

Amendment No. 373

Assembly Amendment to Assembly Bill No. 226

(BDR 32-690)

Proposed by: Assembly Committee on Revenue

Amends: Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

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

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.



ASSEMBLY BILL NO. 226—ASSEMBLYMEMBER MOSCA

PREFILED FEBRUARY 3, 2025

Referred to Committee on Revenue

SUMMARY—Revises provisions relating to economic development. (BDR 32-690)

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

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

AN ACT relating to taxation; requiring ~~applicants~~ **an applicant** for certain transferable tax credits and certain tax abatements to ~~agree~~ **contain a certification that the applicant agrees to submit a** community benefits ~~plan prescribing the requirements for a community benefits plan; authorizing the Office of Economic Development to investigate the recipient of certain transferable tax credits and certain tax abatements for compliance with a community benefits plan; requiring the recipient of certain transferable tax credits and certain tax abatements to repay the amount of the credits and abatements if the recipient is not in substantial compliance with the community benefits plan;~~ **agreement and collaborate with the community in which the business is located if the application is approved;** and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law authorizes the Office of Economic Development to approve transferable tax
2 credits and abatements or partial abatements of certain property taxes, business taxes and sales
3 and use taxes for certain businesses in certain circumstances. The Office is prohibited from
4 approving an application for such credits or abatements unless the applicant satisfies certain
5 criteria and has entered into an agreement with the Office establishing certain terms for the
6 abatement. (NRS 231.1555, 274.310, 274.320, 274.330, 360.750, 360.753, 360.754, 360.759,
7 360.889, 360.945) ~~Sections 1-~~f4~~ 3, 6, 8 and 12-15 of this bill~~ **additionally** require ~~such an~~
8 **agreement between the Office and an applicant** **an applicant for certain** transferable tax
9 credits or a tax abatement to ~~incorporate~~ **certify in the application for transferrable tax**
10 **credits or a tax abatement, as applicable, that, if the application is approved, the**
11 **business will: (1) collaborate with the community in which the business is located; and**
12 **(2) submit to the Office a community benefits** ~~plan addressing actions that the applicant~~
13 ~~agrees to take to benefit the vitality of the local community and improve the social and~~
14 ~~economic well-being of members of the local community. Sections 1-3, 5, 7, 9 and 12-15 of~~
15 ~~this bill: (1) authorize the Office to investigate whether the recipient of an abatement or partial~~
16 ~~abatement is complying with the terms of the community benefits plan; and (2) require a~~
17 ~~recipient to repay the amount of the abatement or partial abatement, plus interest, if the~~
18 ~~Executive Director of the Office determines that the recipient has not substantially complied~~
19 ~~with the terms of the community benefits plan. Sections 10 and 11 of this bill make~~

20 conforming changes to update references to provisions renumbered by section 2.] **agreement**
 21 **not later than 2 years after the date on which the application is approved. Section 16** of
 22 this bill makes the requirements of this **bill** relating to ~~community benefits plans only if an~~
 23 ~~applicant for] the certification requirement applicable only to applications for~~ certain
 24 transferable tax credits or certain abatements ~~submits an application] submitted~~ on or after
 25 July 1, 2025.

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

1 **Section 1.** NRS 360.750 is hereby amended to read as follows:
 2 360.750 1. A person who intends to locate or expand a business in this State
 3 may apply to the Office of Economic Development pursuant to this section for a
 4 partial abatement of one or more of the taxes imposed on the:
 5 (a) New business pursuant to chapter 361, 363B or 374 of NRS.
 6 (b) Expanded business pursuant to chapter 361 or 363B of NRS or a partial
 7 abatement of the local sales and use taxes imposed on the expanded business. As
 8 used in this paragraph, "local sales and use taxes" means the taxes imposed on the
 9 gross receipts of any retailer from the sale of tangible personal property sold at
 10 retail, or stored, used or otherwise consumed, in the political subdivision in which
 11 the business is to be located or expanded, except the taxes imposed by the Sales and
 12 Use Tax Act and the Local School Support Tax Law.
 13 2. The Office of Economic Development shall approve an application for a
 14 partial abatement pursuant to this section if the Office makes the following
 15 determinations:
 16 (a) The business offers primary jobs and is consistent with:
 17 (1) The State Plan for Economic Development developed by the Executive
 18 Director of the Office of Economic Development pursuant to subsection 2 of NRS
 19 231.053; and
 20 (2) Any guidelines adopted by the Executive Director of the Office to
 21 implement the State Plan for Economic Development.
 22 (b) Not later than 1 year after the date on which the application was received
 23 by the Office, the applicant has executed an agreement with the Office which must:
 24 (1) Comply with the requirements of NRS 360.755;
 25 (2) State the date on which the abatement becomes effective, as agreed to
 26 by the applicant and the Office, which must not be earlier than the date on which
 27 the Office received the application and not later than 1 year after the date on which
 28 the Office approves the application;
 29 (3) State that the business will, after the date on which the abatement
 30 becomes effective, continue in operation in this State for a period specified by the
 31 Office, which must be at least 5 years, and will continue to meet the eligibility
 32 requirements set forth in this subsection;
 33 (4) State that the business will offer primary jobs; and
 34 (5) ~~Incorporate a community benefits plan, which must:~~
 35 ~~(I) Include a brief description of the environmental, economic and~~
 36 ~~social effects that the applicant anticipates the location or expansion of the~~
 37 ~~business will have on the local community that immediately surrounds the~~
 38 ~~location of the business;~~
 39 ~~(II) State that the business will proactively undertake actions, beyond~~
 40 ~~those incidental to the regular activities of the business, to increase the vitality of~~
 41 ~~the local community and improve the social and economic well-being of the~~
 42 ~~members of that community;~~

~~(III) Detail the specific actions described in sub-subparagraph (II) that the business agrees to undertake during the period of the agreement entered into pursuant to this paragraph, which may include, without limitation, partnering with community-based charitable or educational organizations, sponsoring educational or vocational activities, participating in philanthropic endeavors meant to specifically aid the local community and the members of that community and establishing other programs to improve the well-being of the local community and the members of that community; and~~

~~(IV) Include such other provisions as the Office may require; and~~

~~(6)~~ 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, 5 or 6, 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 the date which is 5 years after the date on which the abatement becomes effective.

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

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

8 (1) For a business in:

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

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

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

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

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

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

48 (j) Except as otherwise provided in subsection 3, if the business will have at
49 least 50 full-time employees on the payroll of the business by the eighth calendar
50 quarter following the calendar quarter in which the abatement becomes effective,
51 the business, by the earlier of the eighth calendar quarter following the calendar
52 quarter in which the abatement becomes effective or the date on which the business
53 has at least 50 full-time employees on the payroll of the business, has a policy for

1 paid family and medical leave and agrees that all employees who have been
2 employed by the business for at least 1 year will be eligible for at least 12 weeks of
3 paid family and medical leave at a rate of at least 55 percent of the regular wage of
4 the employee. The business will agree in writing that if the Office approves the
5 application, the business will not:

6 (1) Prohibit, interfere with or otherwise discourage an employee from
7 taking paid family and medical leave:

8 (I) For any reason authorized pursuant to the Family and Medical
9 Leave Act of 1993, 29 U.S.C. §§ 2601 et seq.

10 (II) To care for any adult child, sibling or domestic partner of the
11 employee.

12 (2) Discriminate, discipline or discharge an employee for taking paid
13 family and medical leave:

14 (I) For any reason authorized pursuant to the Family and Medical
15 Leave Act of 1993, 29 U.S.C. §§ 2601 et seq.

16 (II) To care for any adult child, sibling or domestic partner of the
17 employee.

18 (3) Prohibit, interfere with or otherwise discourage an employee or other
19 person from bringing a proceeding or testifying in a proceeding against the business
20 for a violation of the policy for paid family and medical leave that is required
21 pursuant to this paragraph.

22 *(k) The applicant has certified in the application that the business will, if the*
23 *application is approved:*

24 *(1) Collaborate with the community in which the business is located; and*

25 *(2) Submit a community benefits agreement to the Office not later than 2*
26 *years after the date on which the Office approves the application.*

27 3. For purposes of paragraph (j) of subsection 2, the Office of Economic
28 Development shall determine that a business meets the requirements of that
29 paragraph if the business has a policy for paid family and medical leave for
30 employees on the payroll of the business outside of this State that meets or exceeds
31 the requirements for a policy for paid family and medical leave pursuant to that
32 paragraph and the business agrees in writing that its employees on the payroll in
33 this State are eligible for paid family and medical leave under such policy.

34 4. Notwithstanding the provisions of subsection 2, the Office of Economic
35 Development:

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

39 (b) Shall consider the level of health care benefits provided by the business to
40 its employees, the policy of paid family and medical leave provided by the business
41 to its employees, the projected economic impact of the business and the projected
42 tax revenue of the business after deducting projected revenue from the abated taxes.

