

SENATE BILL NO. 170—SENATORS ROBERSON,  
FORD, LIPPARELLI AND HARRIS

FEBRUARY 17, 2015

JOINT SPONSORS: ASSEMBLYMEN KIRKPATRICK  
AND HAMBRICK

Referred to Committee on Revenue and  
Economic Development

SUMMARY—Provides for a partial abatement of certain taxes for  
new or expanding data centers and related businesses  
in this State. (BDR 32-765)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.  
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 economic development; authorizing a person who locates or expands a data center in this State to apply to the Office of Economic Development for a partial abatement of certain property taxes and local sales and use taxes; establishing criteria by which a data center may qualify for such a partial abatement; establishing the maximum duration and percentage of such partial abatements; requiring the Office to approve an application for a partial abatement if the applicant meets the criteria for eligibility; authorizing the Office to approve a partial abatement of taxes for certain qualified businesses that colocate with a data center for which a partial abatement has been approved; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Existing law authorizes the Office of Economic Development to grant a partial  
2 abatement of property taxes, business taxes and sales and use taxes to a business  
3 that locates or expands in this State and meets certain qualifications for the  
4 abatement. (NRS 274.310, 274.320, 360.750, 361.0687, 363B.120, 374.357,  
5 701A.210) **Section 1** of this bill authorizes the Office of Economic Development to



6 grant a partial abatement of property taxes and local sales and use taxes to a data  
7 center that locates or expands in this State and meets certain qualifications. **Section**  
8 **1** establishes the criteria by which a data center must demonstrate eligibility for a  
9 partial abatement, including requirements concerning the number of full-time  
10 employees that must be employed by a data center and minimum requirements for  
11 capital investment. If the Office of Economic Development approves a partial  
12 abatement for a data center, **section 1** authorizes the Office of Economic  
13 Development to grant the same partial abatement to certain businesses that colocate  
14 with the data center. **Section 5** of this bill specifies that the amount of the  
15 abatement must not exceed 75 percent of the amount of personal property taxes  
16 payable by a data center for eligible equipment and machinery located in the data  
17 center. **Section 6** of this bill specifies the duration of the partial abatement  
18 applicable to the local sales and use taxes otherwise payable by a data center for  
19 eligible equipment and machinery located in the data center. **Section 6** also  
20 prohibits the Office of Economic Development from approving any abatements  
21 pursuant to the provisions of this bill on or after January 1, 2036.

22 Pursuant to **section 13** of this bill, the provisions of this bill expire by limitation  
23 on December 31, 2036.

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

1 **Section 1.** Chapter 360 of NRS is hereby amended by adding  
2 thereto a new section to read as follows:

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

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

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

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

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

19 *(2) State that the data center will, after the date on which*  
20 *the abatement becomes effective, continue in operation in this*  
21 *State for a period specified by the Office, which must be at least 10*  
22 *years, and will continue to meet the eligibility requirements set*  
23 *forth in this subsection; and*

24 *(3) Bind the successors in interest of the applicant for the*  
25 *specified period.*



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

5 (d) *Except as otherwise provided in NRS 361.0687, if the*  
6 *applicant is seeking a partial abatement for a period of not more*  
7 *than 10 years, the applicant meets the following requirements:*

8 (1) *The data center will, by not later than the date that is 5*  
9 *years after the date on which the abatement becomes effective,*  
10 *have or have added 100 or more full-time employees who will be*  
11 *employed at the data center and will continue to employ 100 or*  
12 *more full-time employees at the data center until at least the date*  
13 *which is 10 years after the date on which the abatement becomes*  
14 *effective.*

15 (2) *Establishing or expanding the data center will require*  
16 *the data center and any colocated business to make, by not later*  
17 *than the date which is 5 years after the date on which the*  
18 *abatement becomes effective, a cumulative capital investment of at*  
19 *least \$100,000,000 in this State in capital assets that will be used*  
20 *or located at the data center.*

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

26 (I) *The data center will, by not later than the date which*  
27 *is 1 year after the date on which the abatement becomes effective,*  
28 *provide a health insurance plan for all employees employed at the*  
29 *data center that includes an option for health insurance coverage*  
30 *for dependents of the employees; and*

31 (II) *The cost to the data center for the health care*  
32 *benefits provided to employees employed at the data center will*  
33 *meet the minimum requirements for health care benefits*  
34 *established by the Office by regulation pursuant to subsection 10.*

