty for a family of four persons and
15 provides medical benefits to the employees and their dependents which meet the
16 minimum requirements for medical benefits established by the Office.

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

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

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

23 (1) The Department of Taxation;

24 (2) The Nevada Tax Commission; and

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

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

30 (a) The partial abatement must be for a duration of not less than 1 year but not
31 more than 5 years.

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

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

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

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

40 ➤ the business shall repay to the Department of Taxation or, if the partial
41 abatement was from the property tax imposed pursuant to chapter 361 of NRS, to
42 the county treasurer, the amount of the exemption that was allowed pursuant to this
43 section before the failure of the business to comply unless the Nevada Tax
44 Commission determines that the business has substantially complied with the
45 requirements of this section. Except as otherwise provided in NRS 360.232 and
46 360.320, the business shall, in addition to the amount of the exemption required to
47 be paid pursuant to this subsection, pay interest on the amount due at the rate most
48 recently established pursuant to NRS 99.040 for each month, or portion thereof,
49 from the last day of the month following the period for which the payment would
50 have been made had the partial abatement not been approved until the date of
51 payment of the tax.

52 7. The Office of Economic Development:

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

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

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

9 9. As used in this section, "dislocated worker" means a person who:

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

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

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

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

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

21 **Sec. 8.** NRS 274.330 is hereby amended to read as follows:

22 274.330 1. A person who owns a business which is located within an
23 enterprise community established pursuant to 24 C.F.R. Part 597 in this State may
24 submit a request to the governing body of the county, city or town in which the
25 business is located for an endorsement of an application by the person to the Office
26 of Economic Development for a partial abatement of one or more of the taxes
27 imposed pursuant to chapter 361 ~~for 374~~ of NRS ~~or~~ or the local sales and use
28 taxes. The governing body of the county, city or town shall provide notice of the
29 request to the board of trustees of the school district in which the business operates.
30 The notice must set forth the date, time and location of the hearing at which the
31 governing body will consider whether to endorse the application. As used in this
32 subsection, "local sales and use taxes" means the taxes imposed on the gross
33 receipts of any retailer from the sale of tangible personal property sold at retail,
34 or stored, used or otherwise consumed, in the political subdivision in which the
35 business is located, except the taxes imposed by the Sales and Use Tax Act and
36 the Local School Support Tax Law.

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

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

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

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

47 (a) The business is consistent with:

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

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

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

(1) The date on which the 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; and

(2) That the business will, after the date on which a certificate of eligibility for the abatement is issued pursuant to subsection 4:

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

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

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

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

(d) The business:

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

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

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

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

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

(1) The Department of Taxation;

(2) The Nevada Tax Commission; and

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

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

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

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

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

6. The Office of Economic Development:

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

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

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

8. As used in this section, "dislocated worker" means a person who:

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

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

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

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

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

Sec. 9. ~~[NRS 353.207 is hereby amended to read as follows:~~

~~353.207 1. The Chief shall:~~

~~(a) Require the Office of Economic Development and the Office of Energy each periodically to conduct an analysis of the relative costs and benefits of each incentive for economic development previously approved by the respective office and in effect during the immediately preceding 2 fiscal years, including, without limitation, any abatement of taxes approved by the Office of Economic Development pursuant to NRS 274.310, [274.320,] 274.330, 360.750, 360.752, 360.753, 360.754, 360.890, 360.950, 361.0687 [, 374.357] or 701A.210, to assist the Governor and the Legislature in determining whether the economic benefits of the incentive have accomplished the purposes of the statute pursuant to which the incentive was approved and warrant additional incentives of that kind;~~

~~(b) Require each office to report in writing to the Chief the results of the analysis conducted by the office pursuant to paragraph (a); and~~

~~(c) Establish a schedule for performing and reporting the results of the analysis required by paragraph (a) which ensures that the results of the analysis reported by each office are included in the proposed budget prepared pursuant to NRS 353.205, as required by that section.~~

~~2. Each report prepared for the Chief pursuant to this section is a public record and is open to inspection pursuant to the provisions of NRS 239.010.]~~
(Deleted by amendment.)

Sec. 10. ~~[NRS 360.225 is hereby amended to read as follows:~~

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

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

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

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

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

~~(e)] A partial abatement of taxes pursuant to NRS 360.752 on or before June 30, 2023;~~

~~[(f)] (e) A partial abatement of taxes pursuant to NRS 360.754 on or before December 31, 2056;~~

~~[(g)] (f) A partial abatement of taxes pursuant to NRS 360.890 on or before June 30, 2032; or~~

~~1. **[(h)] (g)** An abatement of taxes pursuant to NRS 360.950 on or before June 30, 2036;~~

~~2. the Department shall investigate whether the person meets the eligibility requirements for the abatement, partial abatement, exemption or deferral that the person is claiming;~~

~~3. If the Department finds that the person does not meet the eligibility requirements for the abatement, exemption or deferral which the person is claiming, the Department shall report its findings to the Office of Economic Development and take any other necessary actions. **(Deleted by amendment.)**~~

Sec. 11. NRS 360.750 is hereby amended to read as follows:

360.750 1. A person who intends to locate or expand a business in this State may apply to the Office of Economic Development pursuant to this section for a partial abatement of one or more of the taxes imposed on the new or expanded business pursuant to chapter 361 ~~or~~ 363B ~~for 374~~ of NRS ~~or~~ the local sales and use taxes. As used in this subsection, "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 business is to be located or expanded, except the taxes imposed by the Sales and Use Tax Act and the Local School Support Tax Law.

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

(a) The business offers primary jobs and is consistent with:

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

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

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

(1) Comply with the requirements of NRS 360.755;

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

(4) State that the business will offer primary jobs; and

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

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

(d) Except as otherwise provided in subsection 4 or 5, the average hourly wage that will be paid by the business to its new employees in this State is at least 100 percent of the average statewide hourly wage as established by the Employment Security Division of the Department of Employment, Training and Rehabilitation on July 1 of each fiscal year.