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

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

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

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

51 5. Notwithstanding any other provision of law, the Office of Economic
52 Development shall not approve an application for a partial abatement pursuant to
53 this section if:

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

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

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

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

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

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

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

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

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

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

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

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

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

51 (a) The Department;

52 (b) The Nevada Tax Commission; and

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

3 8. An applicant for a partial abatement pursuant to this section or an existing
4 business whose partial abatement is in effect shall, upon the request of the
5 Executive Director of the Office of Economic Development, furnish the Executive
6 Director with copies of all records necessary to verify that the applicant ~~for~~
7 ~~business~~ meets the requirements of subsection 2 ~~;~~ ~~including, without limitation,~~
8 ~~that the business is complying with the terms of the community benefits plan.~~

9 9. If an applicant for a partial abatement pursuant to this section fails to
10 execute the agreement described in paragraph (b) of subsection 2 within 1 year after
11 the date on which the application was received by the Office, the applicant shall not
12 be approved for a partial abatement pursuant to this section unless the applicant
13 submits a new application.

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

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

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

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

31 11. ~~[The Office of Economic Development may investigate a business whose~~
32 ~~partial abatement has been approved pursuant to this section to determine~~
33 ~~whether the business is in substantial compliance with the terms of the~~
34 ~~community benefits plan described in subparagraph (5) of paragraph (b) of~~
35 ~~subsection 2. If the Executive Director of the Office determines, based on an~~
36 ~~investigation conducted pursuant to this subsection, that a business has failed to~~
37 ~~substantially comply with the terms of the community benefits plan, the business~~
38 ~~shall repay to the Department or, if the partial abatement was from the property~~
39 ~~tax imposed pursuant to chapter 361 of NRS, to the county treasurer, the amount~~
40 ~~of the partial abatement that was allowed pursuant to this section. Except as~~
41 ~~otherwise provided in NRS 360.232 and 360.320, the business shall, in addition to~~
42 ~~the amount of the partial abatement required to be paid pursuant to this~~
43 ~~subsection, pay interest on the amount due at the rate most recently established~~
44 ~~pursuant to NRS 99.040 for each month, or portion thereof, from the last day of~~
45 ~~the month following the period for which the payment would have been made had~~
46 ~~the partial abatement not been approved until the date of payment of the tax.~~

47 ~~12.]~~ A county treasurer:

48 (a) Shall deposit any money that he or she receives pursuant to subsection 10 in
49 one or more of the funds established by a local government of the county pursuant
50 to NRS 354.6113 or 354.6115; and

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

1 ~~12. 437~~ The Office of Economic Development may adopt such regulations
2 as the Office of Economic Development determines to be necessary to carry out the
3 provisions of this section and NRS 360.755.

4 ~~13. 447~~ The Nevada Tax Commission:

5 (a) Shall adopt regulations regarding:

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

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

10 (b) May adopt such other regulations as the Nevada Tax Commission
11 determines to be necessary to carry out the provisions of this section and NRS
12 360.755.

13 ~~14. 457~~ An applicant for a partial abatement pursuant to this section who is
14 aggrieved by a final decision of the Office of Economic Development may petition
15 for judicial review in the manner provided in chapter 233B of NRS.

16 ~~15. 467~~ 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 works an
18 average of 30 hours per week during the applicable period set forth in subsection 2.

19 **Sec. 2.** NRS 360.753 is hereby amended to read as follows:

20 360.753 1. An owner of a business or a person who intends to locate or
21 expand a business in this State may apply to the Office of Economic Development
22 pursuant to this section for a partial abatement of one or more of:

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

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

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

33 (a) Not later than 1 year after the date on which the application was received
34 by the Office, the applicant has executed an agreement with the Office which:

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

36 (2) States the date on which the abatement becomes effective, as agreed to
37 by the applicant and the Office, which must not be earlier than the date on which
38 the Office received the application and not later than 1 year after the date on which
39 the Office approves the application;

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

45 (4) ~~*Incorporates a community benefits plan, which must:*~~

46 ~~*(I) Include a brief description of the environmental, economic and*~~
47 ~~*social effects that the applicant anticipates the location or expansion of the*~~
48 ~~*business will have on the local community that immediately surrounds the*~~
49 ~~*location of the business;*~~

50 ~~*(II) State that the business will proactively undertake actions, beyond*~~
51 ~~*those incidental to the regular activities of the business, to increase the vitality of*~~
52 ~~*the local community and improve the social and economic well being of the*~~
53 ~~*members of that community;*~~

~~(III) Detail the specific actions described in sub-subparagraph (II) that the business agrees to undertake during the period of the agreement entered into pursuant to this paragraph, which may include, without limitation, partnering with community-based charitable or educational organizations, sponsoring educational or vocational activities, participating in philanthropic endeavors meant to specifically aid the local community and the members of that community and establishing other programs to improve the well-being of the local community and the members of that community; and~~

~~(IV) Include such other provisions as the Office may require; and~~

~~(5)~~ 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;

(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; ~~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 ~~;~~ and

(i) The applicant has certified in the application that the business will, if the application is approved:

(I) Collaborate with the community in which the business is located; and

(2) Submit a community benefits agreement to the Office not later than 2 years after the date on which the Office approves the application.

3. The Office of Economic Development:

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

(b) Must not:

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

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

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

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

(a) The Department;

(b) The Nevada Tax Commission; and

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

6. An applicant for a partial abatement pursuant to this section or an existing business whose partial abatement is in effect shall, upon the request of the Executive Director of the Office of Economic Development, furnish the Executive Director with copies of all records necessary to verify that the applicant ~~for business~~ meets the requirements of subsection 2. ~~[including, without limitation, that the business is complying with the terms of the community benefits plan.]~~

7. If an applicant for a partial abatement pursuant to this section fails to execute the agreement described in paragraph (a) of subsection 2 within 1 year after the date on which the application was received by the Office, the applicant shall not be approved for a partial abatement pursuant to this section unless the applicant submits a new application.

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

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

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

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

~~9. [The Office of Economic Development may investigate a business whose partial abatement has been approved pursuant to this section to determine whether the business is in substantial compliance with the terms of the~~

~~community benefits plan described in subparagraph (4) of paragraph (a) of subsection 2. If the Executive Director of the Office determines, based on an investigation conducted pursuant to this subsection, that a business has failed to substantially comply with the terms of the community benefits plan, 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 partial abatement that was allowed pursuant to this section. Except as otherwise provided in NRS 360.232 and 360.320, the business shall, in addition to the amount of the partial abatement required to be 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.~~

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

~~10.]~~ The Nevada Tax Commission may adopt such regulations as the Commission determines are necessary to carry out the provisions of this section.

~~11.]~~ 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.

~~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.

(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. 3. NRS 360.754 is hereby amended to read as follows:

360.754 1. A person who intends to locate or expand a data center in this State may apply to the Office of Economic Development pursuant to this section for a partial abatement of one or more of the taxes imposed on the new or expanded data center pursuant to chapter 361 or 374 of NRS.

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

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

1 (b) Not later than 1 year after the date on which the application was received
2 by the Office, the applicant has executed an agreement with the Office of Economic
3 Development which must:

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

5 (2) State the date on which the abatement becomes effective, as agreed to
6 by the applicant and the Office of Economic Development, which must not be
7 earlier than the date on which the Office received the application and not later than
8 1 year after the date on which the Office approves the application;

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

13 ~~(4) Incorporate a community benefits plan, which must:~~

14 ~~(I) Include a brief description of the environmental, economic and~~
15 ~~social effects that the applicant anticipates the location or expansion of the data~~
16 ~~center will have on the local community that immediately surrounds the location~~
17 ~~of the data center;~~

18 ~~(II) State that the data center will proactively undertake actions,~~
19 ~~beyond those incidental to the regular activities of the data center, to increase the~~
20 ~~vitality of the local community and improve the social and economic well-being of~~
21 ~~the members of that community;~~

22 ~~(III) Detail the specific actions described in sub-subparagraph (II)~~
23 ~~that the data center agrees to undertake during the period of the agreement~~
24 ~~entered into pursuant to this paragraph, which may include, without limitation,~~
25 ~~partnering with community based charitable or educational organizations,~~
26 ~~sponsoring educational or vocational activities, participating in philanthropic~~
27 ~~endeavors meant to specifically aid the local community and the members of that~~
28 ~~community and establishing other programs to improve the well-being of the~~
29 ~~local community and the members of that community; and~~

30 ~~(IV) Include such other provisions as the Office may require; and~~

31 ~~(5) Bind the successors in interest of the applicant for the specified period.~~

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

35 (d) If the applicant is seeking a partial abatement for a period of not more than
36 10 years, the applicant meets the following requirements:

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

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

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

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

5 (II) The health care benefits provided to employees employed at the
6 data center will meet the minimum requirements for health care benefits established
7 by the Office of Economic Development by regulation pursuant to subsection 13.

