

Amendment No. 791

Senate Amendment to Assembly Bill No. 400 First Reprint	(BDR 22-803)
Proposed by: Senate Committee on Revenue and Economic Development	
Amends: Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes	

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

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) 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/BJF



Date: 5/23/2019

A.B. No. 400—Revises provisions governing economic development.
(BDR 22-803)



ASSEMBLY BILL NO. 400—ASSEMBLYWOMAN
BENITEZ-THOMPSON

MARCH 21, 2019

Referred to Committee on Taxation

SUMMARY—Revises provisions governing economic development.
(BDR 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 approving certain abatements of the taxes imposed for the support of local schools ~~and~~ under certain circumstances; prohibiting the Office from approving certain partial abatements of taxes if the applicant has previously received the partial abatement of taxes; revising the period for which certain partial abatements of taxes may be approved; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes the Office of Economic Development to approve an abatement or a partial abatement of certain sales and use taxes in certain circumstances. (NRS 274.310, 274.320, 274.330, 360.750, 360.753, 360.754, 360.889, 360.945) ~~Sections 5-8, 11-13, 15-16 and 18.5~~ of this bill 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 provide that such an abatement for certain expanding businesses does not apply to taxes imposed by the Local School Support Tax Law, while preserving the eligibility of certain new businesses for such an abatement. Sections 11 and 12 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 ~~and~~, and prohibit the awarding of such an abatement to a business if the applicant has changed the name or identity of the business to evade the prohibitions on such previously awarded abatements. Section 12.5 of this bill provides that, for certain new or expanding businesses involving aircraft, the taxes imposed by the Local School Support Tax Law may be partially abated only if the Board of Economic Development approves such a partial abatement by at least a two-thirds vote, and section 13 of this bill applies that same condition for a partial abatement awarded to a new or expanding data center. Section 12.5 shortens the maximum duration of a partial abatement approved for certain new or expanding businesses involving aircraft, from 20 years to 10 years.

Finally, section 18.5 of this bill provides that the amendatory provisions of this bill do not apply to any abatement granted or any application for an abatement filed before July 1, 2019.

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

1 **Section 1.** (Deleted by amendment.)

2 **Sec. 2.** (Deleted by amendment.)

3 **Sec. 3.** (Deleted by amendment.)

4 **Sec. 4.** (Deleted by amendment.)

5 **Sec. 5.** NRS 274.310 is hereby amended to read as follows:

6 274.310 1. A person who intends to locate a business in this State within:

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

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

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

11 (d) An enterprise community established pursuant to 24 C.F.R. Part 597,
12 ➤ may submit a request to the governing body of the county, city or town in which
13 the business would operate for an endorsement of an application by the person to
14 the Office of Economic Development for a partial abatement of one or more of the
15 taxes imposed pursuant to chapter 361 ~~for 374~~ of NRS ~~1~~ *or the local sales and*
16 *use taxes.* The governing body of the county, city or town shall provide notice of
17 the request to the board of trustees of the school district in which the business
18 would operate. The notice must set forth the date, time and location of the hearing
19 at which the governing body will consider whether to endorse the application. *As*
20 *used in this subsection, "local sales and use taxes" means the taxes imposed on*
21 *the gross receipts of any retailer from the sale of tangible personal property sold*
22 *at retail, or stored, used or otherwise consumed, in the political subdivision in*
23 *which the business is located, except the taxes imposed by the Sales and Use Tax*
24 *Act and the Local School Support Tax Law.*

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

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

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

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

35 (a) The business is consistent with:

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

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

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

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

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

46 (I) Commence operation and continue in operation in the historically
47 underutilized business zone, as defined in 15 U.S.C. § 632, redevelopment area

1 created pursuant to chapter 279 of NRS, area eligible for a community development
2 block grant pursuant to 24 C.F.R. Part 570 or enterprise community established
3 pursuant to 24 C.F.R. Part 597 for a period specified by the Office, which must be
4 at least 5 years; and

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

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

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

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

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

22 (a) The Department of Taxation;