35 (e) *Except as otherwise provided in NRS 361.0687, if the*  
36 *applicant is seeking a partial abatement for a period of 10 years or*  
37 *more but not more than 20 years, the applicant meets the*  
38 *following requirements:*

39 (1) *The data center will, by not later than the date that is 5*  
40 *years after the date on which the abatement becomes effective,*  
41 *have or have added 200 or more full-time employees who will be*  
42 *employed at the data center and will continue to employ 200 or*  
43 *more full-time employees at the data center until at least the date*  
44 *which is 20 years after the date on which the abatement becomes*  
45 *effective.*



1 (2) *Establishing or expanding the data center will require*  
2 *the data center and any colocated business to make, by not later*  
3 *than the date which is 5 years after the date on which the*  
4 *abatement becomes effective, a cumulative capital investment of at*  
5 *least \$250,000,000 in this State in capital assets that will be used*  
6 *or located at the data center.*

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

12 (I) *The data center will, by not later than the date which*  
13 *is 1 year after the date on which the abatement becomes effective,*  
14 *provide a health insurance plan for all employees employed at the*  
15 *data center that includes an option for health insurance coverage*  
16 *for dependents of the employees; and*

17 (II) *The cost to the data center for the health care*  
18 *benefits provided to employees employed at the data center will*  
19 *meet the minimum requirements for health care benefits*  
20 *established by the Office by regulation pursuant to subsection 10.*

21 3. *Notwithstanding the provisions of subsection 2, the Office*  
22 *of Economic Development:*

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

27 (b) *Shall consider the level of health care benefits provided by*  
28 *the data center to its employees, the projected economic impact of*  
29 *the data center and the projected tax revenue of the data center*  
30 *after deducting projected revenue from the abated taxes.*

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

32 (1) *Make the requirements set forth in paragraph (d) and*  
33 *(e) of subsection 2 more stringent; or*

34 (2) *Add additional requirements that an applicant must*  
35 *meet to qualify for a partial abatement pursuant to this section.*

36 4. *If the Office of Economic Development approves an*  
37 *application for a partial abatement pursuant to this section, the*  
38 *Office shall immediately forward a certificate of eligibility for the*  
39 *abatement to:*

40 (a) *The Department;*

41 (b) *The Nevada Tax Commission; and*

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



1       5. *If the Office of Economic Development approves an*  
2 *application for a partial abatement pursuant to this section, the*  
3 *Office may also approve a partial abatement of taxes for each*  
4 *colocated business that enters into a contract to use or occupy, for*  
5 *a period of at least 2 years, all or a portion of the new or expanded*  
6 *data center. The amount of a partial abatement approved for a*  
7 *colocated business pursuant to this subsection must not exceed the*  
8 *amount of the partial abatement approved for the data center. The*  
9 *duration of a partial abatement approved for a colocated business*  
10 *pursuant to this subsection must not exceed the duration of the*  
11 *contract entered into between the colocated business and the data*  
12 *center. If a colocated business ceases to meet the requirements set*  
13 *forth in this subsection, the colocated business shall repay the*  
14 *amount of the abatement that was allowed in the same manner in*  
15 *which a data center is required by subsection 7 to repay the*  
16 *Department or a county treasurer. If a data center ceases to meet*  
17 *the requirements of subsection 2 or ceases operation before the*  
18 *time specified in the agreement described in paragraph (b) of*  
19 *subsection 2, any partial abatement approved for a colocated*  
20 *business ceases to be in effect. A data center shall provide the*  
21 *Office and the Department with a list of the colocated businesses*  
22 *that are qualified to receive a partial abatement pursuant to this*  
23 *subsection and shall notify the Office within 30 days after any*  
24 *change to the list. The Office shall provide the list and any updates*  
25 *to the list to the Department and the county treasurer of each*  
26 *affected county.*

27       6. *An applicant for a partial abatement pursuant to this*  
28 *section or a data center whose partial abatement is in effect shall,*  
29 *upon the request of the Executive Director of the Office of*  
30 *Economic Development, furnish the Executive Director with*  
31 *copies of all records necessary to verify that the applicant meets*  
32 *the requirements of subsection 2.*

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

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

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

38       ↳ *the data center shall repay to the Department or, if the partial*  
39 *abatement was from the property tax imposed pursuant to chapter*  
40 *361 of NRS, to the county treasurer, the amount of the abatement*  
41 *that was allowed pursuant to this section before the failure of the*  
42 *data center to comply unless the Nevada Tax Commission*  
43 *determines that the data center has substantially complied with the*  
44 *requirements of this section. Except as otherwise provided in NRS*  
45 *360.232 and 360.320, the data center shall, in addition to the*



