

SENATE BILL NO. 410—SENATORS KIECKHEFER, HANSEN,
HAMMOND, PICKARD, RATTI; GOICOECHEA, HARDY,
SEEVERS GANSERT AND SETTELMAYER

MARCH 21, 2019

JOINT SPONSORS: ASSEMBLYMEN BENITEZ-THOMPSON,
KRAMER; AND NEAL

Referred to Committee on Revenue and
Economic Development

SUMMARY—Revises provisions relating to incentives for
economic development. (BDR 32-881)

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

~

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

AN ACT relating to taxation; eliminating the authority of the Office
of Economic Development to issue transferable tax
credits for certain projects that will make a capital
investment in this State of at least \$1 billion and satisfy
certain other criteria; and providing other matters properly
relating thereto.

Legislative Counsel's Digest:

Existing law authorizes the Office of Economic Development to approve
applications for partial abatements of certain taxes and the issuance of transferable
tax credits submitted by the lead participant engaged in a qualified project with
other participants which: (1) is for a common purpose or business endeavor; (2) is
located within the geographic boundaries of a single project site in this State; and
(3) satisfies certain criteria, including, without limitation, a requirement that the
participants in the project agree to make a total new capital investment in this State
of at least \$1 billion during the 10-year period immediately following approval of
the application. (NRS 360.889) Under existing law, the Office is authorized to
approve for the project: (1) a maximum of \$7,600,000 of transferable tax credits per
fiscal year; and (2) a total amount of transferable tax credits of not more than
\$38,000,000. (NRS 360.892) **Section 6** of this bill eliminates the authority of the
Office to issue these transferable tax credits. **Sections 1-5** of this bill make
conforming changes by removing the authority of a lead participant to apply for



* S B 4 1 0 *

15 these transferable tax credits and removing references to these transferable tax
16 credits.

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

1 **Section 1.** NRS 360.889 is hereby amended to read as follows:

2 360.889 1. On behalf of a project, the lead participant in the
3 project may apply to the Office of Economic Development for ~~†~~

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

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

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

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

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

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

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

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

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

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

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

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

36 (f) Provide documentation satisfactory to the Office that each
37 participant in the project is registered pursuant to the laws of this
38 State or commits to obtaining a valid business license and all other



* S B 4 1 0 *

1 permits required by the county, city or town in which the project
2 operates;

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

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

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

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

18 (k) Provide documentation satisfactory to the Office that at least
19 50 percent of the employees engaged in construction of the project
20 and 50 percent of the employees employed at the project are
21 residents of Nevada, unless waived by the Executive Director of the
22 Office upon proof satisfactory to the Executive Director of the
23 Office that there is an insufficient number of Nevada residents
24 available and qualified for such employment;

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

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

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

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

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

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

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

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



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

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

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

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

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

(c) Each participant offers primary jobs and:

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

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

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

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

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

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



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

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

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

(1) Complies with the requirements of NRS 360.755;

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

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

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

(f) Any other information required by the Office.

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

(a) A copy of the:

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

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

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

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

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



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

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

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

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

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

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

Sec. 2. NRS 360.893 is hereby amended to read as follows:

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

(a) The Department;

(b) The Nevada Tax Commission; and

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

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

(a) For property taxes, be for a duration of not more than 10 years after the effective date of the partial abatement and in an amount that equals 75 percent of the amount of the property taxes



1 that would otherwise be owed by each participant for the qualified
2 project;

3 (b) For employer excise taxes, be for a duration of not more than
4 10 years after the effective date of the partial abatement and in an
5 amount that equals 75 percent of the amount of the employer excise
6 taxes that would otherwise be owed by each participant for
7 employees employed by the participant for the qualified project; and

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

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

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

20 (b) For employer excise taxes, be for a duration of not more than
21 10 years after the effective date of the partial abatement and in an
22 amount that equals 75 percent of the amount of the employer excise
23 taxes that would otherwise be owed by each participant for
24 employees employed by the participant for the qualified project; and

25 (c) For local sales and use taxes, be for a duration of not more
26 than 15 years after the effective date of the partial abatement and in
27 an amount that equals that portion of the combined rate of all the
28 local sales and use taxes payable by each participant in the qualified
29 project each year which exceeds 0.6 percent. The Department of
30 Taxation shall issue to the lead participant a document certifying the
31 abatement which can be presented to retailers at the time of sale.
32 The document must clearly state that the purchaser is only required
33 to pay sales and use taxes imposed in this State at the rate of 2.6
34 percent. As used in this paragraph, "local sales and use taxes" means
35 the taxes imposed on the gross receipts of any retailer from the sale
36 of tangible personal property sold at retail, or stored, used or
37 otherwise consumed, in the political subdivision in which the new
38 or expanded business is located, except the taxes imposed by the
39 Sales and Use Tax Act.