(e) The business will, by the eighth calendar quarter following the calendar quarter in which the abatement becomes effective, offer a health insurance plan for all employees that includes an option for health insurance coverage for dependents of the employees, and the health care benefits the business offers to its employees

1 in this State will meet the minimum requirements for health care benefits
2 established by the Office.

3 (f) Except as otherwise provided in this subsection and NRS 361.0687, if the
4 business is a new business in a county whose population is 100,000 or more or a
5 city whose population is 60,000 or more, the business meets at least one of the
6 following requirements:

7 (1) The business will have 50 or more full-time employees on the payroll
8 of the business by the eighth calendar quarter following the calendar quarter in
9 which the abatement becomes effective who will be employed at the location of the
10 business in that county or city until at least the date which is 5 years after the date
11 on which the abatement becomes effective.

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

18 (g) Except as otherwise provided in NRS 361.0687, if the business is a new
19 business in a county whose population is less than 100,000, in an area of a county
20 whose population is 100,000 or more that is located within the geographic
21 boundaries of an area that is designated as rural by the United States Department of
22 Agriculture and at least 20 miles outside of the geographic boundaries of an area
23 designated as urban by the United States Department of Agriculture, or in a city
24 whose population is less than 60,000, the business meets at least one of the
25 following requirements:

26 (1) The business will have 10 or more full-time employees on the payroll
27 of the business by the eighth calendar quarter following the calendar quarter in
28 which the abatement becomes effective who will be employed at the location of the
29 business in that county or city until at least the date which is 5 years after the date
30 on which the abatement becomes effective.

31 (2) Establishing the business will require the business to make, not later
32 than the date which is 2 years after the date on which the abatement becomes
33 effective, a capital investment of at least \$250,000 in this State in capital assets that
34 will be retained at the location of the business in that county or city until at least the
35 date which is 5 years after the date on which the abatement becomes effective.

36 (h) If the business is an existing business, the business meets at least one of the
37 following requirements:

38 (1) For a business in:

39 (I) Except as otherwise provided in sub-subparagraph (II), a county
40 whose population is 100,000 or more or a city whose population is 60,000 or more,
41 the business will, by the eighth calendar quarter following the calendar quarter in
42 which the abatement becomes effective, increase the number of employees on its
43 payroll in that county or city by 10 percent more than it employed in the fiscal year
44 immediately preceding the fiscal year in which the abatement becomes effective or
45 by twenty-five employees, whichever is greater, who will be employed at the
46 location of the business in that county or city until at least the date which is 5 years
47 after the date on which the abatement becomes effective; or

48 (II) A county whose population is less than 100,000, an area of a
49 county whose population is 100,000 or more that is located within the geographic
50 boundaries of an area that is designated as rural by the United States Department of
51 Agriculture and at least 20 miles outside of the geographic boundaries of an area
52 designated as urban by the United States Department of Agriculture, or a city
53 whose population is less than 60,000, the business will, by the eighth calendar

1 quarter following the calendar quarter in which the abatement becomes effective,
2 increase the number of employees on its payroll in that county or city by 10 percent
3 more than it employed in the fiscal year immediately preceding the fiscal year in
4 which the abatement becomes effective or by six employees, whichever is greater,
5 who will be employed at the location of the business in that county or city until at
6 least the date which is 5 years after the date on which the abatement becomes
7 effective.

8 (2) The business will expand by making a capital investment in this State,
9 not later than the date which is 2 years after the date on which the abatement
10 becomes effective, in an amount equal to at least 20 percent of the value of the
11 tangible property possessed by the business in the fiscal year immediately
12 preceding the fiscal year in which the abatement becomes effective, and the capital
13 investment will be in capital assets that will be retained at the location of the
14 business in that county or city until at least the date which is 5 years after the date
15 on which the abatement becomes effective. The determination of the value of the
16 tangible property possessed by the business in the immediately preceding fiscal
17 year must be made by the:

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

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

21 (i) The applicant has provided in the application an estimate of the total
22 number of new employees which the business anticipates hiring in this State by the
23 eighth calendar quarter following the calendar quarter in which the abatement
24 becomes effective if the Office approves the application.

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

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

30 (b) Shall consider the level of health care benefits provided by the business to
31 its employees, the projected economic impact of the business and the projected tax
32 revenue of the business after deducting projected revenue from the abated taxes.

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

34 (1) Approve an application for a partial abatement pursuant to this section
35 by a business that does not meet the requirements set forth in paragraph (f), (g) or
36 (h) of subsection 2;

37 (2) Make any of the requirements set forth in paragraphs (d) to (h),
38 inclusive, of subsection 2 more stringent; or

39 (3) Add additional requirements that a business must meet to qualify for a
40 partial abatement pursuant to this section.

41 4. Notwithstanding any other provision of law, the Office of Economic
42 Development shall not approve an application for a partial abatement pursuant to
43 this section if:

44 (a) The applicant intends to locate or expand in a county in which the rate of
45 unemployment is 7 percent or more and the average hourly wage that will be paid
46 by the applicant to its new employees in this State is less than 70 percent of the
47 average statewide hourly wage, as established by the Employment Security
48 Division of the Department of Employment, Training and Rehabilitation on July 1
49 of each fiscal year.

50 (b) The applicant intends to locate or expand in a county in which the rate of
51 unemployment is less than 7 percent and the average hourly wage that will be paid
52 by the applicant to its new employees in this State is less than 85 percent of the
53 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.

(c) The applicant intends to locate in a county but has already received a partial abatement pursuant to this section for locating that business in that county.

(d) The applicant intends to expand in a county but has already received a partial abatement pursuant to this section for expanding that business in that county.

5. Notwithstanding any other provision of law, if the Office of Economic Development approves an application for a partial abatement pursuant to this section, in determining the types of taxes imposed on a new or expanded business for which the partial abatement will be approved and the amount of the partial abatement:

(a) If the new or expanded business is located in a county in which the rate of unemployment is 7 percent or more and the average hourly wage that will be paid by the business to its new employees in this State is less than 85 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, the Office shall not:

(1) Approve an abatement of the taxes imposed pursuant to chapter 361 of NRS which exceeds 25 percent of the taxes on personal property payable by the business each year.