1 *amount of the abatement required to be repaid pursuant to this*  
2 *subsection, pay interest on the amount due at the rate most*  
3 *recently established pursuant to NRS 99.040 for each month, or*  
4 *portion thereof, from the last day of the month following the*  
5 *period for which the payment would have been made had the*  
6 *partial abatement not been approved until the date of payment of*  
7 *the tax.*

8 8. *A county treasurer:*

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

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

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

19 10. *The Office of Economic Development:*

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

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

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

29 11. *The Nevada Tax Commission:*

30 (a) *Shall adopt regulations regarding:*

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

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

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

38 12. *As used in this section, unless the context otherwise*  
39 *requires:*

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

44 (b) *“Data center” means one or more buildings located at one*  
45 *or more physical locations in this State which house a group of*



1 *networked server computers for the purpose of centralizing the*  
2 *storage, management and dissemination of data and information*  
3 *pertaining to one or more businesses and includes any modular or*  
4 *preassembled components, associated telecommunications and*  
5 *storage systems and, if the data center includes more than one*  
6 *building or physical location, any network or connection between*  
7 *such buildings or physical locations.*

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

9 360.225 1. During the course of an investigation undertaken  
10 pursuant to NRS 360.130 of a person claiming:

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

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

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

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

19 (e) A partial abatement of taxes pursuant to NRS 360.752; ~~or~~

20 (f) *A partial abatement of taxes pursuant to section 1 of this*  
21 *act; or*

22 (g) An abatement of taxes pursuant to NRS 360.950,

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

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

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

32 360.755 1. If the Office of Economic Development approves  
33 an application by a business for an abatement of taxes pursuant to  
34 NRS 360.950 or a partial abatement pursuant to NRS 360.750 or  
35 360.752 ~~or~~ *section 1 of this act*, the agreement with the Office  
36 must provide that the business:

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

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

42 2. If the Department conducts an audit of the business to  
43 determine whether the business is in full compliance with the  
44 requirements for the abatement or partial abatement, the Department



1 shall, upon request, provide the audit report to the Office of  
2 Economic Development.

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

7 (a) Is confidential proprietary information of the business;

8 (b) Is not a public record; and

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

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

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

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

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

32 (a) Is confidential proprietary information of the business;

33 (b) Is not a public record;

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

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

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

40 360.757 1. The Office of Economic Development shall not  
41 take any action on an application for any abatement of taxes  
42 pursuant to NRS 274.310, 274.320, 274.330 or 360.750 *or section 1*  
43 *of this act* or any other specific statute unless the Office:

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





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

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

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

8 (3) The general public.

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

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

14 **Sec. 5.** Chapter 361 of NRS is hereby amended by adding  
15 thereto a new section to read as follows:

16 *1. A person who intends to locate or expand a data center in  
17 this State may, pursuant to section 1 of this act, apply to the Office  
18 of Economic Development for a partial abatement from the taxes  
19 imposed by this chapter on personal property located at the data  
20 center.*

21 *2. If a partial abatement from the taxes imposed by this  
22 chapter on personal property located at the data center is approved  
23 by the Office of Economic Development pursuant to section 1 of  
24 this act:*

25 *(a) The partial abatement must:*

26 *(1) For an applicant seeking an abatement pursuant to  
27 paragraph (d) of subsection 2 of section 1 of this act:*

28 *(I) Be for a duration of at least 1 year but not more than  
29 10 years; and*

30 *(II) Not exceed 75 percent of the taxes payable by the  
31 data center each year pursuant to this chapter on personal  
32 property located at the data center;*

33 *(2) For an applicant seeking an abatement pursuant to  
34 paragraph (e) of subsection 2 of section 1 of this act:*

35 *(I) Be for a duration of at least 10 years but not more  
36 than 20 years; and*

37 *(II) Not exceed 75 percent of the taxes payable by the  
38 data center each year pursuant to this chapter on personal  
39 property located at the data center; and*

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

42 *(b) The Executive Director of the Office of Economic  
43 Development shall notify the county assessor of each county in  
44 which the data center is located of the approval of the partial  
45 abatement, including, without limitation, the duration and*