8 ~~14.~~

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

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

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

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

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

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

36 (II) The health care benefits provided to employees employed at the
37 data center will meet the minimum requirements for health care benefits established
38 by the Office of Economic Development by regulation pursuant to subsection 13.

39 ~~14.~~

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

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

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

52 (h) The applicant has certified in the application that the data center will, if
53 the application is approved:

1 (1) Collaborate with the community in which the data center is located;
2 and

3 (2) Submit a community benefits agreement to the Office not later than 2
4 years after the date on which the Office approves the application.

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

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

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

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

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

20 (2) Make the requirements set forth in paragraphs (d) and (e) of subsection
21 2 more stringent; or

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

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

27 (a) The Department;

28 (b) The Nevada Tax Commission; and

29 (c) If the partial abatement is from the property tax imposed pursuant to
30 chapter 361 of NRS, the county treasurer of each county in which the data center is
31 or will be located.

32 5. If the Office of Economic Development approves an application for a
33 partial abatement pursuant to this section, the Office may also approve a partial
34 abatement of taxes for each colocated business that enters into a contract to use or
35 occupy, for a period of at least 2 years, all or a portion of the new or expanded data
36 center. Each such colocated business shall obtain a state business license issued by
37 the Secretary of State. The percentage amount of a partial abatement approved for a
38 colocated business pursuant to this subsection must not exceed the percentage
39 amount of the partial abatement approved for the data center. The duration of a
40 partial abatement approved for a colocated business pursuant to this subsection
41 must not exceed the duration of the contract or contracts entered into between the
42 colocated business and the data center, including the duration of any contract or
43 contracts extended or renewed by the parties. If a colocated business ceases to meet
44 the requirements set forth in this subsection, the colocated business shall repay the
45 amount of the abatement that was allowed in the same manner in which a data
46 center is required by subsection 8 to repay the Department or a county treasurer. If
47 a data center ceases to meet the requirements of subsection 2 or ceases operation
48 before the time specified in the agreement described in paragraph (b) of subsection
49 2, any partial abatement approved for a colocated business ceases to be in effect,
50 but the colocated business is not required to repay the amount of the abatement that
51 was allowed before the date on which the abatement ceases to be in effect. A data
52 center shall provide the Executive Director of the Office and the Department with a
53 list of the colocated businesses that are qualified to receive a partial abatement

1 pursuant to this subsection and shall notify the Executive Director within 30 days
2 after any change to the list. The Executive Director shall provide the list and any
3 updates to the list to the Department and the county treasurer of each affected
4 county.

5 6. An applicant for a partial abatement pursuant to this section or a data center
6 whose partial abatement is in effect shall, upon the request of the Executive
7 Director of the Office of Economic Development, furnish the Executive Director
8 with copies of all records necessary to verify that the applicant ~~for data center~~
9 meets the requirements of subsection 2. ~~including, without limitation, that the~~
10 ~~data center is complying with the terms of the community benefits plan.~~

11 7. If an applicant for a partial abatement pursuant to this section fails to
12 execute the agreement described in paragraph (b) of subsection 2 within 1 year after
13 the date on which the application was received by the Office, the applicant shall not
14 be approved for a partial abatement pursuant to this section unless the applicant
15 submits a new application.

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

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

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

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

33 9. ~~[The Office of Economic Development may investigate a data center~~
34 ~~whose partial abatement has been approved pursuant to this section to determine~~
35 ~~whether the data center is in substantial compliance with the terms of the~~
36 ~~community benefits plan described in subparagraph (4) of paragraph (b) of~~
37 ~~subsection 2. If the Executive Director of the Office determines, based on an~~
38 ~~investigation conducted pursuant to this subsection, that a data center has failed~~
39 ~~to substantially comply with the terms of the community benefits plan, the data~~
40 ~~center shall repay to the Department or, if the partial abatement was from the~~
41 ~~property tax imposed pursuant to chapter 361 of NRS, to the county treasurer, the~~
42 ~~amount of the partial abatement that was allowed pursuant to this section. Except~~
43 ~~as otherwise provided in NRS 360.232 and 360.320, the data center shall, in~~
44 ~~addition to the amount of the partial abatement required to be paid pursuant to~~
45 ~~this subsection, pay interest on the amount due at the rate most recently~~
46 ~~established pursuant to NRS 99.040 for each month, or portion thereof, from the~~
47 ~~last day of the month following the period for which the payment would have~~
48 ~~been made had the partial abatement not been approved until the date of payment~~
49 ~~of the tax.~~

50 ~~10.]~~ A county treasurer:

51 (a) Shall deposit any money that he or she receives pursuant to subsection 5 or
52 8 in one or more of the funds established by a local government of the county
53 pursuant to NRS 354.6113 or 354.6115; and

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

3 ~~10. ~~111~~~~ An applicant for a partial abatement pursuant to this section who is
4 aggrieved by a final decision of the Office of Economic Development may petition
5 for judicial review in the manner provided in chapter 233B of NRS.

6 ~~11. ~~127~~~~ For an employee to be considered a resident of Nevada for the
7 purposes of this section, a data center must maintain the following documents in the
8 personnel file of the employee:

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

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

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

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

20 ~~12. ~~137~~~~ For the purpose of obtaining from the Executive Director of the
21 Office of Economic Development any waiver of the requirements set forth in
22 subparagraph (4) of paragraph (d) of subsection 2 or subparagraph (4) of paragraph
23 (e) of subsection 2, a data center must submit to the Executive Director of the
24 Office of Economic Development written documentation of the efforts to meet the
25 requirements and documented proof that an insufficient number of Nevada
26 residents is available and qualified for employment.

27 ~~13. ~~147~~~~ The Office of Economic Development:

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

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

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

35 ~~14. ~~157~~~~ The Nevada Tax Commission:

36 (a) Shall adopt regulations regarding:

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

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

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

43 ~~15. ~~167~~~~ As used in this section, unless the context otherwise requires:

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

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

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

4 **Sec. 4.** ~~NRS 360.759 is hereby amended to read as follows:~~

5 ~~360.759 1. A production company that produces a qualified production in~~
6 ~~this State in whole or in part may apply to the Office of Economic Development for~~
7 ~~a certificate of eligibility for transferable tax credits for any qualified direct~~
8 ~~production expenditures. The transferable tax credits may be applied to:~~

9 ~~(a) Any tax imposed by chapters 363A and 363B of NRS;~~

10 ~~(b) The gaming license fees imposed by the provisions of NRS 463.370;~~

11 ~~(c) Any tax imposed pursuant to chapter 680B of NRS; or~~

12 ~~(d) Any combination of the fees and taxes described in paragraphs (a), (b) and~~
13 ~~(e);~~

14 ~~2. The Office may approve an application for a certificate of eligibility for~~
15 ~~transferable tax credits if the Office finds that the production company producing~~
16 ~~the qualified production qualifies for the transferable tax credits pursuant to~~
17 ~~subsection 3. If the Office approves the application, the Office shall calculate the~~
18 ~~estimated amount of the transferable tax credits pursuant to NRS 360.7592,~~
19 ~~360.7593 and 360.7594.~~

20 ~~3. To be eligible for transferable tax credits pursuant to this section, a~~
21 ~~production company must:~~

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

23 ~~(b) Provide proof satisfactory to the Office that the qualified production is in~~
24 ~~the economic interest of the State;~~

25 ~~(c) Provide proof satisfactory to the Office that 70 percent or more of the~~
26 ~~funding for the qualified production has been obtained;~~

27 ~~(d) Provide proof satisfactory to the Office that at least 60 percent of the direct~~
28 ~~production expenditures for:~~

29 ~~(1) Proproduction;~~

30 ~~(2) Production; and~~

31 ~~(3) If any direct production expenditures for postproduction will be~~
32 ~~incurred in this State, postproduction;~~

33 ~~of the qualified production will be incurred in this State as qualified direct~~
34 ~~production expenditures;~~

35 ~~(e) Not later than 270 days after the completion of principal photography of the~~
36 ~~qualified production or, if any direct production expenditures for postproduction~~
37 ~~will be incurred in this State, not later than 270 days after the completion of~~
38 ~~postproduction, unless the Office agrees to extend this period by not more than 90~~
39 ~~days, provide the Office with an audit of the qualified production that includes an~~
40 ~~itemized report of qualified direct production expenditures which:~~

41 ~~(1) Shows that the qualified production incurred qualified direct production~~
42 ~~expenditures of \$500,000 or more; and~~

43 ~~(2) Is certified by an independent certified public accountant in this State~~
44 ~~who is approved by the Office;~~

45 ~~(f) Pay the cost of the audit required by paragraph (e);~~

46 ~~(g) Enter into an agreement with the Office establishing a community~~
47 ~~benefits plan, which must:~~

48 ~~(1) Include a brief description of the environmental, economic and social~~
49 ~~effects that the applicant anticipates the qualified production will have on the~~
50 ~~local community;~~

51 ~~(2) State that the production company will proactively undertake actions,~~
52 ~~beyond those incidental to the regular activities of the production of the qualified~~