(2) Approve an abatement of the taxes imposed pursuant to chapter 363B of NRS which exceeds 25 percent of the amount of tax otherwise due pursuant to NRS 363B.110.

(b) If the new or expanded business is located in a county in which the rate of unemployment is less than 7 percent and the average hourly wage that will be paid by the business to its new employees in this State is less than 100 percent of the average statewide hourly wage, as established by the Employment Security Division of the Department of Employment, Training and Rehabilitation on July 1 of each fiscal year, the Office shall not:

(1) Approve an abatement of the taxes imposed pursuant to chapter 361 of NRS which exceeds 25 percent of the taxes on personal property payable by the business each year.

(2) Approve an abatement of the taxes imposed pursuant to chapter 363B of NRS which exceeds 25 percent of the amount of tax otherwise due pursuant to NRS 363B.110.

~~[(3) Approve an abatement of the taxes imposed pursuant to chapter 374 of NRS which exceeds the local sales and use taxes. As used in this subparagraph, "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 or expanded business is located, except the taxes imposed by the Sales and Use Tax Act and the Local School Support Tax Law.]~~

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

(a) The Department;

(b) The Nevada Tax Commission; and

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

7. An applicant for a partial abatement pursuant to this section or an existing business whose partial abatement is in effect shall, upon the request of the

Executive Director of the Office of Economic Development, furnish the Executive Director with copies of all records necessary to verify that the applicant meets the requirements of subsection 2.

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

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

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

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

9. A county treasurer:

(a) Shall deposit any money that he or she receives pursuant to subsection 8 in one or more of the funds established by a local government of the county pursuant to NRS 354.6113 or 354.6115; and

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

10. The Office of Economic Development may adopt such regulations as the Office of Economic Development determines to be necessary to carry out the provisions of this section and NRS 360.755.

11. The Nevada Tax Commission:

(a) Shall adopt regulations regarding:

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

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

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

12. An applicant for a partial abatement pursuant to this section who is aggrieved by a final decision of the Office of Economic Development may petition for judicial review in the manner provided in chapter 233B of NRS.

13. For the purposes of this section, an employee is a "full-time employee" if he or she is in a permanent position of employment and works an average of 30 hours per week during the applicable period set forth in subsection 2.

Sec. 12. NRS 360.750 is hereby amended to read as follows:

360.750 1. A person who intends to locate or expand a business in this State may apply to the Office of Economic Development pursuant to this section for a partial abatement of one or more of the taxes imposed on the new or expanded business pursuant to chapter 361 ~~or~~ 363B ~~for 374~~ of NRS ~~or the local sales and use taxes. As used in this subsection, "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 business is to be located or expanded, except the~~

taxes imposed by the Sales and Use Tax Act and the Local School Support Tax Law.

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

(a) The business offers primary jobs and is consistent with:

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

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

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

(1) Comply with the requirements of NRS 360.755;

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

(4) State that the business will offer primary jobs; and

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

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

(d) Except as otherwise provided in subsection 4 or 5, the average hourly wage that will be paid by the business to its new employees in this State is at least 100 percent of the average statewide hourly wage as established by the Employment Security Division of the Department of Employment, Training and Rehabilitation on July 1 of each fiscal year.

(e) The business will, by the eighth calendar quarter following the calendar quarter in which the abatement becomes effective, offer a health insurance plan for all employees that includes an option for health insurance coverage for dependents of the employees, and the health care benefits the business offers to its employees in this State will meet the minimum requirements for health care benefits established by the Office.

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

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

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

(g) Except as otherwise provided in NRS 361.0687, if the business is a new business in a county whose population is less than 100,000, in an area of a county whose population is 100,000 or more that is located within the geographic boundaries of an area that is designated as rural by the United States Department of Agriculture and at least 20 miles outside of the geographic boundaries of an area designated as urban by the United States Department of Agriculture, or in a city

1 whose population is less than 60,000, the business meets at least one of the
2 following requirements:

3 (1) The business will have 15 or more full-time employees on the payroll
4 of the business by the eighth calendar quarter following the calendar quarter in
5 which the abatement becomes effective who will be employed at the location of the
6 business in that county or city until at least the date which is 5 years after the date
7 on which the abatement becomes effective.

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

10 (h) If the business is an existing business, the business meets at least one of the
11 following requirements:

12 (1) The business will increase the number of employees on its payroll by
13 10 percent more than it employed in the immediately preceding fiscal year or by six
14 employees, whichever is greater.

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

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

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

23 (i) The applicant has provided in the application an estimate of the total
24 number of new employees which the business anticipates hiring in this State by the
25 eighth calendar quarter following the calendar quarter in which the abatement
26 becomes effective if the Office approves the application.

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

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

32 (b) Shall consider the level of health care benefits provided by the business to
33 its employees, the projected economic impact of the business and the projected tax
34 revenue of the business after deducting projected revenue from the abated taxes.

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

36 (1) Approve an application for a partial abatement pursuant to this section
37 by a business that does not meet the requirements set forth in paragraph (f), (g) or
38 (h) of subsection 2;

39 (2) Make any of the requirements set forth in paragraphs (d) to (h),
40 inclusive, of subsection 2 more stringent; or

41 (3) Add additional requirements that a business must meet to qualify for a
42 partial abatement pursuant to this section.

43 4. Notwithstanding any other provision of law, the Office of Economic
44 Development shall not approve an application for a partial abatement pursuant to
45 this section if:

46 (a) The applicant intends to locate or expand in a county in which the rate of
47 unemployment is 7 percent or more and the average hourly wage that will be paid
48 by the applicant to its new employees in this State is less than 70 percent of the
49 average statewide hourly wage, as established by the Employment Security
50 Division of the Department of Employment, Training and Rehabilitation on July 1
51 of each fiscal year.

