SENATE BILL NO. 63–COMMITTEE ON
REVENUE AND ECONOMIC DEVELOPMENT

(ON BEHALF OF THE OFFICE OF ECONOMIC DEVELOPMENT
IN THE OFFICE OF THE GOVERNOR)

PREFILED NOVEMBER 16, 2026

Referred to Committee on Revenue and
Economic Development

SUMMARY—Creates a new partial abatement of certain taxes for certain businesses involved in processing minerals for the purpose of extracting critical minerals from certain mine waste or tailings. (BDR 32-137)

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.

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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 economic development; authorizing the Office of Economic Development to approve a partial abatement of certain taxes for a person who intends to locate or expand in this State a mineral processing business that extracts critical minerals from certain mine waste or tailings; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes the Office of Economic Development to approve abatements or partial abatements of certain property taxes, business taxes and sales and use taxes for new or expanding businesses that satisfy certain criteria. (NRS 274.320, 274.330, 360.750, 360.753, 360.754, 360.889) **Sections 1 and 6-8** of this bill authorize a person who intends to locate or expand in this State a business that extracts critical minerals from certain mine waste or tailings to apply to the Office for a partial abatement of personal property taxes, business taxes and sales and use taxes. **Section 1** authorizes the Office to approve an application for a partial abatement if the Office makes certain determinations. **Sections 6-8** establish the limits on the amount and duration of any partial abatement approved pursuant to **section 1**. **Section 2** of this bill requires the Department of Taxation to investigate whether a person meets the eligibility requirements for the partial abatement

created by **section 1** during the course of certain other investigations. **Sections 1 and 3** of this bill require a person, to be eligible for the partial abatement, to enter into an agreement with the Office that contains certain provisions. **Section 4** of this bill requires the Office to provide certain notice and take action at a public meeting on an application for the partial abatement created by **section 1**. If the Office approves a partial abatement of sales and use tax pursuant to **section 1**, **section 5** of this bill requires the Office to issue to the business a document certifying the partial abatement. **Section 9** of this bill exempts the partial abatement created by **section 1** from provisions excluding certain provisions of the Local School Support Tax Law from being subject to abatements on taxation which the Office is authorized to approve. **Sections 10 and 13** of this bill add the partial abatement created by **section 1** to the list of economic development incentives for which the Office is required to submit certain reports. **Sections 11 and 12** of this bill provide that businesses that receive the partial abatement created by **section 1** are not eligible to receive certain tax credits that are authorized under existing law for businesses that meet criteria to be a qualified active low-income community business or impact a qualified active low-income community business.

Section 6 of Article 10 of the Nevada Constitution prohibits the Legislature from enacting an exemption from an ad valorem tax on property or excise tax on the sale, storage, use or consumption of tangible personal property sold at retail unless the Legislature makes certain findings regarding the effect of the exemption. Additionally, in enacting such an exemption, the Legislature is required to provide a specific date on which the exemption will cease to be effective. (Nev. Const. Art. 10, § 6) **Section 15** of this bill sets forth the required legislative findings regarding the partial abatement created by **section 1**. **Section 16** of this bill makes the provisions of **sections 1 and 6-8** expire by limitation on June 30, 2047.

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 a new section to read as follows:

1. A person who intends to locate or expand a mineral processing business in this State may apply to the Office of Economic Development pursuant to this section for a partial abatement of one or more of the taxes imposed on the new or expanded business pursuant to chapter 361, 363B or 374 of NRS.

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

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

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

(1) Comply with the requirements of NRS 360.755;

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

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

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

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

(d) The business is primarily engaged in the business of extracting critical minerals from mine waste or tailings which remain after the processing of ore by a mine that has been dormant for at least 10 years and the business is not:

(1) Engaged in the business of operating a mine; or

(2) An affiliate of a business that operates a mine.

(e) Establishing or expanding the business will require the business to make, by not later than the date which is 5 years after the date on which the abatement becomes effective, a cumulative new capital investment in this State of at least $10,000,000.

(f) The average hourly wage that will be paid by the business to its employees in this State during the period of the 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.

(g) The business will, by the eighth calendar quarter following the calendar quarter in which the partial 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 will meet the minimum requirements for health care benefits established by the Office of Economic Development.

(h) 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.