40 ➡ Notwithstanding any other provision of law, if the Office of
41 Economic Development approves an application for a partial
42 abatement of property taxes, employer excise taxes or local sales
43 and use taxes submitted pursuant to ~~paragraph (b) of~~ subsection 1
44 of NRS 360.889 for a lead participant of a qualified project located
45 on more than one site in this State, the State Controller shall



1 allocate, transfer and remit an amount equal to all the sales and use
2 taxes imposed in this State and collected from the qualified project
3 for the period of the abatement in the same manner as if that amount
4 consisted solely of the proceeds of the taxes imposed by NRS
5 374.110 and 374.190.

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

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

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

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

29 6. Upon a determination by the Executive Director of the
30 Office of Economic Development that the requirements for the
31 partial abatement have been met, the money in the trust fund
32 established pursuant to subsection 4, including any interest and
33 income earned on the money during the time it was in the trust fund,
34 must be returned to the lead participant. If the Executive Director of
35 the Office of Economic Development determines that the
36 requirements for the partial abatement have not been met:

37 (a) Except as otherwise provided in this subsection:

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

43 (2) Any amount of money in the trust fund used to repay
44 bonds or other obligations of the State or municipality pursuant to



subsection 5 must proportionally reduce the amount transferred to an entity pursuant to subparagraph (1).

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

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

Sec. 3. NRS 360.894 is hereby amended to read as follows:

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

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

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

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

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

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

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

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



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

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

the lead participant shall repay to the Department or, if the partial abatement is from the property tax imposed by chapter 361 of NRS, to the appropriate county treasurer, the amount of the partial abatement that was allowed to the lead participant pursuant to NRS 360.893 before the failure of the lead participant to meet the requirements for eligibility. Except as otherwise provided in NRS 360.232 and 360.320, the lead participant shall, in addition to the amount of the partial abatement required to be repaid by the lead participant pursuant to this subsection, pay interest on the amount due from the lead participant at the rate most recently established pursuant to NRS 99.040 for each month, or portion thereof, from the last day of the month following the period for which the payment would have been made had the partial abatement not been approved until the date of payment of the tax.

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

Sec. 4. NRS 360.895 is hereby amended to read as follows:

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

(a) For the immediately preceding fiscal year:

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

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



(3) ~~The amount of transferable tax credits approved;~~
~~(4) The amount of transferable tax credits used;~~
~~(5) The amount of transferable tax credits transferred;~~
~~(6) The amount of transferable tax credits taken against each allowable fee or tax, including the actual amount used and outstanding, in total and for each qualified project;~~

~~(7)~~ The number of partial abatements approved;

~~(8)~~ (4) The dollar amount of the partial abatements;

~~(9)~~ (5) The number of employees engaged in construction of each qualified project who are residents of Nevada and the number of employees employed by each participant in a qualified project who are residents of Nevada;

~~(10)~~ (6) The number of qualified employees employed by each participant in a qualified project and the total amount of wages paid to those persons; and

~~(11)~~ (7) For each qualified project, an assessment of whether the participants in the qualified project are making satisfactory progress towards meeting the investment requirements necessary to support the determination by the Office that the project is a qualified project.

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

(1) The dollar amount of the partial abatement;

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

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

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

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

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



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

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

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

(e) Any other information requested by the Legislature.

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

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

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

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

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

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

7. Notwithstanding the provisions of any other specific statute, the information requested by the Legislature pursuant to this section may include information considered confidential for other purposes. If such confidential information is requested, the Office shall make



the information available to the Fiscal Analysis Division of the Legislative Counsel Bureau for confidential examination.

Sec. 5. NRS 360.896 is hereby amended to read as follows:

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

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

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

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

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

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

Sec. 6. NRS 360.891 and 360.892 are hereby repealed.

Sec. 7. 1. This act becomes effective upon passage and approval.

2. Sections 1 to 5, inclusive, of this act expire by limitation on June 30, 2032.

TEXT OF REPEALED SECTIONS

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



* S B 4 1 0 *

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

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

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

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

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

- (a) Each qualified employee must be:
 - (1) Employed by a participant at the site of the qualified project.



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

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

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

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

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

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

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

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

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

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

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

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