52 (b) The applicant intends to locate or expand in a county in which the rate of
53 unemployment is less than 7 percent and the average hourly wage that will be paid

by the applicant to its new employees in this State is less than 85 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.

(c) The applicant intends to locate in a county but has already received a partial abatement pursuant to this section for locating that business in that county.

(d) The applicant intends to expand in a county but has already received a partial abatement pursuant to this section for expanding that business in that county.

5. Notwithstanding any other provision of law, if the Office of Economic Development approves an application for a partial abatement pursuant to this section, in determining the types of taxes imposed on a new or expanded business for which the partial abatement will be approved and the amount of the partial abatement:

(a) If the new or expanded business is located in a county in which the rate of unemployment is 7 percent or more and the average hourly wage that will be paid by the business to its new employees in this State is less than 85 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, the Office shall not:

(1) Approve an abatement of the taxes imposed pursuant to chapter 361 of NRS which exceeds 25 percent of the taxes on personal property payable by the business each year.

(2) Approve an abatement of the taxes imposed pursuant to chapter 363B of NRS which exceeds 25 percent of the amount of tax otherwise due pursuant to NRS 363B.110.

(b) If the new or expanded business is located in a county in which the rate of unemployment is less than 7 percent and the average hourly wage that will be paid by the business to its new employees in this State is less than 100 percent of the average statewide hourly wage, as established by the Employment Security Division of the Department of Employment, Training and Rehabilitation on July 1 of each fiscal year, the Office shall not:

(1) Approve an abatement of the taxes imposed pursuant to chapter 361 of NRS which exceeds 25 percent of the taxes on personal property payable by the business each year.

(2) Approve an abatement of the taxes imposed pursuant to chapter 363B of NRS which exceeds 25 percent of the amount of tax otherwise due pursuant to NRS 363B.110.

~~[(3) Approve an abatement of the taxes imposed pursuant to chapter 374 of NRS which exceeds the local sales and use taxes. As used in this subparagraph, "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 or expanded business is located, except the taxes imposed by the Sales and Use Tax Act and the Local School Support Tax Law.]~~

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

(a) The Department;

(b) The Nevada Tax Commission; and

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

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

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

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

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

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

9. A county treasurer:

(a) Shall deposit any money that he or she receives pursuant to subsection 8 in one or more of the funds established by a local government of the county pursuant to NRS 354.6113 or 354.6115; and

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

10. The Office of Economic Development may adopt such regulations as the Office of Economic Development determines to be necessary to carry out the provisions of this section and NRS 360.755.

11. The Nevada Tax Commission:

(a) Shall adopt regulations regarding:

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

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

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

12. An applicant for a partial abatement pursuant to this section who is aggrieved by a final decision of the Office of Economic Development may petition for judicial review in the manner provided in chapter 233B of NRS.

13. For the purposes of this section, an employee is a "full-time employee" if he or she is in a permanent position of employment and works an average of 30 hours per week during the applicable period set forth in subsection 2.

Sec. 12.5. NRS 360.753 is hereby amended to read as follows:

360.753 1. An owner of a business or a person who intends to locate or expand a business in this State may apply to the Office of Economic Development pursuant to this section for a partial abatement of one or more of:

(a) The personal property taxes imposed on an aircraft and the personal property used to own, operate, manufacture, service, maintain, test, repair, overhaul or assemble an aircraft or any component of an aircraft; and

(b) The local sales and use taxes imposed on the purchase of tangible personal property used to operate, manufacture, service, maintain, test, repair, overhaul or assemble an aircraft or any component of an aircraft.

2. Notwithstanding the provisions of any law to the contrary and except as otherwise provided in subsections 3 and 4, the Office of Economic Development shall approve an application for a partial abatement if the Office makes the following determinations:

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

(1) Complies with the requirements of NRS 360.755;

(2) States the date on which the 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 business will, after the date on which a certificate of eligibility for the partial abatement is issued pursuant to subsection 5, continue in operation in this State for a period specified by the Office, which must be not less than 5 years, and will continue to meet the eligibility requirements set forth in this subsection; and

(4) Binds any successor in interest of the applicant for the specified period;

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

(c) The business owns, operates, manufactures, services, maintains, tests, repairs, overhauls or assembles an aircraft or any component of an aircraft;

(d) The average hourly wage that will be paid by the business to its employees in this State during the period of partial abatement is not less than 100 percent of the average statewide hourly wage as established by the Employment Security Division of the Department of Employment, Training and Rehabilitation on July 1 of each fiscal year;

(e) The business will, by the eighth calendar quarter following the calendar quarter in which the abatement becomes effective, offer a health insurance plan for all employees that includes an option for health insurance coverage for dependents of the employees, and the health care benefits the business offers to its employees in this State will meet the minimum requirements for health care benefits established by the Office;

(f) If the business is:

(1) A new business, that it will have five or more full-time employees on the payroll of the business within 1 year after receiving its certificate of eligibility for a partial abatement; or

(2) An existing business, that it will increase its number of full-time employees on the payroll of the business in this State by 3 percent or three employees, whichever is greater, within 1 year after receiving its certificate of eligibility for a partial abatement; and

(g) The business meets at least one of the following requirements:

(1) The business will make a new capital investment of at least \$250,000 in this State within 1 year after receiving its certificate of eligibility for a partial abatement.

(2) The business will maintain and possess in this State tangible personal property having a value of not less than \$5,000,000 during the period of partial abatement.

(3) The business develops, refines or owns a patent or other intellectual property, or has been issued a type certificate by the Federal Aviation Administration pursuant to 14 C.F.R. Part 21.

3. The Office of Economic Development:

1 (a) Shall approve or deny an application submitted pursuant to this section and
2 notify the applicant of its decision not later than 45 days after receiving the
3 application.

4 (b) Must not:

5 (1) Consider an application for a partial abatement unless the Office has
6 requested a letter of acknowledgment of the request for the partial abatement from
7 any affected county, school district, city or town and has complied with the
8 requirements of NRS 360.757; or

9 (2) Approve a partial abatement for any applicant for a period of more than
10 20 years.