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

3. Notwithstanding the provisions of subsection 2, the Office of Economic Development may, if the Office determines that such action is necessary:

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

(b) Make the requirements set forth in paragraph (f), (g) or (h) of subsection 2 more stringent; or

(c) Add additional requirements that a business must meet to qualify for a partial abatement pursuant to this section, including, without limitation, requiring the business to:

(1) Report information regarding exploration or operations conducted by the business; or

(2) Remain in compliance with any reporting requirement to which it is subject pursuant to title 46 of NRS.

4. 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 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.

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

(a) The Department;

(b) The Nevada Tax Commission; and

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

6. An applicant for a partial abatement pursuant to this section or an existing business whose partial abatement is in effect shall, upon the request of the Executive Director of the Office of Economic Development, furnish the Executive Director with

copies of all records necessary to verify that the applicant meets the requirements of subsection 2.

7. If an applicant for a partial abatement pursuant to this section fails to execute the agreement described in paragraph (b) of subsection 2 within 1 year after the date on which the application was received by the Office of Economic Development, 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 any additional requirements imposed pursuant to subsection 3; or

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

➥ the business shall repay to the Department or, if the partial abatement was from 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 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. As used in this section:

(a) "Critical mineral" means a mineral, element, substance or material:

(1) Which is essential to the economic or national security of the United States;

(2) The supply chain of which is vulnerable to disruption, including, without limitation, due to restrictions associated with foreign political risk, abrupt demand growth, military conflict,

violent unrest, anticompetitive or protectionist behaviors or other risks throughout the supply chain; and

(3) Which serves an essential function in the manufacturing of a product, the absence of which would have significant consequences for the economic or national security of the United States.

(b) "Mineral processing business" means a business that separates commercially valuable minerals from mine waste or tailings.

Sec. 2. NRS 360.225 is hereby amended to read as follows:

360.225 1. During the course of an investigation undertaken pursuant to NRS 360.130 of a person claiming:

(a) A partial abatement of property taxes pursuant to NRS 361.0687;

(b) An exemption from taxes pursuant to NRS 363B.120;

(c) A deferral of the payment of taxes on the sale of eligible property pursuant to NRS 372.397 or 374.402;

(d) An abatement of taxes on the gross receipts from the sale, storage, use or other consumption of eligible machinery or equipment pursuant to NRS 374.357;

(e) A partial abatement of taxes pursuant to NRS 360.754 on or before December 31, 2056;

(f) A partial abatement of taxes pursuant to NRS 360.890 on or before June 30, 2032; ~~[or]~~

(g) ***A partial abatement of taxes pursuant to section 1 of this act on or before June 30, 2047; or***

(h) An abatement of taxes pursuant to NRS 360.950 on or before June 30, 2036,

➥ the Department shall investigate whether the person meets the eligibility requirements for the abatement, partial abatement, exemption or deferral that the person is claiming.

2. If the Department finds that the person does not meet the eligibility requirements for the abatement, exemption or deferral which the person is claiming, the Department shall report its findings to the Office of Economic Development and take any other necessary actions.

Sec. 3. NRS 360.755 is hereby amended to read as follows:

360.755 1. If the Office of Economic Development approves an application by a business for an abatement of taxes pursuant to NRS 360.950 or a partial abatement pursuant to NRS 360.750, 360.753, 360.754 or 360.890, ***or section 1 of this act,*** the agreement with the Office must provide that the business:

(a) Agrees to allow the Department to conduct audits of the business to determine whether the business is in full compliance with the requirements for the abatement or partial abatement; and

(b) Consents to the disclosure of the audit reports in the manner set forth in this section.

2. If the Department conducts an audit of the business to determine whether the business is in full compliance with the requirements for the abatement or partial abatement, the Department shall, upon request, provide the audit report to the Office of Economic Development.

3. Until the business has exhausted all appeals to the Department and the Nevada Tax Commission relating to the audit, the information contained in the audit report provided to the Office of Economic Development:

(a) Is confidential proprietary information of the business;

(b) Is not a public record; and

(c) Must not be disclosed to any person who is not an officer or employee of the Office of Economic Development unless the business consents to the disclosure.

4. After the business has exhausted all appeals to the Department and the Nevada Tax Commission relating to the audit:

(a) The audit report provided to the Office of Economic Development is a public record; and

(b) Upon request by any person, the Executive Director of the Office of Economic Development shall disclose the audit report to the person who made the request, except for any information in the audit report that is protected from disclosure pursuant to subsection 5.