~~production, to increase the vitality of the local community and improve the social and economic well-being of the members of that community;~~

~~(3) Detail the specific actions described in subparagraph (2) that the production company agrees to undertake during the period of the agreement entered into pursuant to this paragraph, which may include, without limitation, partnering with community-based charitable or educational organizations, sponsoring educational or vocational activities, participating in philanthropic endeavors meant to specifically aid the local community and the members of that community and establishing other programs to improve the well-being of the local community and the members of that community; and~~

~~(4) Include such other provisions as the Office may require;~~

~~(h) Enter into a written agreement with the Office that requires the production company to include:~~

~~(1) In the end screen credits of the qualified production, a logo of this State provided by the Office which indicates that the qualified production was filmed or otherwise produced in Nevada; or~~

~~(2) If the qualified production does not have end screen credits, another acknowledgment in the final version of the qualified production which indicates that the qualified production was filmed or otherwise produced in Nevada; and~~

~~[(h)] (i) Meet any other requirements prescribed by regulation pursuant to this section;~~

~~4. An application submitted pursuant to subsection 3 must contain:~~

~~(a) A script, storyboard or synopsis of the qualified production;~~

~~(b) The names of the production company, producer, director and proposed cast;~~

~~(c) An estimated timeline to complete the qualified production;~~

~~(d) A summary of the budgeted expenditures for the entire production, including projected expenditures to be incurred outside of Nevada;~~

~~(e) Details regarding the financing of the project, including, without limitation, any information relating to a binding financing commitment, loan application, commitment letter or investment letter;~~

~~(f) An insurance certificate, binder or quote for general liability insurance of \$1,000,000 or more;~~

~~(g) The business address of the production company;~~

~~(h) Proof that the qualified production meets any applicable requirements relating to workers' compensation insurance;~~

~~(i) Proof that the production company has secured all licenses and registrations required to do business in each location in this State at which the qualified production will be produced; and~~

~~(j) Any other information required by regulations adopted by the Office pursuant to subsection 8.~~

~~5. If the Office approves an application for a certificate of eligibility for transferable tax credits pursuant to this section, the Office shall immediately forward a copy of the certificate of eligibility which identifies the estimated amount of the tax credits available pursuant to NRS 360.7592 to:~~

~~(a) The applicant;~~

~~(b) The Department; and~~

~~(c) The Nevada Gaming Control Board.~~

~~6. Within 60 business days after receipt of an audit provided by a production company pursuant to paragraph (c) of subsection 3 and any other accountings or other information required by the Office, the Office shall determine whether to certify the audit and make a final determination of whether a certificate of transferable tax credits will be issued. If the Office certifies the audit, determines~~

~~that all other requirements for the transferable tax credits have been met and determines that a certificate of transferable tax credits will be issued, the Office shall notify the production company that the transferable tax credits will be issued. Within 30 days after the receipt of the notice, the production company shall make an irrevocable declaration of the amount of transferable tax credits that will be applied to each fee or tax set forth in subsection 1, thereby accounting for all of the credits which will be issued. Upon receipt of the declaration, the Office shall issue to the production company a certificate of transferable tax credits in the amount approved by the Office for the fees or taxes included in the declaration of the production company. The production company shall notify the Office upon transferring any of the transferable tax credits. The Office shall notify the Department and the Nevada Gaming Control Board of all transferable tax credits issued, segregated by each fee or tax set forth in subsection 1, and the amount of any transferable tax credits transferred.~~

~~7. An applicant for transferable tax credits pursuant to this section shall, upon the request of the Executive Director of the Office, furnish the Executive Director with copies of all records necessary to verify that the applicant meets the requirements of subsection 3 [.] , including, without limitation, that the applicant is complying with the terms of the community benefits plan.~~

~~8. The Office:~~

~~(a) Shall adopt regulations prescribing:~~

~~(1) Any additional requirements to receive transferable tax credits;~~

~~(2) Any additional qualified expenditures or production costs that may serve as the basis for transferable tax credits pursuant to NRS 360.7591;~~

~~(3) Any additional information that must be included with an application pursuant to subsection 4;~~

~~(4) The application review process;~~

~~(5) Any type of qualified production which, due to obscene or sexually explicit material, is not eligible for transferable tax credits; and~~

~~(6) The requirements for notice pursuant to NRS 360.7595; and~~

~~(b) May adopt any other regulations that are necessary to carry out the provisions of NRS 360.758 to 360.7598, inclusive.~~

~~9. The Nevada Tax Commission and the Nevada Gaming Commission:~~

~~(a) Shall adopt regulations prescribing the manner in which transferable tax credits will be administered.~~

~~(b) May adopt any other regulations that are necessary to carry out the provisions of NRS 360.758 to 360.7598, inclusive.] (Deleted by amendment.)~~

Sec. 5. ~~[NRS 360.7597 is hereby amended to read as follows:~~

~~360.7597 1. The Office of Economic Development may investigate a production company that has been issued transferable tax credits pursuant to NRS 360.759 to determine whether the production company is in substantial compliance with the terms of the community benefits plan described in paragraph (g) of subsection 3 of NRS 360.759. If the Executive Director of the Office of Economic Development determines, based on an investigation conducted pursuant to this section, that a production company has failed to substantially comply with the terms of such an agreement, the production company shall repay to the Department or the Nevada Gaming Control Board, as applicable, an amount of money equal to the transferable tax credits issued to the production company.~~

~~2. A production company that is found to have submitted any false statement, representation or certification in any document submitted for the purpose of obtaining transferable tax credits or who otherwise becomes ineligible for transferable tax credits after receiving the transferable tax credits pursuant to NRS~~

~~360.759 shall repay to the Department or the Nevada Gaming Control Board, as applicable, any portion of the transferable tax credits to which the production company is not entitled.~~

~~[2.] 3. Transferable tax credits purchased in good faith are not subject to forfeiture or repayment by the transferee unless the transferee submitted fraudulent information in connection with the purchase. (Deleted by amendment.)~~

Sec. 6. NRS 360.889 is hereby amended to read as follows:

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

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

- (1) Any tax imposed by chapters 363A and 363B of NRS;
- (2) The gaming license fees imposed by the provisions of NRS 463.370;
- (3) Any tax imposed by chapter 680B of NRS; or
- (4) Any combination of the fees and taxes described in subparagraphs (1),

(2) and (3).

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

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

(a) Submit an application that meets the requirements of subsection 5;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18 (n) ~~Enter into an agreement with the Office establishing a community~~
19 ~~benefits plan, which must:~~

20 ~~(1) Include a brief description of the environmental, economic and social~~
21 ~~effects that the applicant anticipates the project will have on the local community~~
22 ~~that immediately surrounds the location of the project;~~

23 ~~(2) State that the participants in the project will proactively undertake~~
24 ~~actions, beyond those incidental to the regular activities of the participants, to~~
25 ~~increase the vitality of the local community and improve the social and economic~~
26 ~~well being of the members of that community;~~

27 ~~(3) Detail the specific actions described in subparagraph (2) that the~~
28 ~~participants in the project agree to undertake during the period of the agreement~~
29 ~~entered into pursuant to this paragraph, which may include, without limitation,~~
30 ~~partnering with community based charitable or educational organizations,~~
31 ~~sponsoring educational or vocational activities, participating in philanthropic~~
32 ~~endeavors meant to specifically aid the local community and the members of that~~
33 ~~community and establishing other programs to improve the well being of the~~
34 ~~local community and the members of that community; and~~

35 ~~(4) Include such other provisions as the Office may require;~~

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

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

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

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

46 3. In addition to meeting the requirements set forth in subsection 2, for a
47 project located on more than one site in this State to be eligible for the partial
48 abatement of the taxes described in paragraph (b) of subsection 1, the lead
49 participant must, on behalf of the project, submit an application that meets the
50 requirements of subsection 5 on or before June 30, 2019, and provide
51 documentation satisfactory to the Office that:

52 (a) The initial project will have a total of 500 or more full-time employees
53 employed at the site of the initial project and the average hourly wage that will be

1 paid to employees of the initial project in this State is at least 120 percent of the
2 average statewide hourly wage as established by the Employment Security Division
3 of the Department of Employment, Training and Rehabilitation on July 1 of each
4 fiscal year;

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

7 (c) Each participant offers primary jobs and:

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

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

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

20 4. In addition to meeting the requirements set forth in subsection 2, a project
21 is eligible for the transferable tax credits described in paragraph (a) of subsection 1
22 only if the Interim Finance Committee approves a written request for the issuance
23 of the transferable tax credits. Such a request may only be submitted by the Office
24 and only after the Office has approved the application submitted for the project
25 pursuant to subsection 2. The Interim Finance Committee may approve a request
26 submitted pursuant to this subsection only if the Interim Finance Committee
27 determines that approval of the request:

28 (a) Will not impede the ability of the Legislature to carry out its duty to
29 provide for an annual tax sufficient to defray the estimated expenses of the State for
30 each fiscal year as set forth in Article 9, Section 2 of the Nevada Constitution; and

31 (b) Will promote the economic development of this State and aid the
32 implementation of the State Plan for Economic Development developed by the
33 Executive Director of the Office pursuant to subsection 2 of NRS 231.053.