11 4. The Office of Economic Development must not approve a partial
12 abatement of personal property taxes for a business whose physical property is
13 collectively valued and centrally assessed pursuant to NRS 361.320 and 361.3205.

14 5. If the Office of Economic Development approves an application for a
15 partial abatement pursuant to this section, the Office shall immediately forward a
16 certificate of eligibility for the partial abatement to:

17 (a) The Department;

18 (b) The Nevada Tax Commission; and

19 (c) If the partial abatement is from personal property taxes, the appropriate
20 county treasurer.

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

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

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

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

31 the business shall repay to the Department or, if the partial abatement was from
32 personal property taxes, to the appropriate county treasurer, the amount of the
33 partial abatement that was allowed pursuant to this section before the failure of the
34 business to comply unless the Nevada Tax Commission determines that the
35 business has substantially complied with the requirements of this section. Except as
36 otherwise provided in NRS 360.232 and 360.320, the business shall, in addition to
37 the amount of the partial abatement required to be repaid pursuant to this
38 subsection, pay interest on the amount due at the rate most recently established
39 pursuant to NRS 99.040 for each month, or portion thereof, from the last day of the
40 month following the period for which the payment would have been made had the
41 partial abatement not been approved until the date of payment of the tax.

42 8. The Office of Economic Development may adopt such regulations as the
43 Office determines to be necessary to carry out the provisions of this section.

44 9. The Nevada Tax Commission may adopt such regulations as the
45 Commission determines are necessary to carry out the provisions of this section.

46 10. An applicant for a partial abatement who is aggrieved by a final decision
47 of the Office of Economic Development may petition a court of competent
48 jurisdiction to review the decision in the manner provided in chapter 233B of NRS.

49 11. If the Office of Economic Development approves an application for a
50 partial abatement of local sales and use taxes pursuant to this section, the
51 Department shall issue to the business a document certifying the partial abatement
52 which can be presented to retailers and customers of the business at the time of sale.

1 The document must clearly state that the purchaser is only required to pay sales and
2 use taxes imposed in this State at the rate of 2 percent.

3 12. As used in this section:

4 (a) "Aircraft" means any fixed-wing, rotary-wing or unmanned aerial vehicle.

5 (b) "Component of an aircraft" means any:

6 (1) Element that makes up the physical structure of an aircraft, or is affixed
7 thereto;

8 (2) Mechanical, electrical or other system of an aircraft, including, without
9 limitation, any component thereof; and

10 (3) Raw material or processed material, part, machinery, tool, chemical,
11 gas or equipment used to operate, manufacture, service, maintain, test, repair,
12 overhaul or assemble an aircraft or component of an aircraft.

13 (c) "Full-time employee" means a person who is in a permanent position of
14 employment and works an average of 30 hours per week during the applicable
15 period set forth in subparagraph (3) of paragraph (a) of subsection 2.

16 (d) "Local sales and use taxes" means any taxes imposed on the gross receipts
17 of any retailer from the sale of tangible personal property sold at retail, or stored,
18 used or otherwise consumed, in any political subdivision of this State, except the
19 taxes imposed by the Sales and Use Tax Act ~~and the Local School Support Tax~~
20 Law.

21 (e) "Personal property taxes" means any taxes levied on personal property by
22 the State or a local government pursuant to chapter 361 of NRS.

23 **Sec. 13.** NRS 360.754 is hereby amended to read as follows:

24 360.754 1. A person who intends to locate or expand a data center in this
25 State may apply to the Office of Economic Development pursuant to this section
26 for a partial abatement of one or more of the taxes imposed on the new or expanded
27 data center pursuant to chapter 361 ~~for 374~~ of NRS ~~or the local sales and use~~
28 taxes. As used in this subsection, "local sales and use taxes" means the taxes
29 imposed on the gross receipts of any retailer from the sale of tangible personal
30 property sold at retail, or stored, used or otherwise consumed, in the political
31 subdivision in which the data center is to be located or expanded, except the taxes
32 imposed by the Sales and Use Tax Act and the Local School Support Tax Law.

33 2. The Office of Economic Development shall approve an application for a
34 partial abatement pursuant to this section if the Office makes the following
35 determinations:

36 (a) The application is consistent with the State Plan for Economic
37 Development developed by the Executive Director of the Office of Economic
38 Development pursuant to subsection 2 of NRS 231.053 and any guidelines adopted
39 by the Executive Director of the Office to implement the State Plan for Economic
40 Development.

41 (b) The applicant has executed an agreement with the Office of Economic
42 Development which must:

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

44 (2) State the date on which the abatement becomes effective, as agreed to
45 by the applicant and the Office of Economic Development, which must not be
46 earlier than the date on which the Office received the application;

47 (3) State that the data center will, after the date on which the abatement
48 becomes effective, continue in operation in this State for a period specified by the
49 Office of Economic Development, which must be at least 10 years, and will
50 continue to meet the eligibility requirements set forth in this subsection; and

51 (4) Bind the successors in interest of the applicant for the specified period.

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

4 (d) If the applicant is seeking a partial abatement for a period of not more than
5 10 years, the applicant meets the following requirements:

6 (1) The data center will, by not later than the date that is 5 years after the
7 date on which the abatement becomes effective, have or have added 10 or more
8 full-time employees who are residents of Nevada and who will be employed at the
9 data center and will continue to employ 10 or more full-time employees who are
10 residents of Nevada at the data center until at least the date which is 10 years after
11 the date on which the abatement becomes effective.

12 (2) Establishing or expanding the data center will require the data center or
13 any combination of the data center and one or more colocated businesses to make in
14 each county in this State in which the data center is located, by not later than the
15 date which is 5 years after the date on which the abatement becomes effective, a
16 cumulative capital investment of at least \$25,000,000 in capital assets that will be
17 used or located at the data center.