23 (b) The Nevada Tax Commission; and

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

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

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

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

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

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

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

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

51 7. The Office of Economic Development may adopt such regulations as the
52 Office determines to be necessary or advisable to carry out the provisions of this
53 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. NRS 274.310 is hereby amended to read as follows:

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

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

(b) A redevelopment area created pursuant to 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 would operate for an endorsement of an application by the person to the Office of Economic Development for a partial abatement of one or more of the taxes imposed pursuant to chapter 361 ~~for 374~~ of NRS ~~or~~ *or the local sales and use taxes*. 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 would operate. 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 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.

1 ↪ The agreement must bind successors in interest of the business for the specified
2 period.

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

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

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

11 (a) The Department of Taxation;

12 (b) The Nevada Tax Commission; and

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

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

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

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

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

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

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

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

40 274.320 1. A person who intends to expand a business in this State within:

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

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

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

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

46 ↪ may submit a request to the governing body of the county, city or town in which
47 the business operates for an endorsement of an application by the person to the
48 Office of Economic Development for a partial abatement of the *local sales and use*
49 taxes imposed on capital equipment . ~~[pursuant to chapter 374 of NRS.]~~ The
50 governing body of the county, city or town shall provide notice of the request to the
51 board of trustees of the school district in which the business operates. The notice
52 must set forth the date, time and location of the hearing at which the governing
53 body will consider whether to endorse the application. *As used in this subsection,*

1 *“local sales and use taxes” means the taxes imposed on the gross receipts of any*
2 *retailer from the sale of tangible personal property sold at retail, or stored, used*
3 *or otherwise consumed, in the political subdivision in which the business is*
4 *located, except the taxes imposed by the Sales and Use Tax Act and the Local*
5 *School Support Tax Law.*

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

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

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

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

16 (a) The business is consistent with:

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

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

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

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

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

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

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

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

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

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

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

49 (a) The Department of Taxation; and

50 (b) The Nevada Tax Commission.

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

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

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

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

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

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

11 ➤ the business shall repay to the Department of Taxation the amount of the
12 exemption that was allowed pursuant to this section before the failure of the
13 business to comply unless the Nevada Tax Commission determines that the
14 business has substantially complied with the requirements of this section. Except as
15 otherwise provided in NRS 360.232 and 360.320, the business shall, in addition to
16 the amount of the exemption required to be paid pursuant to this subsection, pay
17 interest on the amount due at the rate most recently established pursuant to NRS
18 99.040 for each month, or portion thereof, from the last day of the month following
19 the period for which the payment would have been made had the partial abatement
20 not been approved until the date of payment of the tax.

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

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

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

28 274.320 1. A person who intends to expand a business in this State within:

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

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

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

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

34 ➤ may submit a request to the governing body of the county, city or town in which
35 the business operates for an endorsement of an application by the person to the
36 Office of Economic Development for a partial abatement of the *local sales and use*
37 taxes imposed on capital equipment . ~~[pursuant to chapter 374 of NRS.]~~ The
38 governing body of the county, city or town shall provide notice of the request to the
39 board of trustees of the school district in which the business operates. The notice
40 must set forth the date, time and location of the hearing at which the governing
41 body will consider whether to endorse the application. *As used in this subsection,*
42 *“local sales and use taxes” means the taxes imposed on the gross receipts of any*
43 *retailer from the sale of tangible personal property sold at retail, or stored, used*
44 *or otherwise consumed, in the political subdivision in which the business is*
45 *located, except the taxes imposed by the Sales and Use Tax Act and the Local*
46 *School Support Tax Law.*

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

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

50 (b) Issuing a certificate of endorsement for an application for such an
51 abatement that is found to be beneficial for the economic development of the
52 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 a certificate of eligibility for the abatement is issued pursuant to subsection 4:

(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.