34 5. An application submitted pursuant to subsection 2 must include:

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

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

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

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

45 (e) If the application includes one or more partial abatements, an agreement
46 executed by the Office with the lead participant in the project not later than 1 year
47 after the date on which the application was received by the Office which:

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

49 (2) States the date on which the partial abatement becomes effective, as
50 agreed to by the applicant and the Office, which must not be earlier than the date on
51 which the Office received the application and not later than 1 year after the date on
52 which the Office approves the application;

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

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

6 (f) *A certification by the lead participant in the project that, if the application*
7 *is approved, the participants in the project will:*

8 *(1) Collaborate with the community in which the project is located; and*
9 *(2) Submit a community benefits agreement to the Office not later than 2*
10 *years after the date on which the Office approves the application; and*

11 *(g) Any other information required by the Office.*

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

15 (a) A copy of the:

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

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

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

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

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

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

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

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

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

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

49 10. The Executive Director of the Office shall consider any comments posted
50 on the Internet website concerning any request for a waiver of the requirements set
51 forth in paragraph (k) of subsection 2 before making a decision regarding whether
52 to approve the request. If the Executive Director of the Office approves the request
53 for a waiver, the Executive Director of the Office must post the approval on the

Internet website of the Office within 3 days and ensure that the Internet website allows members of the public to post comments regarding the approval.

11. If an applicant for one or more partial abatements pursuant to this section fails to execute the agreement described in paragraph (e) of subsection 5 within 1 year after the date on which the application was received by the Office, the applicant shall not be approved for a partial abatement pursuant to this section unless the applicant submits a new application.

Sec. 7. ~~NRS 360.894 is hereby amended to read as follows:~~

~~360.894 1. The lead participant in a qualified project shall, upon the request of the Office of Economic Development, furnish the Office with copies of all records necessary to verify that the qualified project meets the eligibility requirements for any transferable tax credits issued pursuant to NRS 360.891 and the partial abatement of any taxes pursuant to NRS 360.893 [], including, without limitation, that the participants in the project are complying with the terms of the community benefits plan described in paragraph (n) of subsection 2 of NRS 360.889.~~

~~2. The Office may investigate a qualified project to determine whether the participants of the project are in substantial compliance with the terms of the community benefits plan described in paragraph (n) of subsection 2 of NRS 360.889.~~

~~3. The lead participant shall repay to the Department or the Nevada Gaming Control Board, as applicable, any portion of the transferable tax credits to which the lead participant is not entitled if:~~

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

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

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

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

~~[3.] 4. Transferable tax credits purchased in good faith are not subject to forfeiture unless the transferee submitted fraudulent information in connection with the purchase.~~

~~[4.] 5. Notwithstanding any provision of this chapter or chapter 361 of NRS, if the lead participant in a qualified project for which a partial abatement has been approved pursuant to NRS 360.893 and is in effect:~~

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

~~(b) Ceases operation before the time specified in the agreement described in paragraph (e) of subsection 5 of NRS 360.889,~~

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

1 established pursuant to NRS 99.040 for each month, or portion thereof, from the
 2 last day of the month following the period for which the payment would have been
 3 made had the partial abatement not been approved until the date of payment of the
 4 tax.

5 ~~— [5.] 6. If the Executive Director of the Office determines, based on an
 6 investigation conducted pursuant to subsection 2 that the participants in a project
 7 have failed to substantially comply with the terms of the community benefits plan,
 8 the lead participant in the project shall repay to the Department, the Nevada
 9 Gaming Control Board or the appropriate county treasurer, as applicable, an
 10 amount of money equal to the amount of transferable tax credits issued to the
 11 lead participant and the amount of the partial abatement that was allowed to the
 12 lead participant pursuant to NRS 360.893. Except as otherwise provided in NRS
 13 360.222 and 360.320, the lead participant shall, in addition to the amount of the
 14 partial abatement required to be repaid by the lead participant pursuant to this
 15 subsection, pay interest on the amount due from the lead participant at the rate
 16 most recently established pursuant to NRS 99.040 for each month, or portion
 17 thereof, from the last day of the month following the period for which the
 18 payment would have been made had the partial abatement not been approved
 19 until the date of payment of the tax.~~

20 ~~— 7. The Secretary of State may, upon application by the Executive Director of
 21 the Office, revoke or suspend the state business license of the lead participant in a
 22 qualified project which is required to repay any portion of transferable tax credits
 23 pursuant to subsection [2] 3 or the amount of any partial abatement pursuant to
 24 subsection [4] 5 or 6 and which the Office determines is not in compliance with the
 25 provisions of this section governing repayment. If the state business license of the
 26 lead participant in a qualified project is suspended or revoked pursuant to this
 27 subsection, the Secretary of State shall provide written notice of the action to the
 28 lead participant. The Secretary of State shall not reinstate a state business license
 29 suspended pursuant to this subsection or issue a new state business license to the
 30 lead participant whose state business license has been revoked pursuant to this
 31 subsection unless the Executive Director of the Office provides proof satisfactory to
 32 the Secretary of State that the lead participant is in compliance with the
 33 requirements of this section governing repayment.] (Deleted by amendment.)~~

34 **Sec. 8.** NRS 360.945 is hereby amended to read as follows:

35 360.945 1. On behalf of a project, the lead participant in the project may
 36 apply to the Office of Economic Development for:

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

- 39 (1) Any tax imposed by chapters 363A and 363B of NRS;
- 40 (2) The gaming license fees imposed by the provisions of NRS 463.370;
- 41 (3) Any tax imposed by chapter 680B of NRS; or
- 42 (4) Any combination of the fees and taxes described in subparagraphs (1),
 43 (2) and (3).

44 (b) An abatement of property taxes, employer excise taxes or local sales and
 45 use taxes, or any combination of any of those taxes.

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

- 49 (a) Submit an application that meets the requirements of subsection 3;
- 50 (b) Provide documentation satisfactory to the Office that approval of the
 51 application would promote the economic development of this State and aid the
 52 implementation of the State Plan for Economic Development developed by the
 53 Executive Director of the Office pursuant to subsection 2 of NRS 231.053;

1 (c) Provide documentation satisfactory to the Office that the participants in the
2 project collectively will make a total new capital investment of at least \$3.5 billion
3 in this State within the 10-year period immediately following approval of the
4 application;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

44 (n) ~~Enter into an agreement with the Office establishing a community
45 benefits plan, which must:~~

46 ~~(1) Include a brief description of the environmental, economic and social
47 effects that the applicant anticipates the project will have on the local community
48 that immediately surrounds the location of the project;~~

49 ~~(2) State that the participants in the project will proactively undertake
50 actions, beyond those incidental to the regular activities of the participants, to
51 increase the vitality of the local community and improve the social and economic
52 well-being of the members of that community;~~

~~(3) Detail the specific actions described in subparagraph (2) that the participants in the project agree to undertake during the period of the agreement entered into pursuant to this paragraph, which may include, without limitation, partnering with community-based charitable or educational organizations, sponsoring educational or vocational activities, participating in philanthropic endeavors meant to specifically aid the local community and the members of that community and establishing other programs to improve the well-being of the local community and the members of that community; and~~

~~(4) Include such other provisions as the Office may require;~~

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

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

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

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

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

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

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

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

(d) A detailed description of the plan by which the participants in the project intend to comply with the requirement that the participants collectively make a total new capital investment of at least \$3.5 billion in this State in the 10-year period immediately following approval of the application;

(e) If the application includes one or more abatements, an agreement executed by the Office with the lead participant in the project not later than 1 year after the date on which the application was received by the Office which:

(1) Complies with the requirements of NRS 360.755;

(2) States that the project will, after the date on which a certificate of eligibility for the abatement is approved pursuant to NRS 360.965, continue in operation in this State for a period specified by the Office; and

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

(f) A certification by the lead participant in the project that, if the application is approved, the participants in the project will:

(1) Collaborate with the community in which the project is located; and

(2) Submit a community benefits agreement to the Office not later than 2 years after the date on which the Office approves the application; and

(g) Any other information required by the Office.

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

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

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

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

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

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

14 6. The Executive Director of the Office shall make available to the public and
15 post on the Internet website for the Office:

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

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

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

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

33 9. If an applicant for one or more abatements pursuant to this section fails to
34 execute the agreement described in paragraph (e) of subsection 3 within 1 year after
35 the date on which the application was received by the Office, the applicant shall not
36 be approved for an abatement pursuant to this section unless the applicant submits a
37 new application.