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

22 (I) The data center will, by not later than the date which is 2 years after
23 the date on which the abatement becomes effective, provide a health insurance plan
24 for all employees employed at the data center that includes an option for health
25 insurance coverage for dependents of the employees; and

26 (II) The health care benefits provided to employees employed at the
27 data center will meet the minimum requirements for health care benefits established
28 by the Office of Economic Development by regulation pursuant to subsection 12.

29 (4) At least 50 percent of the employees engaged in the construction of the
30 data center are residents of Nevada, unless waived by the Executive Director of the
31 Office of Economic Development upon proof satisfactory to the Executive Director
32 of the Office of Economic Development that there is an insufficient number of
33 residents of Nevada available and qualified for such employment.

34 (e) If the applicant is seeking a partial abatement for a period of 10 years or
35 more but not more than 20 years, the applicant meets the following requirements:

36 (1) The data center will, by not later than the date that is 5 years after the
37 date on which the abatement becomes effective, have or have added 50 or more
38 full-time employees who are residents of Nevada and who will be employed at the
39 data center and will continue to employ 50 or more full-time employees who are
40 residents of Nevada at the data center until at least the date which is 20 years after
41 the date on which the abatement becomes effective.

42 (2) Establishing or expanding the data center will require the data center or
43 any combination of the data center and one or more colocated businesses to make in
44 each county in this State in which the data center is located, by not later than the
45 date which is 5 years after the date on which the abatement becomes effective, a
46 cumulative capital investment of at least \$100,000,000 in capital assets that will be
47 used or located at the data center.

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

52 (I) The data center will, by not later than the date which is 2 years after
53 the date on which the abatement becomes effective, provide a health insurance plan

1 for all employees employed at the data center that includes an option for health
2 insurance coverage for dependents of the employees; and

3 (II) The health care benefits provided to employees employed at the
4 data center will meet the minimum requirements for health care benefits established
5 by the Office of Economic Development by regulation pursuant to subsection 12.

6 (4) At least 50 percent of the employees engaged in the construction of the
7 data center are residents of Nevada, unless waived by the Executive Director of the
8 Office of Economic Development upon proof satisfactory to the Executive Director
9 of the Office of Economic Development that there is an insufficient number of
10 residents of Nevada available and qualified for such employment.

11 (f) The applicant has provided in the application an estimate of the total
12 number of new employees which the data center anticipates hiring in this State if
13 the Office of Economic Development approves the application.

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

16 (a) Shall not consider an application for a partial abatement pursuant to this
17 section unless the Office of Economic Development has requested a letter of
18 acknowledgment of the request for the abatement from each affected county, school
19 district, city or town.

20 (b) Shall consider the level of health care benefits provided to employees
21 employed at the data center, the projected economic impact of the data center and
22 the projected tax revenue of the data center after deducting projected revenue from
23 the abated taxes.

24 (c) May, if the Office of Economic Development determines that such action is
25 necessary:

26 (1) Approve an application for a partial abatement pursuant to this section
27 by a data center that does not meet the requirements set forth in paragraph (d) or (e)
28 of subsection 2;

29 (2) Make the requirements set forth in paragraph (d) and (e) of subsection
30 2 more stringent; or

31 (3) Add additional requirements that an applicant must meet to qualify for
32 a partial abatement pursuant to this section.

33 4. If the Office of Economic Development approves an application for a
34 partial abatement pursuant to this section, the Office shall immediately forward a
35 certificate of eligibility for the abatement to:

36 (a) The Department;

37 (b) The Nevada Tax Commission; and

38 (c) If the partial abatement is from the property tax imposed pursuant to
39 chapter 361 of NRS, the ~~that~~ county treasurer of each county in which the data
40 center is or will be located.

41 5. If the Office of Economic Development approves an application for a
42 partial abatement pursuant to this section, the Office may also approve a partial
43 abatement of taxes for each colocated business that enters into a contract to use or
44 occupy, for a period of at least 2 years, all or a portion of the new or expanded data
45 center. Each such colocated business shall obtain a state business license issued by
46 the Secretary of State. The percentage amount of a partial abatement approved for a
47 colocated business pursuant to this subsection must not exceed the percentage
48 amount of the partial abatement approved for the data center. The duration of a
49 partial abatement approved for a colocated business pursuant to this subsection
50 must not exceed the duration of the contract or contracts entered into between the
51 colocated business and the data center, including the duration of any contract or
52 contracts extended or renewed by the parties. If a colocated business ceases to meet
53 the requirements set forth in this subsection, the colocated business shall repay the

1 amount of the abatement that was allowed in the same manner in which a data
2 center is required by subsection 7 to repay the Department or a county treasurer. If
3 a data center ceases to meet the requirements of subsection 2 or ceases operation
4 before the time specified in the agreement described in paragraph (b) of subsection
5 2, any partial abatement approved for a colocated business ceases to be in effect,
6 but the colocated business is not required to repay the amount of the abatement that
7 was allowed before the date on which the abatement ceases to be in effect. A data
8 center shall provide the Executive Director of the Office and the Department with a
9 list of the colocated businesses that are qualified to receive a partial abatement
10 pursuant to this subsection and shall notify the Executive Director within 30 days
11 after any change to the list. The Executive Director shall provide the list and any
12 updates to the list to the Department and the county treasurer of each affected
13 county.

14 6. An applicant for a partial abatement pursuant to this section or a data center
15 whose partial abatement is in effect shall, upon the request of the Executive
16 Director of the Office of Economic Development, furnish the Executive Director
17 with copies of all records necessary to verify that the applicant meets the
18 requirements of subsection 2.

19 7. If a data center whose partial abatement has been approved pursuant to this
20 section and is in effect ceases:

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

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

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

36 8. A county treasurer:

37 (a) Shall deposit any money that he or she receives pursuant to subsection 5 or
38 7 in one or more of the funds established by a local government of the county
39 pursuant to NRS 354.6113 or 354.6115; and

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

42 9. An applicant for a partial abatement pursuant to this section who is
43 aggrieved by a final decision of the Office of Economic Development may petition
44 for judicial review in the manner provided in chapter 233B of NRS.