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

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

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

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

6. The 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. 7. NRS 274.330 is hereby amended to read as follows:

274.330 1. A person who owns a business which is located within an enterprise community established pursuant to 24 C.F.R. Part 597 in this State may submit a request to the governing body of the county, city or town in which the business is located for an endorsement of an application by the person to the Office of Economic Development for a partial abatement of one or more of the taxes imposed pursuant to chapter 361 ~~for 374~~ of NRS ~~or~~ *or the local sales and use taxes*. 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 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 county treasurer of the county in which the business is located.

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 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.

7. 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.

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.

9. 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;

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

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

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

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

9 274.330 1. A person who owns a business which is located within an
10 enterprise community established pursuant to 24 C.F.R. Part 597 in this State may
11 submit a request to the governing body of the county, city or town in which the
12 business is located for an endorsement of an application by the person to the Office
13 of Economic Development for a partial abatement of one or more of the taxes
14 imposed pursuant to chapter 361 ~~for 374~~ of NRS ~~or~~ *or the local sales and use*
15 *taxes*. The governing body of the county, city or town shall provide notice of the
16 request to the board of trustees of the school district in which the business operates.
17 The notice must set forth the date, time and location of the hearing at which the
18 governing body will consider whether to endorse the application. *As used in this*
19 *subsection, "local sales and use taxes" means the taxes imposed on the gross*
20 *receipts of any retailer from the sale of tangible personal property sold at retail,*
21 *or stored, used or otherwise consumed, in the political subdivision in which the*
22 *business is located, except the taxes imposed by the Sales and Use Tax Act and*
23 *the Local School Support Tax Law.*

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

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

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

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

34 (a) The business is consistent with:

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

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

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

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

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

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

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

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

51 (c) The business is registered pursuant to the laws of this State or the applicant
52 commits to obtain a valid business license and all other permits required by the
53 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 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. (Deleted by amendment.)

Sec. 10. (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)~~ :

(a) New business pursuant to chapter 361, ~~for~~ 363B or 374 of NRS.

(b) Expanded business pursuant to chapter 361 or 363B of NRS or the local sales and use taxes. As used in this ~~subsection,~~ paragraph, "local sales and use taxes" means the taxes imposed on the gross receipts of any retailer from the sale of tangible personal property sold at retail, or stored, used or otherwise consumed, in the political subdivision in which the 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.

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

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

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

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

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

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

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

36 (1) For a business in:

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

46 (II) A county whose population is less than 100,000, an area of a
47 county whose population is 100,000 or more that is located within the geographic
48 boundaries of an area that is designated as rural by the United States Department of
49 Agriculture and at least 20 miles outside of the geographic boundaries of an area
50 designated as urban by the United States Department of Agriculture, or a city
51 whose population is less than 60,000, the business will, by the eighth calendar
52 quarter following the calendar quarter in which the abatement becomes effective,
53 increase the number of employees on its payroll in that county or city by 10 percent

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

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

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

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

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

23 3. Notwithstanding the provisions of subsection 2, the Office of Economic
24 Development:

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

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

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

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

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

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

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

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

48 (b) The applicant intends to locate or expand in a county in which the rate of
49 unemployment is less than 7 percent and the average hourly wage that will be paid
50 by the applicant to its new employees in this State is less than 85 percent of the
51 average statewide hourly wage, as established by the Employment Security
52 Division of the Department of Employment, Training and Rehabilitation on July 1
53 of each fiscal year.

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

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

7 (e) *The applicant has changed the name or identity of the business to evade*
8 *the provisions of paragraphs (c) or (d).*

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

14 (a) If the new or expanded business is located in a county in which the rate of
15 unemployment is 7 percent or more and the average hourly wage that will be paid
16 by the business to its new employees in this State is less than 85 percent of the
17 average statewide hourly wage, as established by the Employment Security
18 Division of the Department of Employment, Training and Rehabilitation on July 1
19 of each fiscal year, the Office shall not:

