SUMMARY—Revises provisions relating to economic development. (BDR 32-136)

FISCAL NOTE: Effect on Local Government: May have fiscal impact.

Effect on the State: May have Fiscal Impact.

Effect on the State Highway Fund: No.

AN ACT relating to economic development; defining the term "primary job" for the purpose of provisions relating to certain transferrable tax credits, partial abatements of certain taxes and certain other programs for economic development; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes the Office of Economic Development to approve partial abatements of certain property taxes, business taxes and sales and use taxes and certain transferable tax credits applicable to certain business taxes, gaming license fees or insurance premium taxes. For a business to receive such a partial abatement of taxes or such transferable credits, existing law requires the business, in addition to meeting certain other requirements, to offer primary jobs. (NRS 360.750, 360.889) Existing regulations define a "primary job" for the purposes of certain transferable tax credits as a permanent position of employment at a location in this State where the employee works an average of 30 hours per week and a majority of the revenue generated at the location is derived from exports to locations outside this State. (NAC 231.363) This bill defines

the term "primary job" for the purposes of all partial abatements of taxes, transferable tax credits and other programs of economic development administered by the Office. Specifically, in addition to including such export-oriented jobs, **section 3** of this bill defines the term "primary job" for these purposes to include a job at a physical location of a business in this State that substitutes for goods or services imported into this State. Under **section 3**, a "primary job" is: (1) a location that generates not less than half of its revenue from exports to locations outside of this State; or (2) a business that operates in certain sectors of the economy, manufactures, produces or sells certain goods or services that are imported into this State in significant quantities and closes gaps in supply chains, promotes local production or reduces the outflow of capital from this State. **Section 5** of this bill similarly defines the term "primary job" for the purpose of certain other programs for economic development administered by the Office as well as certain reports required to be prepared and submitted to the Legislature by the Office. (NRS 231.0685, 231.1467) **Sections 2 and 6** of this bill apply the definitions set forth in **sections 3 and 5**, respectively, to the provisions of law governing transferrable tax credits, partial abatement of taxes and certain other programs for economic development administered by the Office. **Section 4** of this bill makes a conforming change that is necessary because **sections 2 and 3** will cause more than one term to be defined for chapter 360 of NRS.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN

SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 360 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.

Sec. 2. ***As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 360.005 and section 3 of this act have the meanings ascribed to them in those sections.***

Sec. 3. ***"Primary job" means a permanent position of employment at a physical location in this State, if the employee filling that position works an average of at least 30 hours per week and:***

1. Not less than half of the revenue generated at that location is derived from exports to locations outside of this State; or

2. The business:

(a) Manufactures, produces or sells goods or services that are imported into this State in significant quantities, as determined by the Office of Economic Development;

(b) Operates in a sector of the economy that the Office of Economic Development determines to be critical to the economic security of this State, including, without limitation, critical mineral processing, battery production and health care; and

(c) Closes gaps in supply chains, promotes local production or reduces the outflow of capital from this State.

Sec. 4. NRS 360.005 is hereby amended to read as follows:

360.005 ~~[As used in this chapter, "retailer"]~~ ***"Retailer"*** has the meaning ascribed to it in NRS 372.055.

Sec. 5. Chapter 231 of NRS is hereby amended by adding thereto a new section to read as follows:

"Primary job" has the meaning ascribed to it in section 3 of this act.

Sec. 6. NRS 231.002 is hereby amended to read as follows:

231.002 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 231.003 to 231.0095, inclusive, ***and section 5 of this act*** have the meanings ascribed to them in those sections.

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

2. Sections 1 to 6, 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, 2027, for all other purposes.