45 10. For an employee to be considered a resident of Nevada for the purposes of
46 this section, a data center must maintain the following documents in the personnel
47 file of the employee:

48 (a) A copy of the current and valid Nevada driver's license of the employee or
49 a current and valid identification card for the employee issued by the Department of
50 Motor Vehicles;

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

(c) Proof that the employee is a full-time employee; and

(d) Proof that the employee is covered by the health insurance plan which the data center is required to provide pursuant to sub-subparagraph (I) of subparagraph (3) of paragraph (d) of subsection 2 or sub-subparagraph (I) of subparagraph (3) of paragraph (e) of subsection 2.

11. For the purpose of obtaining from the Executive Director of the Office of Economic Development any waiver of the requirements set forth in subparagraph (4) of paragraph (d) of subsection 2 or subparagraph (4) of paragraph (e) of subsection 2, a data center must submit to the Executive Director of the Office of Economic Development written documentation of the efforts to meet the requirements and documented proof that an insufficient number of Nevada residents is available and qualified for employment.

12. The Office of Economic Development:

(a) Shall adopt regulations relating to the minimum level of health care benefits that a data center must provide to its employees to meet the requirement set forth in paragraph (d) or (e) of subsection 2;

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

(c) Shall not approve any application for a partial abatement submitted pursuant to this section which is received on or after January 1, 2036.

13. The Nevada Tax Commission:

(a) Shall adopt regulations regarding:

(1) The capital investment necessary to meet the requirement set forth in paragraph (d) or (e) of subsection 2; and

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

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

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

(a) "Colocated business" means a person who enters into a contract with a data center that is qualified to receive an abatement pursuant to this section to use or occupy all or part of the data center.

(b) "Data center" means one or more buildings located at one or more physical locations in this State which house a group of networked server computers for the purpose of centralizing the storage, management and dissemination of data and information pertaining to one or more businesses and includes any modular or preassembled components, associated telecommunications and storage systems and, if the data center includes more than one building or physical location, any network or connection between such buildings or physical locations.

(c) "Full-time employee" means a person who is in a permanent position of employment and works an average of 30 hours per week during the applicable period set forth in paragraph (d) or (e) of subsection 2.

Sec. 14. [NRS 360.757 is hereby amended to read as follows:

~~360.757 1. The Office of Economic Development shall not take any action on an application for any abatement of taxes pursuant to NRS 274.310, [274.320,] 274.330, 360.750, 360.753 or 360.754 or any other specific statute unless the Office:~~

~~(a) Takes that action at a public meeting conducted for that purpose; and~~

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

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

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

~~(3) The general public.~~

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

~~3. The Office of Economic Development shall adopt regulations relating to the notice required by this section.] (Deleted by amendment.)~~

Sec. 15. NRS 360.884 is hereby amended to read as follows:

360.884 "Local sales and use taxes" means only the taxes imposed pursuant to chapters 374, 377, 377A and 377B of NRS 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 county in which the qualified project is located. The term does not include any taxes imposed by the Sales and Use Tax Act ~~and the~~ Local School Support Tax Law.

Sec. 16. NRS 360.920 is hereby amended to read as follows:

360.920 "Local sales and use taxes" means only the taxes imposed pursuant to chapters 374 and [chapter] 377 of NRS 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 county in which the qualified project is located. The term does not include the taxes imposed by the Sales and Use Tax Act ~~and the~~ Local School Support Tax Law.

Sec. 17. ~~NRS 372.397 is hereby amended to read as follows:~~

~~372.397 1. A person may apply to the Office of Economic Development for a deferment of the payment of the tax on the sale of eligible property for a sales price of \$1,000,000 or more for use by the person in a business in this State. If a purchase is made outside of the State from a retailer who is not registered with the Department, an application for a deferment must be made in advance or, if the purchase has been made, within 60 days after the date on which the tax is due. If a purchase is made in this State from a retailer who is registered with the Department and to whom the tax is paid, an application must be made within 60 days after the payment of the tax. If the application for a deferment is approved, the taxpayer is eligible for a refund of the tax paid.~~

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

~~(a) The person meets the eligibility requirements set forth in NRS 360.750 for a partial abatement of the taxes imposed on the person pursuant to [chapter 374] chapters 361 or 363B of NRS;~~

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

~~(c) The Office determines that:~~

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

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

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

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

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

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

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

~~5. The Nevada Tax Commission shall adopt regulations governing:~~

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

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

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

~~(a) Buildings or the structural components of buildings;~~

~~(b) Equipment used by a public utility;~~

~~(c) Equipment used for medical treatment;~~

~~(d) Machinery or equipment used in mining; or~~

~~(e) Machinery or equipment used in gaming.] (Deleted by amendment.)~~

Sec. 18. ~~[NRS 274.320, 374.356, 374.357 and 374.358 are hereby repealed.] (Deleted by amendment.)~~

Sec. 18.5. The amendatory provisions of sections 5, 6.3, 7, 11, 12.5, 13, 15 and 16 do not apply to any abatement granted or any application for an abatement filed before the effective date of the amendatory provisions to those sections.

Sec. 19. 1. This section and sections ~~[1 to 5, inclusive,]~~ 6.3, 7, [9, 10,] ~~[11 and] 12.5, 13 [to 18, inclusive,]~~ 15, 16 and 18.5 of this act become effective on ~~[July 1, 2019.]~~ passage and approval.

2. Sections 6, ~~6.5,~~ 8 and 12 of this act become effective on July 1, 2032.

3. ~~[Sections 5, 7 and 11]~~ Section 15 of this act ~~[expire]~~ expires by limitation on June 30, 2032.