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

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

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

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

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

38 ~~[(3) Approve an abatement of the taxes imposed pursuant to chapter 374 of~~
39 ~~NRS which exceeds the local sales and use taxes. As used in this subparagraph,~~
40 ~~"local sales and use taxes" means the taxes imposed on the gross receipts of any~~
41 ~~retailer from the sale of tangible personal property sold at retail, or stored, used or~~
42 ~~otherwise consumed, in the political subdivision in which the new or expanded~~
43 ~~business is located, except the taxes imposed by the Sales and Use Tax Act and the~~
44 ~~Local School Support Tax Law.]~~

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

48 (a) The Department;

49 (b) The Nevada Tax Commission; and

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

52 7. An applicant for a partial abatement pursuant to this section or an existing
53 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~~ :

(a) New business pursuant to chapter 361, ~~for~~ 363B or 374 of NRS ;

(b) Expanded business pursuant to chapter 361 or 363B of NRS or the local sales and use taxes. As used in this ~~subsection~~ paragraph, "local sales and use taxes" means the taxes imposed on the gross receipts of any retailer from the sale of tangible personal property sold at retail, or stored, used or otherwise consumed, in the political subdivision in which the business is to be located or

1 *expanded, except the taxes imposed by the Sales and Use Tax Act and the Local*
2 *School Support Tax Law.*

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

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

7 (1) The State Plan for Economic Development developed by the Executive
8 Director of the Office of Economic Development pursuant to subsection 2 of NRS
9 231.053; and

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

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

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

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

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

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

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

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

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

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

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

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

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

48 (g) Except as otherwise provided in NRS 361.0687, if the business is a new
49 business in a county whose population is less than 100,000, in an area of a county
50 whose population is 100,000 or more that is located within the geographic
51 boundaries of an area that is designated as rural by the United States Department of
52 Agriculture and at least 20 miles outside of the geographic boundaries of an area
53 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

1 by the applicant to its new employees in this State is less than 85 percent of the
2 average statewide hourly wage, as established by the Employment Security
3 Division of the Department of Employment, Training and Rehabilitation on July 1
4 of each fiscal year.

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

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

11 *(e) The applicant has changed the name or identity of the business to evade*
12 *the provisions of paragraph (c) or (d).*

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

18 (a) If the new or expanded business is located in a county in which the rate of
19 unemployment is 7 percent or more and the average hourly wage that will be paid
20 by the business to its new employees in this State is less than 85 percent of the
21 average statewide hourly wage, as established by the Employment Security
22 Division of the Department of Employment, Training and Rehabilitation on July 1
23 of each fiscal year, the Office shall not:

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

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

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

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

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

42 ~~[(3) Approve an abatement of the taxes imposed pursuant to chapter 374 of~~
43 ~~NRS which exceeds the local sales and use taxes. As used in this subparagraph,~~
44 ~~“local sales and use taxes” means the taxes imposed on the gross receipts of any~~
45 ~~retailer from the sale of tangible personal property sold at retail, or stored, used or~~
46 ~~otherwise consumed, in the political subdivision in which the new or expanded~~
47 ~~business is located, except the taxes imposed by the Sales and Use Tax Act and the~~
48 ~~Local School Support Tax Law.]~~

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

52 (a) The Department;

53 (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:

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

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

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

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

12 (1) Complies with the requirements of NRS 360.755;

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

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

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

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

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

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

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

38 (f) If the business is:

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

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

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

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

50 (2) The business will maintain and possess in this State tangible personal
51 property having a value of not less than \$5,000,000 during the period of partial
52 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 21.14; and

(h) If the application is for the partial abatement of the taxes imposed by the Local School Support Tax Law, the application has been approved by a vote of at least two-thirds of the members of the Board of Economic Development created by NRS 231.033.

3. The Office of Economic Development:

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

(b) Must not:

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

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

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

5. 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 partial abatement to:

(a) The Department;

(b) The Nevada Tax Commission; and

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

6. 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.

7. If a business whose partial abatement has been approved pursuant to this section and whose partial abatement 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 (a) of subsection 2,

the business shall repay to the Department or, if the partial abatement was from personal property taxes, to the appropriate county treasurer, the amount of the partial abatement 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 partial abatement required to be repaid 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.