38 **Sec. 9. [NRS 360.970 is hereby amended to read as follows:**

39 ~~— 360.970 1. The lead participant in a qualified project shall, upon the request~~
40 ~~of the Office of Economic Development, furnish the Office with copies of all~~
41 ~~records necessary to verify that the qualified project meets the eligibility~~
42 ~~requirements for any transferable tax credits issued pursuant to NRS 360.955 and~~
43 ~~the abatement of any taxes pursuant to NRS 360.965 [], including, without~~
44 ~~limitation, that the participants in the project are complying with the terms of the~~
45 ~~community benefits plan.~~

46 ~~— 2. The Office may investigate a qualified project to determine whether the~~
47 ~~participants of the project are in substantial compliance with the terms of the~~
48 ~~community benefits plan described in paragraph (n) of subsection 2 of NRS~~
49 ~~360.889.~~

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

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

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

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

11 ~~— (d) The lead participant otherwise becomes ineligible for transferable tax~~
12 ~~credits after receiving the transferable tax credits pursuant to NRS 360.900 to~~
13 ~~360.975, inclusive;~~

14 ~~— [3.] 4. Transferable tax credits purchased in good faith are not subject to~~
15 ~~forfeiture unless the transferee submitted fraudulent information in connection with~~
16 ~~the purchase.~~

17 ~~— [4.] 5. Notwithstanding any provision of this chapter or chapter 361 of NRS,~~
18 ~~if the lead participant in a qualified project for which an abatement has been~~
19 ~~approved pursuant to NRS 360.965 and is in effect:~~

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

21 ~~— (b) Ceases operation before the time specified in the agreement described in~~
22 ~~paragraph (c) of subsection 3 of NRS 360.945,~~

23 ~~— the lead participant shall repay to the Department or, if the abatement is from the~~
24 ~~property tax imposed by chapter 361 of NRS, to the appropriate county treasurer,~~
25 ~~the amount of the abatement that was allowed to the lead participant pursuant to~~
26 ~~NRS 360.965 before the failure of the lead participant to meet the requirements for~~
27 ~~eligibility. Except as otherwise provided in NRS 360.232 and 360.320, the lead~~
28 ~~participant shall, in addition to the amount of the abatement required to be repaid~~
29 ~~by the lead participant pursuant to this subsection, pay interest on the amount due~~
30 ~~from the lead participant at the rate most recently established pursuant to NRS~~
31 ~~99.040 for each month, or portion thereof, from the last day of the month following~~
32 ~~the period for which the payment would have been made had the abatement not~~
33 ~~been approved until the date of payment of the tax.~~

34 ~~— [5.] 6. If the Executive Director of the Office determines, based on an~~
35 ~~investigation conducted pursuant to subsection 2 that the participants in a project~~
36 ~~have failed to substantially comply with the terms of the community benefits plan,~~
37 ~~the lead participant in the project shall repay to the Department, the Nevada~~
38 ~~Gaming Control Board or the appropriate county treasurer, as applicable, an~~
39 ~~amount of money equal to the amount of transferable tax credits issued to the~~
40 ~~lead participant and the amount of the abatement that was allowed to the lead~~
41 ~~participant pursuant to NRS 360.965. Except as otherwise provided in NRS~~
42 ~~360.232 and 360.320, the lead participant shall, in addition to the amount of the~~
43 ~~abatement required to be repaid by the lead participant pursuant to this~~
44 ~~subsection, pay interest on the amount due from the lead participant at the rate~~
45 ~~most recently established pursuant to NRS 99.040 for each month, or portion~~
46 ~~thereof, from the last day of the month following the period for which the~~
47 ~~payment would have been made had the abatement not been approved until the~~
48 ~~date of payment of the tax.~~

49 ~~— 7. The Secretary of State may, upon application by the Executive Director of~~
50 ~~the Office, revoke or suspend the state business license of the lead participant in a~~
51 ~~qualified project which is required to repay any portion of transferable tax credits~~
52 ~~pursuant to subsection [2] 3 or the amount of any abatement pursuant to subsection~~
53 ~~[4] 5 or 6 and which the Office determines is not in compliance with the provisions~~

1 of this section governing repayment. If the state business license of the lead
2 participant in a qualified project is suspended or revoked pursuant to this
3 subsection, the Secretary of State shall provide written notice of the action to the
4 lead participant. The Secretary of State shall not reinstate a state business license
5 suspended pursuant to this subsection or issue a new state business license to the
6 lead participant whose state business license has been revoked pursuant to this
7 subsection unless the Executive Director of the Office provides proof satisfactory to
8 the Secretary of State that the lead participant is in compliance with the
9 requirements of this section governing repayment. **(Deleted by amendment.)**

10 **Sec. 10.** ~~[NRS 372.7261 is hereby amended to read as follows:~~

11 ~~— 372.7261 1. In administering the provisions of this chapter:~~

12 ~~— (a) The Department shall calculate the amount of tax imposed on tangible~~
13 ~~personal property purchased for use in owning, operating, manufacturing, servicing,~~
14 ~~maintaining, testing, repairing, overhauling or assembling an aircraft or any~~
15 ~~component of an aircraft as follows:~~

16 ~~— (1) If the tangible personal property is purchased by a business for use in~~
17 ~~the performance of a contract, the business is deemed the consumer of the tangible~~
18 ~~personal property and the sales tax must be paid by the business on the sales price~~
19 ~~of the tangible personal property to the business.~~

20 ~~— (2) If the tangible personal property is purchased by a business for use in~~
21 ~~the performance of a contract and the sales tax is not paid because the vendor did~~
22 ~~not have a valid seller's permit, or because the resale certificate was properly~~
23 ~~presented, or for any other reason, the use tax must be imposed based on the sales~~
24 ~~price of the tangible personal property to the business.~~

25 ~~— (b) Any tangible personal property purchased by a business for use in the~~
26 ~~performance of a contract is deemed to have been purchased for use in owning,~~
27 ~~operating, manufacturing, servicing, maintaining, testing, repairing, overhauling or~~
28 ~~assembling an aircraft or any component of an aircraft.~~

29 ~~— 2. As used in this section:~~

30 ~~— (a) "Aircraft" has the meaning ascribed to it in paragraph (a) of subsection [12]~~
31 ~~**13** of NRS 360.753.~~

32 ~~— (b) "Component of an aircraft" has the meaning ascribed to it in paragraph (b)~~
33 ~~of subsection [12] **13** of NRS 360.753.~~

34 ~~— (c) "Contract" means any contract for the ownership, operation, manufacture,~~
35 ~~service, maintenance, testing, repair, overhaul or assembly of an aircraft or any~~
36 ~~component of an aircraft entered into by a business. **(Deleted by amendment.)**~~

37 **Sec. 11.** ~~[NRS 374.7261 is hereby amended to read as follows:~~

38 ~~— 374.7261 1. In administering the provisions of this chapter:~~

39 ~~— (a) The Department shall calculate the amount of tax imposed on tangible~~
40 ~~personal property purchased for use in owning, operating, manufacturing, servicing,~~
41 ~~maintaining, testing, repairing, overhauling or assembling an aircraft or any~~
42 ~~component of an aircraft as follows:~~

43 ~~— (1) If the tangible personal property is purchased by a business for use in~~
44 ~~the performance of a contract, the business is deemed the consumer of the tangible~~
45 ~~personal property and the sales tax must be paid by the business on the sales price~~
46 ~~of the tangible personal property to the business.~~

47 ~~— (2) If the tangible personal property is purchased by a business for use in~~
48 ~~the performance of a contract and the sales tax is not paid because the vendor did~~
49 ~~not have a valid seller's permit, or because the resale certificate was properly~~
50 ~~presented, or for any other reason, the use tax must be imposed based on the sales~~
51 ~~price of the tangible personal property to the business.~~

52 ~~— (b) Any tangible personal property purchased by a business for use in the~~
53 ~~performance of a contract is deemed to have been purchased for use in owning,~~

~~operating, manufacturing, servicing, maintaining, testing, repairing, overhauling or assembling an aircraft or any component of an aircraft.~~

~~2. As used in this section:~~

~~(a) "Aircraft" has the meaning ascribed to it in paragraph (a) of subsection [12] 13 of NRS 260.752.~~

~~(b) "Component of an aircraft" has the meaning ascribed to it in paragraph (b) of subsection [12] 13 of NRS 260.752.~~

~~(c) "Contract" means any contract for the ownership, operation, manufacture, service, maintenance, testing, repair, overhaul or assembly of an aircraft or any component of an aircraft entered into by a business. (Deleted by amendment.)~~

Sec. 12. NRS 231.1555 is hereby amended to read as follows:

231.1555 1. A person who intends to locate or expand a business in this State may apply to the Office for a certificate of eligibility for transferable tax credits which may be applied to:

- (a) Any tax imposed by chapter 363A or 363B of NRS;
- (b) The gaming license fee imposed by the provisions of NRS 463.370;
- (c) Any tax imposed by chapter 680B of NRS; or
- (d) Any combination of the fees and taxes described in paragraphs (a), (b) and (c).

