
Senate Committee on Revenue and Economic Development
This measure may be considered for action during today's work session.
May 16, 2019

ASSEMBLY BILL 400 (1st Reprint)

Revises provisions governing economic development. (BDR 22-803)

Sponsored by: Assemblywoman Benitez-Thompson

Date Heard: May 14, 2019

**Fiscal Impact: Effect on Local Government: No.
Effect on the State: No.**

Summary

Assembly Bill 400, in its first reprint, specifies that, for any economic development incentives offered by the Governor's Office of Economic Development that are granted after the passage and approval date of this act, or whose application was filed after the passage and approval date of this act, where sales and use taxes may be abated under current law, all local sales and use tax rates may be abated except for the Local School Support Tax.

Assembly Bill 400 also specifies that, for the general abatements that may be offered to certain new or expanding businesses pursuant to NRS 360.750, a business may not receive the abatements under that section if they have already received the corresponding abatement in that section for locating or expanding that business in that county.

Testimony

Primary testimony in support of the bill provided by:

Assemblywoman Teresa Benitez-Thompson

Additional Testimony in support provided by:

Natha Anderson, Washoe County Education Association; Nevada State Education Association

Testimony presented as neutral provided by:

Jodi Stephens, Reno Tahoe International Airport

Delen Goldberg, City of North Las Vegas

Derek Armstrong, Deputy Director, Governor's Office of Economic Development

Testimony in opposition.

None

Amendments

During the hearing on the bill, Assemblywoman Benitez-Thompson submitted Proposed Amendment 5874 to Assembly Bill 400 (1st Reprint), which is attached to this work session document and summarized on Page 2.

Proposed Amendment 5874 makes the following changes to Assembly Bill 400 (1st Reprint):

- Sections 11 and 12 of the bill, which govern the general abatements that may be granted by GOED under NRS 360.750, are amended to allow a business who is applying for the abatements as a new business located in a county to be approved for abatements from the LSST, in addition to the abatements that may be granted under this section from the property tax, MBT, and other local sales tax rates. An expanding business that is applying for abatements under this section, however, cannot be approved for abatements from the LSST.

The expanding businesses approved for abatements under NRS 360.750 would continue to be eligible to receive abatements from property taxes, MBT, and all other local sales and use taxes except the LSST.

- Under the proposed amendment, Sections 11 and 12 continue to provide that a business may not receive more than one abatement as a new or existing business in a county in the state under NRS 360.750. The amendment adds additional language prohibiting a business from changing its name or identity in order to circumvent the restrictions on receiving multiple abatements.
- In Section 12.5, which contains the provisions in NRS 360.753 allowing for abatements of personal property tax and local sales and use taxes for businesses relating to aircraft, two changes are made:
 - o The maximum length of the abatement is decreased from 20 years to 10 years; and
 - o The language prohibiting abatement of the LSST by GOED is modified to allow GOED to provide an abatement from the LSST only if the GOED Board approves that abatement by a two-thirds majority.
- In Section 13, which contains the provisions in NRS 360.754 allowing for abatements of property tax and local sales and use taxes for businesses relating to data centers, the language prohibiting GOED from abating the LSST is modified to allow GOED to provide an abatement from the LSST only if the GOED Board approves that abatement by a two-thirds majority.
- In Section 18.5, the amendatory provisions restricting the abatement of the LSST, as described in this bill, do not apply to abatements granted and applications filed before July 1, 2019.

MOCK-UP

PROPOSED AMENDMENT 5874 TO ASSEMBLY BILL NO. 400 FIRST REPRINT

PREPARED FOR ASSEMBLYWOMAN BENITEZ-THOMPSON
MAY 13, 2019

PREPARED BY THE LEGAL DIVISION

**NOTE: THIS DOCUMENT SHOWS PROPOSED AMENDMENTS IN
CONCEPTUAL FORM. THE LANGUAGE AND ITS PLACEMENT IN THE
OFFICIAL AMENDMENT MAY DIFFER.**

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.