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

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

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

11. If the Office of Economic Development approves an application for a partial abatement of local sales and use taxes pursuant to this section, the Department shall issue to the business a document certifying the partial abatement which can be presented to retailers and customers of the business at the time of sale. The document must clearly state that the purchaser is only required to pay sales and use taxes imposed in this State at the rate of 2 percent.

12. As used in this section:

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

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

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

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

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

(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 subparagraph (3) of paragraph (a) of subsection 2.

(d) "Local sales and use taxes" means any 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 any political subdivision of this State, except the taxes imposed by the Sales and Use Tax Act ~~and the Local School Support Tax Law.~~

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

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

360.754 1. A person who intends to locate or expand a data center 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 data center pursuant to chapter 361 ~~or 374~~ of NRS ~~for 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 data center 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 application is consistent with the State Plan for Economic Development developed by the Executive Director of the Office of Economic Development pursuant to subsection 2 of NRS 231.053 and 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 of Economic Development 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 of Economic Development, which must not be earlier than the date on which the Office received the application;

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

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

(c) The applicant 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 each county, city or town in which the data center operates.

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

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

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

(3) The average hourly wage that will be paid by the data center to its 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 and:

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

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

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

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

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

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

(3) The average hourly wage that will be paid by the data center to its 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 and:

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

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

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

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

(g) If the applicant is seeking a partial abatement of the taxes imposed by the Local School Support Tax Law, the application has been approved by a vote of at least two-thirds of the members of the Board of Economic Development created by NRS 231.033.

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

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

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

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

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

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

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

4. 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 of each county in which the data center is or will be located.

5. If the Office of Economic Development approves an application for a partial abatement pursuant to this section, the Office may also approve a partial abatement of taxes for each colocated business that enters into a contract to use or

1 occupy, for a period of at least 2 years, all or a portion of the new or expanded data
2 center. Each such colocated business shall obtain a state business license issued by
3 the Secretary of State. The percentage amount of a partial abatement approved for a
4 colocated business pursuant to this subsection must not exceed the percentage
5 amount of the partial abatement approved for the data center. The duration of a
6 partial abatement approved for a colocated business pursuant to this subsection
7 must not exceed the duration of the contract or contracts entered into between the
8 colocated business and the data center, including the duration of any contract or
9 contracts extended or renewed by the parties. If a colocated business ceases to meet
10 the requirements set forth in this subsection, the colocated business shall repay the
11 amount of the abatement that was allowed in the same manner in which a data
12 center is required by subsection 7 to repay the Department or a county treasurer. If
13 a data center ceases to meet the requirements of subsection 2 or ceases operation
14 before the time specified in the agreement described in paragraph (b) of subsection
15 2, any partial abatement approved for a colocated business ceases to be in effect,
16 but the colocated business is not required to repay the amount of the abatement that
17 was allowed before the date on which the abatement ceases to be in effect. A data
18 center shall provide the Executive Director of the Office and the Department with a
19 list of the colocated businesses that are qualified to receive a partial abatement
20 pursuant to this subsection and shall notify the Executive Director within 30 days
21 after any change to the list. The Executive Director shall provide the list and any
22 updates to the list to the Department and the county treasurer of each affected
23 county.

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

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

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

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

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

46 8. A county treasurer:

47 (a) Shall deposit any money that he or she receives pursuant to subsection 5 or
48 7 in one or more of the funds established by a local government of the county
49 pursuant to NRS 354.6113 or 354.6115; and

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

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

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

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

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

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

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

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

25 12. The Office of Economic Development:

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

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

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

33 13. The Nevada Tax Commission:

34 (a) Shall adopt regulations regarding:

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

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

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

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

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

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

Sec. 18. (Deleted by amendment.)

Sec. 18.5. The amendatory provisions of ~~sections 5, 6.3, 7, 11, 12.5, 13, 15 and 16~~ this act 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,~~ July 1, 2019.

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

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

3. Section 15 of this act 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.