2. After considering any advice and recommendations of the Board, the Executive Director shall establish:

(a) Procedures for applying to the Office for a certificate of eligibility for transferable tax credits which must:

(1) Include, without limitation, a requirement that the applicant set forth in the application:

- (I) The proposed use of the transferable tax credits;
- (II) The plans, projects and programs for which the transferable tax credits will be used;
- (III) The expected benefits of the issuance of the transferable tax credits; ~~and~~
- (IV) A statement of the short-term and long-term impacts of the issuance of the transferable tax credits; and

(V) A certification that the business will, if the application is approved, collaborate with the community in which the business is located and submit a community benefits agreement to the Office not later than 2 years after the date on which the Office approves the application; and

(2) Allow the applicant to revise the application upon the recommendation of the Executive Director.

(b) The criteria which a person to whom a certificate of eligibility for transferable tax credits has been issued must satisfy to be issued a certificate of transferable tax credits. ~~[In addition to any other criteria established by the Executive Director, to be eligible to be issued transferable tax credits pursuant to this section, the applicant must enter into an agreement with the Office establishing a community benefits plan, which must:~~

~~(1) Include a brief description of the environmental, economic and social effects that the applicant anticipates the location or expansion of the business will have on the local community that immediately surrounds the location of the business;~~

~~(2) State that the business will proactively undertake actions, beyond those incidental to the regular activities of the business, to increase the vitality of the local community and improve the social and economic well-being of the members of that community;~~

~~(3) Detail the specific actions described in subparagraph (2) that the business agrees to undertake during the period of the agreement entered into pursuant to this paragraph, which may include, without limitation, partnering with community-based charitable or educational organizations, sponsoring educational or vocational activities, participating in philanthropic endeavors meant to specifically aid the local community and the members of that community and establishing other programs to improve the well-being of the local community and the members of that community; and~~

~~(4) Include such other provisions as the Office may require; and~~

3. After receipt of an application pursuant to this section, the Executive Director shall review and evaluate the application and determine whether the approval of the application would promote the economic development of this State and aid the implementation of the State Plan for Economic Development developed by the Executive Director pursuant to subsection 2 of NRS 231.053.

4. If the applicant is requesting transferable tax credits in an amount of \$100,000 or less, the Executive Director may approve the application, subject to the provisions of subsection 6, if the Executive Director determines that approving the application will promote the economic development of this State and aid the implementation of the State Plan for Economic Development.

5. If the applicant is requesting transferable tax credits in an amount greater than \$100,000, the Executive Director shall submit the application and the Executive Director's review and evaluation of the application pursuant to subsection 3 to the Board, and the Board may approve the application, subject to the provisions of subsection 6, if the Board determines that approving the application will promote the economic development of this State and aid the implementation of the State Plan for Economic Development.

6. The Executive Director or the Board shall not approve any application for transferable tax credits for:

(a) A period of more than 5 fiscal years;

(b) Fiscal Year 2015-2016; or

(c) Any fiscal year if the approval of the application would cause the total amount of transferable tax credits issued pursuant to this section to exceed:

(1) For Fiscal Year 2016-2017, \$1,000,000.

(2) For Fiscal Year 2017-2018, \$2,000,000.

(3) For Fiscal Year 2018-2019, \$2,000,000.

(4) For Fiscal Year 2019-2020, \$3,000,000.

(5) For a fiscal year beginning on or after July 1, 2020, \$5,000,000.

7. If the Executive Director or the Board approves an application and issues a certificate of eligibility for transferable tax credits, the Office shall immediately forward a copy of the certificate of eligibility which identifies the estimated amount of the tax credits available pursuant to this section to:

(a) The applicant;

(b) The Department of Taxation; and

(c) The Nevada Gaming Control Board.

8. Within 14 days after the Office determines that a person to whom a certificate of eligibility for transferable tax credits has been issued satisfies the criteria established by the Executive Director pursuant to subsection 2, the Office shall notify the person that transferable tax credits will be issued. Within 30 days after the receipt of the notice, the person shall make an irrevocable declaration of the amount of transferable tax credits that will be applied to each fee or tax set forth in paragraphs (a), (b) and (c) of subsection 1, thereby accounting for all of the credits which will be issued. Upon receipt of the declaration, the Office shall issue to the person a certificate of transferable tax credits in the amount approved by the

1 Executive Director or the Board, as applicable, for the fees or taxes included in the
 2 declaration. The Office shall notify the Department of Taxation and the Nevada
 3 Gaming Control Board of all transferable tax credits issued, segregated by each fee
 4 or tax set forth in paragraphs (a), (b) and (c) of subsection 1, and the amount of any
 5 transferable tax credits transferred.

6 ~~19. The Office may investigate a business that is issued transferable tax~~
 7 ~~credits pursuant to this section to determine whether the business is in substantial~~
 8 ~~compliance with the terms of the community benefits plan described in paragraph~~
 9 ~~(b) of subsection 2. If the Executive Director determines, based on an~~
 10 ~~investigation conducted pursuant to this section, that a business has failed to~~
 11 ~~substantially comply with the terms of such an agreement, the business shall~~
 12 ~~repay to the Department or the Nevada Gaming Control Board, as applicable, an~~
 13 ~~amount of money equal to amount of transferable tax credits issued to the~~
 14 ~~business pursuant to this section.]~~

15 **Sec. 13.** NRS 274.310 is hereby amended to read as follows:

16 274.310 1. A person who intends to locate a business in this State within:

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

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

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

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

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

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

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

45 (a) The business is consistent with:

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

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

50 (b) Not later than 1 year after the date on which the application was received
 51 by the Office, the applicant has executed an agreement with the Office which ~~is~~

52 states:

1 (1) ~~The [States the]~~ date on which the abatement becomes effective, as
2 agreed to by the applicant and the Office, which must not be earlier than the date on
3 which the Office received the application and not later than 1 year after the date on
4 which the Office approves the application; and

5 (2) ~~That [States that]~~ the business will, after the date on which the
6 abatement becomes effective:

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

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

15 ~~(3) Incorporates a community benefits plan, which must:~~

16 ~~(I) Include a brief description of the environmental, economic and~~
17 ~~social effects that the applicant anticipates the location of the business will have~~
18 ~~on the local community that immediately surrounds the location of the business;~~

19 ~~(II) State that the business will proactively undertake actions, beyond~~
20 ~~those incidental to the regular activities of the business, to increase the vitality of~~
21 ~~the local community and improve the social and economic well-being of the~~
22 ~~members of that community;~~

23 ~~(III) Detail the specific actions described in sub-subparagraph (II)~~
24 ~~that the business agrees to undertake during the duration of the agreement~~
25 ~~entered into pursuant to this paragraph, which may include, without limitation,~~
26 ~~partnering with community-based charitable or educational organizations,~~
27 ~~sponsoring educational or vocational activities, participating in philanthropic~~
28 ~~endeavors meant to specifically aid the local community and the members of that~~
29 ~~community and establishing other programs to improve the well-being of the~~
30 ~~local community and the members of the community; and~~

31 ~~(IV) Include such other provisions as the Office may require.]~~

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

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

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

44 (e) The applicant has certified in the application that the business will, if the
45 application is approved:

46 (1) Collaborate with the community in which the business is located; and

47 (2) Submit a community benefits agreement to the Office not later than 2
48 years after the date on which the Office approves the application.

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

52 (a) The Department of Taxation;

53 (b) The Nevada Tax Commission; and

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

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

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

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

11 6. If an applicant for a partial abatement pursuant to this section fails to
12 execute the agreement described in paragraph (b) of subsection 3 within 1 year after
13 the date on which the application was received by the Office, the applicant shall not
14 be approved for a partial abatement pursuant to this section unless the applicant
15 submits a new request pursuant to subsection 1.

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

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

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

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

33 8. ~~[The Office of Economic Development may investigate a business whose~~
34 ~~partial abatement is approved pursuant to this section to determine whether the~~
35 ~~business is in substantial compliance with the terms of the community benefits~~
36 ~~plan described in subparagraph (3) of paragraph (b) of subsection 3. If the~~
37 ~~Executive Director of the Office determines, based on an investigation conducted~~
38 ~~pursuant to this subsection, that a business has failed to substantially comply~~
39 ~~with the terms of such an agreement, the business shall repay to the Department~~
40 ~~of Taxation or, if the partial abatement was from the property tax imposed~~
41 ~~pursuant to chapter 361 of NRS, to the county treasurer, the amount of the~~
42 ~~partial abatement that was allowed pursuant to this section. Except as otherwise~~
43 ~~provided in NRS 360.232 and 360.320, the business shall, in addition to the~~
44 ~~amount of the partial abatement required to be paid pursuant to this subsection,~~
45 ~~pay interest on the amount due at the rate most recently established pursuant to~~
46 ~~NRS 99.040 for each month, or portion thereof, from the last day of the month~~
47 ~~following the period for which the payment would have been made had the~~
48 ~~partial abatement not been approved until the date of payment of the tax.~~

49 ~~9.]~~ The Office of Economic Development may adopt such regulations as the
50 Office determines to be necessary or advisable to carry out the provisions of this
51 section.