4. Section 12.5 of this act expires by limitation on June 30, 2035.

5. Section 16 of this act expires by limitation on June 30, 2036.

6. Section 13 of this act expires by limitation on December 31, 2056.

f

TEXT OF REPEALED SECTIONS

~~—274.320 Abatement for expanding business in certain areas of economic development. Endorsement required; application; requirements for approval; certificate of eligibility; duration and amount of abatement; repayment required under certain circumstances; regulations; judicial review.~~

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

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

~~(b) A redevelopment area created pursuant to chapter 279 of NRS;~~

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

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

~~→ may submit a request to the governing body of the county, city or town in which the business operates for an endorsement of an application by the person to the~~

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

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

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

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

~~(a) The business is consistent with:~~

~~(1) The State Plan for Economic Development developed by the Administrator pursuant to subsection 2 of NRS 221.053; and~~

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

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

~~(1) The date on which the 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; and~~

~~(2) That the business will, after the date on which the abatement becomes effective;~~

~~(I) Continue in operation in the historically underutilized business zone, as defined in 15 U.S.C. § 632, redevelopment area created pursuant to chapter 279 of NRS, area eligible for a community development block grant pursuant to 24 C.F.R. Part 570 or enterprise community established pursuant to 24 C.F.R. Part 597 for a period specified by the Office, which must be at least 5 years; and~~

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

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

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

~~(d) The applicant invested or commits to invest a minimum of \$250,000 in capital equipment that will be retained at the location of the business in the historically underutilized business zone, as defined in 15 U.S.C. § 632, redevelopment area created pursuant to chapter 279 of NRS, area eligible for a community development block grant pursuant to 24 C.F.R. Part 570 or enterprise community established pursuant to 24 C.F.R. Part 597 until at least the date which is 5 years after the date on which the abatement becomes effective.~~

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

~~(a) The Department of Taxation; and~~

~~(b) The Nevada Tax Commission.~~

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

~~— (a) The partial abatement must be for a duration of not less than 1 year but not more than 5 years.~~

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

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

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

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

~~— the business shall repay to the Department of Taxation the amount of the exemption that was allowed pursuant to this section before the failure of the business to comply unless the Nevada Tax Commission determines that the business has substantially complied with the requirements of this section. Except as otherwise provided in NRS 360.222 and 360.220, the business shall, in addition to the amount of the exemption required to be paid pursuant to this subsection, pay interest on the amount due at the rate most recently established pursuant to NRS 99.040 for each month, or portion thereof, from the last day of the month following the period for which the payment would have been made had the partial abatement not been approved until the date of payment of the tax.~~

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

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

~~— 374.356 Abatement for eligible machinery or equipment used at new or expanded data center.~~

~~— 1. A person who intends to locate or expand a data center in this State may, pursuant to NRS 360.754, apply to the Office of Economic Development for a partial abatement from the taxes imposed by this chapter on the gross receipts from the sale, and the storage, use or other consumption, of eligible machinery or equipment for use at a data center which has been approved for a partial abatement pursuant to NRS 360.754.~~

~~— 2. If an application for a partial abatement is approved:~~

~~— (a) For an applicant seeking an abatement pursuant to paragraph (d) of subsection 2 of NRS 360.754, the data center and any colocated business is eligible for an abatement from the tax imposed by this chapter for a period of not more than 10 years.~~

~~— (b) For an applicant seeking an abatement pursuant to paragraph (e) of subsection 2 of NRS 360.754, the data center and any colocated business is eligible for an abatement from the tax imposed by this chapter for a period of not more than 20 years.~~

~~— (c) The abatement must be administered and carried out in the manner set forth in NRS 360.754.~~

~~— 3. As used in this section:~~

~~— (a) “Colocated business” has the meaning ascribed to it in NRS 360.754.~~

~~— (b) “Data center” has the meaning ascribed to it in NRS 360.754.~~

~~— (c) “Eligible machinery or equipment” means machinery or equipment necessary to and specifically related to the business of the data center or colocated business. The term does not include vehicles, buildings or the structural components of buildings.~~

~~374.357 Abatement for eligible machinery or equipment used by certain new or expanded businesses:~~

~~1. A person who maintains a business or intends to locate a business in this State may, pursuant to NRS 360.750, apply to the Office of Economic Development for an abatement from the taxes imposed by this chapter on the gross receipts from the sale, and the storage, use or other consumption, of eligible machinery or equipment for use by a business which has been approved for an abatement pursuant to NRS 360.750.~~

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

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

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

~~3. As used in this section, unless the context otherwise requires, "eligible machinery or equipment" means machinery or equipment for which a deduction is authorized pursuant to 26 U.S.C. § 179. The term does not include:~~

~~(a) Buildings or the structural components of buildings;~~

~~(b) Equipment used by a public utility;~~

~~(c) Equipment used for medical treatment;~~

~~(d) Machinery or equipment used in mining; or~~

~~(e) Machinery or equipment used in gaming.~~

~~374.358 Abatement for eligible machinery or equipment used by new or expanded businesses located in certain areas of economic development:~~

~~1. A person who maintains a business or intends to locate a business in a historically underutilized business zone, as defined in 15 U.S.C. § 632, redevelopment area created pursuant to NRS 279.382 to 279.687, inclusive, area eligible for a community development block grant pursuant to 24 C.F.R. Part 570 or enterprise community established pursuant to 24 C.F.R. Part 597 in this State may, pursuant to the applicable provisions of NRS 274.310, 274.320 or 274.330, apply to the Office of Economic Development for an abatement from the taxes imposed by this chapter on the gross receipts from the sale, and the storage, use or other consumption, of eligible machinery or equipment for use by a business which has been approved for an abatement pursuant to NRS 274.310, 274.320 or 274.330.~~

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

~~(a) The taxpayer is eligible for an abatement from the tax imposed by this chapter for a duration of not less than 1 year but not more than 5 years;~~

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

~~3. As used in this section, unless the context otherwise requires, "eligible machinery or equipment" means machinery or equipment for which a deduction is authorized pursuant to 26 U.S.C. § 179. The term does not include:~~

~~(a) Buildings or the structural components of buildings;~~

~~(b) Equipment used by a public utility;~~

~~(c) Equipment used for medical treatment;~~

~~(d) Machinery or equipment used in mining; or~~

~~(e) Machinery or equipment used in gaming.]~~