5. Before the Executive Director of the Office of Economic Development discloses the audit report to the public, the business may submit a request to the Executive Director to protect from disclosure any information in the audit report which, under generally accepted business practices, would be considered a trade secret or other confidential proprietary information of the business. After consulting with the business, the Executive Director shall determine whether to protect the information from disclosure. The decision of the Executive Director is final and is not subject to judicial review. If the Executive Director determines to protect the information from disclosure, the protected information:

(a) Is confidential proprietary information of the business;

(b) Is not a public record;

(c) Must be redacted by the Executive Director from any audit report that is disclosed to the public; and

(d) Must not be disclosed to any person who is not an officer or employee of the Office of Economic Development unless the business consents to the disclosure.

Sec. 4. NRS 360.757 is hereby amended to read as follows:

360.757 1. The Office of Economic Development shall not take any action on an application for any abatement of taxes pursuant to NRS 274.310, 274.320, 274.330, 360.750, 360.753 or 360.754 ***or section 1 of this act*** or any other specific statute unless the Office:

(a) Takes that action at a public meeting conducted for that purpose; and

(b) At least 30 days before the meeting, provides notice of the application to:

(1) The governing body of the county, the board of trustees of the school district and the governing body of the city or town, if any, in which the pertinent business is or will be located;

(2) The governing body of any other political subdivision that could be affected by the abatement; and

(3) The general public.

2. The notice required by this section must set forth the date, time and location of the meeting at which the Office of Economic Development will consider the application.

3. The Office of Economic Development shall adopt regulations relating to the notice required by this section.

Sec. 5. NRS 360.7575 is hereby amended to read as follows:

360.7575 1. If the Office of Economic Development approves an application for an abatement of sales and use taxes pursuant to NRS 360.950 or a partial abatement of any sales and use taxes pursuant to NRS 274.310, 274.320, 274.330, 360.750, 360.753, 360.754 or 360.890, ***or section 1 of this act,*** the Department shall issue to the business a document certifying the abatement or partial abatement which can be presented to retailers at the time of purchase. The document must clearly state that the business is not required to pay sales and use taxes or the rate of sales and use tax that the business is required to pay.

2. If the Department has issued to a business a document pursuant to subsection 1 and the business pays an amount of sales and use taxes for which the business was entitled to an abatement because the business fails to present the document, the business may apply to the Department for a refund of the amount of sales and use tax paid for which the business was entitled to an abatement. If the Department has issued to a business a document pursuant to subsection 1 and the failure of the business to present the document results in the business paying the full amount of sales and use tax on 50 percent or more of the purchases for which the business was eligible for the abatement, the Department shall impose on the business a penalty equal to 10 percent of the total amount of the abatement. The Department shall distribute the proceeds of any

penalty imposed pursuant to this subsection to each local government affected by a refund issued pursuant to this subsection in proportion to the amount of the refunds for which the affected local government is responsible.

3. If, after submitting an application for an abatement of sales and use taxes pursuant to NRS 360.950 or a partial abatement of any sales and use taxes pursuant to NRS 360.750, 360.753, 360.754 or 360.890 ***or section 1 of this act*** and before receiving the document issued pursuant to subsection 1, a business pays an amount of sales and use tax for which the business is entitled to an abatement, the business may apply to the Department for a refund of the amount of sales and use tax which the applicant paid for which the business is entitled to an abatement.

4. Notwithstanding any other provision of law, no interest is allowed on a refund made pursuant to subsection 2 or 3.

Sec. 6. Chapter 361 of NRS is hereby amended by adding thereto a new section to read as follows:

1. A person who intends to locate or expand a mineral processing business in this State may, pursuant to section 1 of this act, apply to the Office of Economic Development for a partial abatement from the taxes imposed by this chapter on personal property.

2. If a partial abatement from the taxes imposed by this chapter on personal property located on the premises of the mineral processing business is approved by the Office of Economic Development pursuant to section 1 of this act:

(a) The partial abatement must:

(1) Be for a duration of at least 1 year but not more than 10 years;

(2) Not exceed 50 percent of the taxes payable by the mineral processing business each year pursuant to this chapter on personal property located on the premises of the mineral processing business; and

(3) Be administered and carried out in the manner set forth in section 1 of this act.

(b) The Executive Director of the Office of Economic Development shall notify the county assessor of the county in which the business is or will be located of the approval of the partial abatement, including, without limitation, the duration and percentage of the partial abatement that the Office granted. The Executive Director shall, on or before April 15 of each year, advise the county assessor of each county in which a business qualified for a partial abatement during the current fiscal year as to whether the business is still eligible for the partial abatement in the next succeeding fiscal year.