1 ~~9. ~~140~~~~ An applicant for an abatement who is aggrieved by a final decision of
 2 the Office of Economic Development may petition for judicial review in the
 3 manner provided in chapter 233B of NRS.

4 **Sec. 14.** NRS 274.320 is hereby amended to read as follows:

5 274.320 1. A person who intends to expand a business in this State within:

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

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

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

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

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

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

33 (a) The business is consistent with:

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

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

38 (b) Not later than 1 year after the date on which the application was received
 39 by the Office, the applicant has executed an agreement with the Office which ~~is~~
 40 states:

41 (1) The ~~[States the]~~ date on which the abatement becomes effective, as
 42 agreed to by the applicant and the Office, which must not be earlier than the date on
 43 which the Office received the application and not later than 1 year after the date on
 44 which the Office approves the application; and

45 (2) That ~~[States that]~~ the business will, after the date on which the
 46 abatement becomes effective:

47 (I) Continue in operation in the historically underutilized business
 48 zone, as defined in 15 U.S.C. § 632, redevelopment area created pursuant to chapter
 49 279 of NRS, area eligible for a community development block grant pursuant to 24
 50 C.F.R. Part 570 or enterprise community established pursuant to 24 C.F.R. Part 597
 51 for a period specified by the Office, which must be at least 5 years; and

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

~~(3) Incorporates a community benefits plan, which must:~~
~~(I) Include a brief description of the environmental, economic and social effects that the applicant anticipates the expansion of the business will have on the local community that immediately surrounds the location of the business;~~
~~(II) State that the business will proactively undertake actions, beyond those incidental to the regular activities of the business, to increase the vitality of the local community and improve the social and economic well being of the members of that community;~~
~~(III) Detail the specific actions described in sub-subparagraph (II) that the business agrees to undertake during the duration of the agreement entered into pursuant to this paragraph, which may include, without limitation, partnering with community-based charitable or educational organizations, sponsoring educational or vocational activities, participating in philanthropic endeavors meant to specifically aid the local community and the members of that community and establishing other programs to improve the well being of the local community and the members of the community; and~~
~~(IV) Include such other provisions as the Office may require.]~~

➤ 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.

(e) The applicant has certified in the application that the business will, if the application is approved:

- (1) Collaborate with the community in which the business is located; and
- (2) Submit a community benefits agreement to the Office not later than 2 years after the date on which the Office approves the application.

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 an applicant for a partial abatement pursuant to this section fails to execute the agreement described in paragraph (b) of subsection 3 within 1 year after the date on which the application was received by the Office, the applicant shall not be approved for a partial abatement pursuant to this section unless the applicant submits a new request pursuant to subsection 1.

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

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

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

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

16 8. ~~The Office of Economic Development may investigate a business whose
17 partial abatement is approved pursuant to this section to determine whether the
18 business is in substantial compliance with the terms of the community benefits
19 plan described in subparagraph (3) of paragraph (b) of subsection 3. If the
20 Executive Director of the Office determines, based on an investigation conducted
21 pursuant to this subsection, that a business has failed to substantially comply
22 with the terms of such an agreement, the business shall repay to the Department
23 of Taxation the amount of the partial abatement that was allowed pursuant to
24 this section. Except as otherwise provided in NRS 360.232 and 360.320, the
25 business shall, in addition to the amount of the partial abatement required to be
26 paid pursuant to this subsection, pay interest on the amount due at the rate most
27 recently established pursuant to NRS 99.040 for each month, or portion thereof,
28 from the last day of the month following the period for which the payment would
29 have been made had the partial abatement not been approved until the date of
30 payment of the tax.~~

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

34 ~~9.~~ ~~[10.]~~ An applicant for an abatement who is aggrieved by a final decision of
35 the Office of Economic Development may petition for judicial review in the
36 manner provided in chapter 233B of NRS.

37 **Sec. 15.** NRS 274.330 is hereby amended to read as follows:

38 274.330 1. A person who owns a business which is located within an
39 enterprise community established pursuant to 24 C.F.R. Part 597 in this State may
40 submit a request to the governing body of the county, city or town in which the
41 business is located for an endorsement of an application by the person to the Office
42 of Economic Development for a partial abatement of one or more of the taxes
43 imposed pursuant to chapter 361 of NRS or the local sales and use taxes. The
44 governing body of the county, city or town shall provide notice of the request to the
45 board of trustees of the school district in which the business operates. The notice
46 must set forth the date, time and location of the hearing at which the governing
47 body will consider whether to endorse the application. As used in this subsection,
48 "local sales and use taxes" means the taxes imposed on the gross receipts of any
49 retailer from the sale of tangible personal property sold at retail, or stored, used or
50 otherwise consumed, in the political subdivision in which the business is located,
51 except the taxes imposed by the Sales and Use Tax Act and the Local School
52 Support Tax Law.

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

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

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

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

10 (a) The business is consistent with:

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

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

15 (b) Not later than 1 year after the date on which the application was received
16 by the Office, the applicant has executed an agreement with the Office which ~~is~~
17 states:

18 (1) ~~The [States the]~~ date on which the abatement becomes effective, as
19 agreed to by the applicant and the Office, which must not be earlier than the date on
20 which the Office received the application and not later than 1 year after the date on
21 which the Office approves the application; and

22 (2) ~~That [States that]~~ the business will, after the date on which the
23 abatement becomes effective:

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

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

28 ~~(3) Incorporates a community benefits plan, which must:~~

29 ~~(I) Include a brief description of the environmental, economic and~~
30 ~~social effects that the applicant anticipates the location of the business will have~~
31 ~~on the local community that immediately surrounds the location of the business;~~

32 ~~(II) State that the business will proactively undertake actions, beyond~~
33 ~~those incidental to the regular activities of the business, to increase the vitality of~~
34 ~~the local community and improve the social and economic well being of the~~
35 ~~members of that community;~~

36 ~~(III) Detail the specific actions described in sub-subparagraph (II)~~
37 ~~that the business agrees to undertake during the period of the agreement entered~~
38 ~~into pursuant to this paragraph, which may include, without limitation,~~
39 ~~partnering with community based charitable or educational organizations,~~
40 ~~sponsoring educational or vocational activities, participating in philanthropic~~
41 ~~endeavors meant to specifically aid the local community and the members of that~~
42 ~~community and establishing other programs to improve the well being of the~~
43 ~~local community and the members of that community; and~~

44 ~~(IV) Include such other provisions as the Office may require.]~~

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

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

50 (d) The business:

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

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

5 *(e) The applicant has certified in the application that the business will, if the*
6 *application is approved:*

7 *(1) Collaborate with the community in which the business is located; and*

8 *(2) Submit a community benefits agreement to the Office not later than 2*
9 *years after the date on which the Office approves the application.*

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

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

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

16 (1) The Department of Taxation;

17 (2) The Nevada Tax Commission; and

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

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

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

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

28 6. If an applicant for a partial abatement pursuant to this section fails to
29 execute the agreement described in paragraph (b) of subsection 3 within 1 year after
30 the date on which the application was received by the Office, the applicant shall not
31 be approved for a partial abatement pursuant to this section unless the applicant
32 submits a new request pursuant to subsection 1.

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

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

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

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

50 8. ~~*[The Office of Economic Development may investigate a business whose*~~
51 ~~*partial abatement is approved pursuant to this section to determine whether the*~~
52 ~~*business is in substantial compliance with the terms of the community benefits*~~
53 ~~*plan described in subparagraph (3) of paragraph (b) of subsection 3. If the*~~

~~Executive Director of the Office determines, based on an investigation conducted pursuant to this subsection, that a business has failed to substantially comply with the terms of such an agreement, 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 partial abatement that was allowed pursuant to this section. Except as otherwise provided in NRS 360.232 and 360.320, the business shall, in addition to the amount of the partial abatement required to be 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.]~~ 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.

~~9. [10.]~~ 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.

~~10. [11.]~~ 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. 16. The amendatory provisions of this act apply only to an application for an abatement from taxation for which a person applies on or after July 1, 2025.

Sec. 17. 1. This section becomes effective upon passage and approval.

2. Sections 1 to 16, inclusive, of this act become effective:

(a) Upon passage and approval for the purpose of adopting any regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and

(b) On July 1, 2025, for all other purposes.

3. ~~[Section 6]~~ **Section 6** ~~[and 7]~~ of this act expires by limitation on June 30, 2032.

4. ~~[Section 2, 10 and 11]~~ **Section 2** ~~[, 10 and 11]~~ of this act expires by limitation on June 30, 2035.

5. ~~[Section 8]~~ **Section 8** ~~[and 9]~~ of this act expires by limitation on June 30, 2036.

6. Section 3 of this act expires by limitation on December 31, 2056.