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 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 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
7 within:
8 (a) A historically underutilized business zone, as defined in 15 U.S.C.
9 § 632;
10 (b) A redevelopment area created pursuant to chapter 279 of NRS;
11 (c) An area eligible for a community development block grant pursuant
12 to 24 C.F.R. Part 570; or
13 (d) An enterprise community established pursuant to 24 C.F.R. Part
14 597,
15 ↪ may submit a request to the governing body of the county, city or town
16 in which the business would operate for an endorsement of an application
17 by the person to the Office of Economic Development for a partial
18 abatement of one or more of the taxes imposed pursuant to chapter 361 ~~for~~
19 ~~374~~ of NRS ~~H~~ *or the local sales and use taxes*. The governing body of
20 the county, city or town shall provide notice of the request to the board of
21 trustees of the school district in which the business would operate. The
22 notice must set forth the date, time and location of the hearing at which the
23 governing body will consider whether to endorse the application. *As used*
24 *in this subsection, "local sales and use taxes" means the taxes imposed*
25 *on the gross receipts of any retailer from the sale of tangible personal*
26 *property sold at retail, or stored, used or otherwise consumed, in the*
27 *political subdivision in which the business is located, except the taxes*
28 *imposed by the Sales and Use Tax Act and the Local School Support Tax*
29 *Law.*
30 2. The governing body of a county, city or town shall develop
31 procedures for:
32 (a) Evaluating whether such an abatement would be beneficial for the
33 economic development of the county, city or town.
34 (b) Issuing a certificate of endorsement for an application for such an
35 abatement that is found to be beneficial for the economic development of
36 the county, city or town.
37 3. A person whose application has been endorsed by the governing
38 body of the county, city or town, as applicable, pursuant to this section
39 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) Commence operation and continue in operation in the historically underutilized business zone, as defined in 15 U.S.C. § 632, redevelopment area created pursuant to chapter 279 of NRS, area eligible for a community development block grant pursuant to 24 C.F.R. Part 570 or enterprise community established pursuant to 24 C.F.R. Part 597 for a period specified by the Office, which must be at least 5 years; and

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

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

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

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

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

(a) The Department of Taxation;

(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 the county in which the business will be 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 may adopt such regulations as the Office determines to be necessary or advisable to carry out the provisions of this section.

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

Sec. 6. 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~~ *or the local sales and use taxes*. The governing body of

1 the county, city or town shall provide notice of the request to the board of
2 trustees of the school district in which the business would operate. The
3 notice must set forth the date, time and location of the hearing at which the
4 governing body will consider whether to endorse the application. *As used*
5 *in this subsection, "local sales and use taxes" means the taxes imposed*
6 *on the gross receipts of any retailer from the sale of tangible personal*
7 *property sold at retail, or stored, used or otherwise consumed, in the*
8 *political subdivision in which the business is located, except the taxes*
9 *imposed by the Sales and Use Tax Act and the Local School Support Tax*
10 *Law.*

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

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

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

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

23 (a) The business is consistent with:

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

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

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

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

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

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

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

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

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

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

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

(a) The Department of Taxation;

(b) The Nevada Tax Commission; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) The business is consistent with:

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

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

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

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

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

(I) Continue in operation in the historically underutilized business zone, as defined in 15 U.S.C. § 632, redevelopment area created pursuant to chapter 279 of NRS, area eligible for a community development block grant pursuant to 24 C.F.R. Part 570 or enterprise

community established pursuant to 24 C.F.R. Part 597 for a period specified by the Office, which must be at least 5 years; and

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

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

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

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

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

(a) The Department of Taxation; and

(b) The Nevada Tax Commission.

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

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

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

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

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

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

↪ the business shall repay to the Department of Taxation the amount of the exemption that was allowed pursuant to this section before the failure of the business to comply unless the Nevada Tax Commission determines that the business has substantially complied with the requirements of this section. Except as otherwise provided in NRS 360.232 and 360.320, the business shall, in addition to the amount of the exemption required to be paid pursuant to this subsection, pay interest on the amount due at the rate most recently established pursuant to NRS 99.040 for each month, or portion thereof, from the last day of the month following the period for

1 which the payment would have been made had the partial abatement not
2 been approved until the date of payment of the tax.

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

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

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

10 274.320 1. A person who intends to expand a business in this State
11 within:

12 (a) A historically underutilized business zone, as defined in 15 U.S.C.
13 § 632;

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

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

17 (d) An enterprise community established pursuant to 24 C.F.R. Part
18 597,

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

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

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

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

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

45 (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

1 which the payment would have been made had the partial abatement not
2 been approved until the date of payment of the tax.

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

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

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

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

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

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

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

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

39 (a) The business is consistent with:

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

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

44 (b) The applicant has executed an agreement with the Office which
45 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;

(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. 8. 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 a certificate of eligibility for the abatement is issued pursuant to subsection 4:

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

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

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

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

(d) The business:

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

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

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

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

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

(1) The Department of Taxation;

(2) The Nevada Tax Commission; and

(3) If the partial abatement is from the property tax imposed pursuant to chapter 361 of NRS, the 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, "local sales and use taxes" means the taxes imposed on the gross receipts of any retailer from the sale of tangible personal property sold at retail, or stored, used or otherwise consumed, in the political subdivision in which the business is to be located or expanded, except the taxes imposed by the Sales and Use Tax Act and the Local School Support Tax Law.

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

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

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

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

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

(1) Comply with the requirements of NRS 360.755;

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

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

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

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

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

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

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

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

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

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

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

(1) The business will have 10 or more full-time employees on the payroll of the business by the eighth calendar quarter following the calendar quarter in which the abatement becomes effective who will be employed at the location of the business in that county or city until at least

1 the date which is 5 years after the date on which the abatement becomes
2 effective.