3. As used in this section, "mineral processing business" has the meaning ascribed to it in section 1 of this act.

Sec. 7. Chapter 363B of NRS is hereby amended by adding thereto a new section to read as follows:

1. An employer who intends to locate or expand a mineral processing business in this State may, pursuant to section 1 of this act, apply to the Office of Economic Development for a partial abatement of the taxes otherwise due pursuant to NRS 363B.110.

2. If a partial abatement from the taxes otherwise due pursuant to NRS 363B.110 is approved by the Office of Economic Development pursuant to section 1 of this act, the partial abatement must:

(a) Be for a duration of at least 1 year but not more than 10 years;

(b) Not exceed 50 percent of the amount of tax otherwise due pursuant to NRS 363B.110; and

(c) Be administered and carried out in the manner set forth in section 1 of this act.

3. As used in this section, "mineral processing business" has the meaning ascribed to it in section 1 of this act.

Sec. 8. Chapter 374 of NRS is hereby amended by adding thereto a new section to read as follows:

1. A person who expands or intends to locate a mineral processing business in this State may, pursuant to section 1 of this act, apply to the Office of Economic Development for a partial abatement from the taxes imposed by this chapter on the gross receipts from the sale, and the storage, use or other consumption, of eligible machinery or equipment for use by a mineral processing business which has been approved for a partial abatement pursuant to section 1 of this act.

2. If an application for a partial abatement is approved pursuant to section 1 of this act, the partial abatement must be:

(a) For a duration of at least 1 year but not more than 5 years.

(b) Administered and carried out in the manner set forth in section 1 of this act.

3. As used in this section:

(a) "Eligible machinery or equipment" means machinery or equipment for which a deduction is authorized pursuant to 26 U.S.C. § 179. The term does not include:

(1) Buildings or the structural components of buildings;

(2) Equipment used by a public utility;

(3) Equipment used for medical treatment;

(4) Machinery or equipment used in mining; or

(5) Machinery or equipment used in gaming.

(b) "Mineral processing business" has the meaning ascribed to it in section 1 of this act.

Sec. 9. NRS 218D.355 is hereby amended to read as follows:

218D.355 1. Except as otherwise provided in NRS 360.753, 360.754, 360.893 and 360.965, ***and section 1 of this act,*** any state legislation enacted on or after July 1, 2012, which authorizes or requires the Office of Economic Development to approve any abatement of taxes or increases the amount of any abatement of taxes which the Office is authorized or required to approve:

(a) Expires by limitation 10 years after the effective date of that legislation.

(b) Does not apply to:

(1) Any taxes imposed pursuant to NRS 374.110 and 374.111 or 374.190 and 374.191; or

(2) Any entity that receives:

(I) Any funding from a governmental entity, other than any private activity bonds as defined in 26 U.S.C. § 141; or

(II) Any real or personal property from a governmental entity at no cost or at a reduced cost.

(c) Requires each recipient of the abatement to submit to the Department of Taxation, on or before the last day of each even-numbered year, a report on whether the recipient is in compliance with the terms of the abatement. The Department of Taxation shall establish a form for the report and may adopt such regulations as it determines to be appropriate to carry out this paragraph. The report must include, without limitation:

(1) The date the recipient commenced operation in this State;

(2) The number of employees actually employed by the recipient and the average hourly wage of those employees;

(3) An accounting of any fees paid by the recipient to the State and to local governmental entities;

(4) An accounting of the property taxes paid by the recipient and the amount of those taxes that would have been due if not for the abatement;

(5) An accounting of the sales and use taxes paid by the recipient and the amount of those taxes that would have been due if not for the abatement;

(6) An accounting of the total capital investment made in connection with the project to which the abatement applies; and

(7) An accounting of the total investment in personal property made in connection with the project to which the abatement applies.

2. On or before January 15 of each odd-numbered year, the Department of Taxation shall:

(a) Based upon the information submitted to the Department of Taxation pursuant to paragraph (c) of subsection 1, prepare a written report of its findings regarding whether the costs of the abatement exceed the benefits of the abatement; and

(b) Submit the report to the Director for transmittal to the Legislature.