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

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

11 (1) For a business in:

12 (I) Except as otherwise provided in sub-subparagraph (II), a
13 county whose population is 100,000 or more or a city whose population is
14 60,000 or more, the business will, by the eighth calendar quarter following
15 the calendar quarter in which the abatement becomes effective, increase
16 the number of employees on its payroll in that county or city by 10 percent
17 more than it employed in the fiscal year immediately preceding the fiscal
18 year in which the abatement becomes effective or by twenty-five
19 employees, whichever is greater, who will be employed at the location of
20 the business in that county or city until at least the date which is 5 years
21 after the date on which the abatement becomes effective; or

22 (II) A county whose population is less than 100,000, an area of a
23 county whose population is 100,000 or more that is located within the
24 geographic boundaries of an area that is designated as rural by the United
25 States Department of Agriculture and at least 20 miles outside of the
26 geographic boundaries of an area designated as urban by the United States
27 Department of Agriculture, or a city whose population is less than 60,000,
28 the business will, by the eighth calendar quarter following the calendar
29 quarter in which the abatement becomes effective, increase the number of
30 employees on its payroll in that county or city by 10 percent more than it
31 employed in the fiscal year immediately preceding the fiscal year in which
32 the abatement becomes effective or by six employees, whichever is
33 greater, who will be employed at the location of the business in that county
34 or city until at least the date which is 5 years after the date on which the
35 abatement becomes effective.

36 (2) The business will expand by making a capital investment in this
37 State, not later than the date which is 2 years after the date on which the
38 abatement becomes effective, in an amount equal to at least 20 percent of
39 the value of the tangible property possessed by the business in the fiscal
40 year immediately preceding the fiscal year in which the abatement
41 becomes effective, and the capital investment will be in capital assets that
42 will be retained at the location of the business in that county or city until at
43 least the date which is 5 years after the date on which the abatement
44 becomes effective. The determination of the value of the tangible property

1 possessed by the business in the immediately preceding fiscal year must be
2 made by the:

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

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

6 (i) The applicant has provided in the application an estimate of the total
7 number of new employees which the business anticipates hiring in this
8 State by the eighth calendar quarter following the calendar quarter in
9 which the abatement becomes effective if the Office approves the
10 application.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

34 (1) Approve an abatement of the taxes imposed pursuant to chapter
35 361 of NRS which exceeds 25 percent of the taxes on personal property
36 payable by the business each year.

37 (2) Approve an abatement of the taxes imposed pursuant to chapter
38 363B of NRS which exceeds 25 percent of the amount of tax otherwise
39 due pursuant to NRS 363B.110.

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

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

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

- (a) The Department;
- (b) The Nevada Tax Commission; and
- (c) If the partial abatement is from the property tax imposed pursuant to chapter 361 of NRS, the county treasurer.

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

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

- (a) To meet the requirements set forth in subsection 2; or
- (b) Operation before the time specified in the agreement described in paragraph (b) of subsection 2,
→ the business shall repay to the Department or, if the partial abatement was from the property tax imposed pursuant to chapter 361 of NRS, to the county treasurer, the amount of the exemption that was allowed pursuant to this section before the failure of the business to comply unless the Nevada Tax Commission determines that the business has substantially complied with the requirements of this section. Except as otherwise provided in NRS 360.232 and 360.320, the business shall, in addition to the amount of the exemption required to be paid pursuant to this subsection, pay interest on the amount due at the rate most recently established pursuant to NRS 99.040 for each month, or portion thereof, from the last day of the month following the period for which the payment would have been made had the partial abatement not been approved until the date of payment of the tax.

9. A county treasurer:

- (a) Shall deposit any money that he or she receives pursuant to subsection 8 in one or more of the funds established by a local government of the county pursuant to NRS 354.6113 or 354.6115; and
- (b) May use the money deposited pursuant to paragraph (a) only for the purposes authorized by NRS 354.6113 and 354.6115.

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

11. The Nevada Tax Commission:

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

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

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

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

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

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

360.750 1. A person who intends to locate or expand a business in this State may apply to the Office of Economic Development pursuant to this section for a partial abatement of one or more of the taxes imposed on the ~~new or expanded~~ :

(a) New business pursuant to chapter 361 ~~or~~ 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, "local sales and use taxes" means the taxes imposed on the gross receipts of any retailer from the sale of tangible personal property sold at retail, or stored, used or otherwise consumed, in the political subdivision in which the business is to be located or expanded, except the taxes imposed by the Sales and Use Tax Act and the Local School Support Tax Law.