Sec. 10. NRS 231.0685 is hereby amended to read as follows:

231.0685 The Office shall, on or before January 15 of each odd-numbered year, prepare and submit to the Director of the Legislative Counsel Bureau for transmission to the Legislature a report concerning the abatements from taxation that the Office approved pursuant to NRS 274.310, 274.320, 274.330, 360.750, 360.753 or 360.754 ~~[.]~~ ***or section 1 of this act.*** The report must set forth, for each abatement from taxation that the Office approved during the fiscal years which are 3 fiscal years and 6 fiscal years immediately preceding the submission of the report:

1. The dollar amount of the abatement;
2. The location of the business for which the abatement was approved;
3. The value of infrastructure included as an incentive for the business;
4. If applicable, the number of employees that the business for which the abatement was approved employs or will employ;
5. Whether the business for which the abatement was approved is a new business or an existing business;
6. The economic sector in which the business operates, the number of primary jobs related to the business, the average wage paid to employees of the business and the assessed values of personal property and real property of the business;
7. Any information concerning whether the business for which the abatement was approved participates or has participated in a program of workforce development, as defined in NRS 231.146, implemented by the Executive Director; and
8. Any other information that the Office determines to be useful.

Sec. 11. NRS 231A.155 is hereby amended to read as follows:

231A.155 1. For the purposes of NRS 231A.0753, an impact qualified active low-income community business is limited to those businesses which have their principal business operations in this State and:

(a) Whose primary North American Industry Classification System classification is within sector 31, 32 or 33 or sector 44 or 45; or

(b) Are businesses that have 51 percent or more of its ownership interest held by women, disabled veterans, persons who are lesbian,

gay, bisexual or transgender or members of a racial or ethnic minority group.

2. A business must be considered an impact qualified active low-income community business for the duration of the impact qualified community development entity's investment in, or loan to, the business if the entity reasonably expects, at the time it makes the investment or loan, that the business will continue to satisfy the requirements for being an impact qualified active low-income community business throughout the entire period of the investment or loan.

3. Except as otherwise provided in this subsection, the businesses limited by this section do not include any business that derives or projects to derive 15 percent or more of its annual revenue from the rental or sale of real estate. This exclusion does not apply to a business that is controlled by, or under common control with, another business if the second business:

(a) Does not derive or project to derive 15 percent or more of its annual revenue from the rental or sale of real estate; and

(b) Is the primary tenant of the real estate leased from the first business.

4. Except as otherwise provided in subsection 5, the following businesses are not impact qualified active low-income community businesses:

(a) A business that has received an abatement from taxation pursuant to NRS 274.310, 274.320, 274.330, 360.750, 360.753 or 360.754 ~~[.]~~ ***or section 1 of this act.***

(b) An entity that has liability for insurance premium tax on a premium tax report filed pursuant to NRS 680B.030.

(c) A business engaged in banking or lending.

(d) A massage parlor.

(e) A bath house.

(f) A tanning salon.

(g) A country club.

(h) A business operating under a nonrestricted license for gaming issued pursuant to NRS 463.170.

(i) A liquor store.

(j) A golf course.

5. A business that has received an abatement from taxation pursuant to NRS 274.310, 274.320, 274.330, 360.750, 360.753 or 360.754 ***or section 1 of this act*** is an impact qualified active low-income community business if the business elects to waive the abatement and provides written notice of the waiver of the abatement to the Office of Economic Development not later than the due date of the first payment of any tax which would be abated

if the abatement became effective. If the business provides the written notice to the Office of Economic Development:

(a) Within the period required by this subsection:

(1) Any agreement entered into by the business and the Office of Economic Development pursuant to NRS 274.310, 274.320, 274.330, 360.750, 360.753 or 360.754 ***or section 1 of this act*** is void; and

(2) The Office of Economic Development must forward a copy of the written notice to the Department and each governmental entity or official to whom a copy of the certificate of eligibility for the abatement was forwarded.

(b) After the period required by this subsection has expired, the Office of Economic Development must provide written notice to the Department and the business that the abatement has not been waived and the business is not an impact qualified active low-income community business.

Sec. 12. NRS 231A.170 is hereby amended to read as follows:

231A.170 1. For the purpose of NRS 231A.110, a qualified active low-income community business is limited to those businesses meeting the Small Business Administration size eligibility standards established in 13 C.F.R. §§ 121.101 to 201, inclusive, at the time the qualified low-income community investment is made. A business must be considered a qualified active low-income community business for the duration of the qualified community development entity's investment in, or loan to, the business if the entity reasonably expects, at the time it makes the investment or loan, that the business will continue to satisfy the requirements for being a qualified active low-income community business, other than the Small Business Administration size standards, throughout the entire period of the investment or loan.

2. Except as otherwise provided in this subsection, the businesses limited by this section do not include any business that derives or projects to derive 15 percent or more of its annual revenue from the rental or sale of real estate. This exclusion does not apply to a business that is controlled by, or under common control with, another business if the second business:

(a) Does not derive or project to derive 15 percent or more of its annual revenue from the rental or sale of real estate; and

(b) Is the primary tenant of the real estate leased from the first business.

3. Except as otherwise provided in subsection 4, the following businesses are not qualified active low-income community businesses:

(a) A business that has received an abatement from taxation pursuant to NRS 274.310, 274.320, 274.330, 360.750, 360.753 or 360.754 ~~[.]~~ ***or section 1 of this act.***

(b) An entity that has liability for insurance premium tax on a premium tax report filed pursuant to NRS 680B.030.

(c) A business engaged in banking or lending.

(d) A massage parlor.

(e) A bath house.

(f) A tanning salon.

(g) A country club.

(h) A business operating under a nonrestricted license for gaming issued pursuant to NRS 463.170.

(i) A liquor store.

(j) A golf course.

4. A business that has received an abatement from taxation pursuant to NRS 274.310, 274.320, 274.330, 360.750, 360.753 or 360.754 ***or section 1 of this act*** is a qualified active low-income community business if the business elects to waive the abatement and provides written notice of the waiver of the abatement to the Office of Economic Development not later than the due date of the first payment of any tax which would be abated if the abatement became effective. If the business provides the written notice to the Office of Economic Development:

(a) Within the period required by this subsection:

(1) Any agreement entered into by the business and the Office of Economic Development pursuant to NRS 274.310, 274.320, 274.330, 360.750, 360.753 or 360.754 ***or section 1 of this act*** is void; and

(2) The Office of Economic Development must forward a copy of the written notice to the Department and each governmental entity or official to whom a copy of the certificate of eligibility for the abatement was forwarded.

(b) After the period required by this subsection has expired, the Office of Economic Development must provide written notice to the Department and the business that the abatement has not been waived and the business is not a qualified active low-income community business.

Sec. 13. NRS 353.207 is hereby amended to read as follows:

353.207 1. The Chief shall:

(a) Require the Office of Economic Development and the Office of Energy each periodically to conduct an analysis of the relative costs and benefits of each incentive for economic development previously approved by the respective office and in effect during the immediately preceding 2 fiscal years, including, without limitation, any abatement of taxes approved by the Office of Economic

Development pursuant to NRS 274.310, 274.320, 274.330, 360.750, 360.753, 360.754, 360.890, 360.950, 361.0687, 374.357 or 701A.210, ***or section 1 of this act,*** to assist the Governor and the Legislature in determining whether the economic benefits of the incentive have accomplished the purposes of the statute pursuant to which the incentive was approved and warrant additional incentives of that kind;

(b) Require each office to report in writing to the Chief the results of the analysis conducted by the office pursuant to paragraph (a); and

(c) Establish a schedule for performing and reporting the results of the analysis required by paragraph (a) which ensures that the results of the analysis reported by each office are included in the proposed budget prepared pursuant to NRS 353.205, as required by that section.

2. Each report prepared for the Chief pursuant to this section is a public record and is open to inspection pursuant to the provisions of NRS 239.010.

Sec. 14. The provisions of NRS 218D.380 do not apply to any provision of this act which adds or revises a requirement to submit a report to the Legislature.

Sec. 15. The Legislature hereby finds that each abatement provided by this act from any ad valorem tax on property or excise tax on the sale, storage, use or other consumption of tangible personal property sold at retail:

1. Will achieve a bona fide social or economic purpose and the benefits of the abatement are expected to exceed any adverse effect of the abatement on the provision of services to the public by the State or a local government that would otherwise receive revenue from the tax from which the abatement would be granted; and

2. Will not impair adversely the ability of the State or a local government to pay, when due, all interest and principal on any outstanding bonds or any other obligations for which revenue from the tax from which the abatement would be granted was pledged.

Sec. 16. 1. This act becomes effective on July 1, 2027.

2. Sections 1, 6, 7 and 8 of this act expire by limitation on June 30, 2047.

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