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

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

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

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

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

(1) Comply with the requirements of NRS 360.755;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6 (2) The business will expand by making a capital investment in this
7 State in an amount equal to at least 20 percent of the value of the tangible
8 property possessed by the business in the immediately preceding fiscal
9 year. The determination of the value of the tangible property possessed by
10 the business in the immediately preceding fiscal year must be made by the:

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

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

14 (i) The applicant has provided in the application an estimate of the total
15 number of new employees which the business anticipates hiring in this
16 State by the eighth calendar quarter following the calendar quarter in
17 which the abatement becomes effective if the Office approves the
18 application.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (a) The Department;
- (b) The Nevada Tax Commission; and
- (c) If the partial abatement is from the property tax imposed pursuant to chapter 361 of NRS, the county treasurer.

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

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

- (a) To meet the requirements set forth in subsection 2; or
- (b) Operation before the time specified in the agreement described in paragraph (b) of subsection 2,

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

9. A county treasurer:

- (a) Shall deposit any money that he or she receives pursuant to subsection 8 in one or more of the funds established by a local government of the county pursuant to NRS 354.6113 or 354.6115; and
- (b) May use the money deposited pursuant to paragraph (a) only for the purposes authorized by NRS 354.6113 and 354.6115.

10. The Office of Economic Development may adopt such regulations as the Office of Economic Development determines to be necessary to

1 carry out the provisions of this section and
2 NRS 360.755.

3 11. The Nevada Tax Commission:

4 (a) Shall adopt regulations regarding:

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

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

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

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

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

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

21 360.753 1. An owner of a business or a person who intends to locate
22 or expand a business in this State may apply to the Office of Economic
23 Development pursuant to this section for a partial abatement of one or
24 more of:

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

28 (b) The local sales and use taxes imposed on the purchase of tangible
29 personal property used to operate, manufacture, service, maintain, test,
30 repair, overhaul or assemble an aircraft or any component of an aircraft.2.

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

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

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

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

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

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

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

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

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

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

(f) If the business is:

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

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

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

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

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

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

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

4 (b) Must not:

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

9 (2) Approve a partial abatement for any applicant for a period of
10 more than ~~120~~ 10 years.

11 4. The Office of Economic Development must not approve a partial
12 abatement of personal property taxes for a business whose physical
13 property is collectively valued and centrally assessed pursuant to NRS
14 361.320 and 361.3205.

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

18 (a) The Department;

19 (b) The Nevada Tax Commission; and

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

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

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

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

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

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

1 on the new or expanded data center pursuant to chapter 361 ~~or 374~~ of NRS
2 ~~for the local sales and use taxes. As used in this subsection, "local sales~~
3 ~~and use taxes" means the taxes imposed on the gross receipts of any~~
4 ~~retailer from the sale of tangible personal property sold at retail, or~~
5 ~~stored, used or otherwise consumed, in the political subdivision in which~~
6 ~~the data center is to be located or expanded, except the taxes imposed by~~
7 ~~the Sales and Use Tax Act and the Local School Support Tax Law.~~

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

11 (a) The application is consistent with the State Plan for Economic
12 Development developed by the Executive Director of the Office of
13 Economic Development pursuant to subsection 2 of NRS 231.053 and any
14 guidelines adopted by the Executive Director of the Office to implement
15 the State Plan for Economic Development.

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

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

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

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

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

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

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

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

42 (2) Establishing or expanding the data center will require the data
43 center or any combination of the data center and one or more colocated
44 businesses to make in each county in this State in which the data center is
45 located, by not later than the date which is 5 years after the date on which

1 the abatement becomes effective, a cumulative capital investment of at
2 least \$25,000,000 in capital assets that will be used or located at the data
3 center.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6. An applicant for a partial abatement pursuant to this section or a data center 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 data center 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 data center shall repay to the Department or, if the partial abatement was from the property tax imposed pursuant to chapter 361 of NRS, to the

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

12 8. A county treasurer:

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

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

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

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

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

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

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

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

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

44 12. The Office of Economic Development:

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

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

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

13. The Nevada Tax Commission:

(a) Shall adopt regulations regarding:

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

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

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

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

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

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

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

Sec. 14. (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

1 project is located. The term does not include the taxes imposed by the
2 Sales and Use Tax Act ~~and the Local School Support Tax Law.~~

3 **Sec. 17.** (Deleted by amendment.)

4 **Sec. 18.** (Deleted by amendment.)

5 **Sec. 18.5.** The amendatory provisions of ~~sections 5, 6.3, 7, 11, 12.5,~~
6 ~~13, 15 and 16~~ this act do not apply to any abatement granted or any
7 application for an abatement filed before ~~the effective date of the~~
8 ~~amendatory provisions to those sections.~~ July 1, 2019.

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

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

14 3. Section 15 of this act expires by limitation on
15 June 30, 2032.

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

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

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

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