1 *percentage of the partial abatement that the Office granted and*  
2 *the applicability of the partial abatement to any colocated*  
3 *business. The Executive Director shall, on or before April 15 of*  
4 *each year, advise the county assessor of each county in which a*  
5 *data center qualifies for a partial abatement during the current*  
6 *fiscal year as to whether the data center or any colocated business*  
7 *is still eligible for the partial abatement in the next succeeding*  
8 *fiscal year.*

9 3. *As used in this section:*

10 (a) *“Colocated business” has the meaning ascribed to it in*  
11 *section 1 of this act.*

12 (b) *“Data center” has the meaning ascribed to it in section 1 of*  
13 *this act.*

14 **Sec. 6.** Chapter 374 of NRS is hereby amended by adding  
15 thereto a new section to read as follows:

16 1. *A person who intends to locate or expand a data center in*  
17 *this State may, pursuant to section 1 of this act, apply to the Office*  
18 *of Economic Development for a partial abatement from the taxes*  
19 *imposed by this chapter on the gross receipts from the sale, and*  
20 *the storage, use or other consumption, of eligible machinery or*  
21 *equipment for use at a data center which has been approved for a*  
22 *partial abatement pursuant to section 1 of this act.*

23 2. *If an application for a partial abatement is approved:*

24 (a) *For an applicant seeking an abatement pursuant to*  
25 *paragraph (d) of subsection 2 of section 1 of this act, the data*  
26 *center and any colocated business is eligible for an abatement*  
27 *from the tax imposed by this chapter for a period of not more than*  
28 *10 years.*

29 (b) *For an applicant seeking an abatement pursuant to*  
30 *paragraph (e) of subsection 2 of section 1 of this act, the data*  
31 *center and any colocated business is eligible for an abatement*  
32 *from the tax imposed by this chapter for a period of not more than*  
33 *20 years.*

34 (c) *The abatement must be administered and carried out in the*  
35 *manner set forth in section 1 of this act.*

36 3. *As used in this section:*

37 (a) *“Colocated business” has the meaning ascribed to it in*  
38 *section 1 of this act.*

39 (b) *“Data center” has the meaning ascribed to it in section 1 of*  
40 *this act.*

41 (c) *“Eligible machinery or equipment” means machinery or*  
42 *equipment for which a deduction is authorized pursuant to 26*  
43 *U.S.C. § 179. The term does not include buildings or the structural*  
44 *components of buildings.*



1       **Sec. 7.** NRS 218D.355 is hereby amended to read as follows:  
2       218D.355 1. Except as otherwise provided in NRS 360.965  
3       ✚ *and section 1 of this act*, any state legislation enacted on or after  
4       July 1, 2012, which authorizes or requires the Office of Economic  
5       Development to approve any abatement of taxes or increases the  
6       amount of any abatement of taxes which the Office is authorized or  
7       required to approve:

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

10       (b) Does not apply to:

11       (1) Any taxes imposed pursuant to NRS 374.110 or 374.190;  
12       or

13       (2) Any entity that receives:

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

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

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

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

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

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

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

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

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

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

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

43       (a) Based upon the information submitted to the Department of  
44       Taxation pursuant to paragraph (c) of subsection 1, prepare a written



1 report of its findings regarding whether the costs of the abatement  
2 exceed the benefits of the abatement; and

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

5 **Sec. 8.** NRS 231.0685 is hereby amended to read as follows:

6 231.0685 The Office shall, on or before January 15 of each  
7 odd-numbered year, prepare and submit to the Director of the  
8 Legislative Counsel Bureau for transmission to the Legislature a  
9 report concerning the abatements from taxation that the Office  
10 approved pursuant to NRS 274.310, 274.320, 274.330, 360.750 or  
11 360.752 ~~§~~ *or section 1 of this act.* The report must set forth, for  
12 each abatement from taxation that the Office approved during the  
13 fiscal years which are 3 fiscal years and 6 fiscal years immediately  
14 preceding the submission of the report:

15 1. The dollar amount of the abatement;

16 2. The location of the business for which the abatement was  
17 approved;

18 3. The value of infrastructure included as an incentive for the  
19 business;

20 4. If applicable, the number of employees that the business for  
21 which the abatement was approved employs or will employ;

22 5. Whether the business for which the abatement was approved  
23 is a new business or an existing business;

24 6. The economic sector in which the business operates, the  
25 number of primary jobs related to the business, the average wage  
26 paid to employees of the business and the assessed values of  
27 personal property and real property of the business; and

28 7. Any other information that the Office determines to be  
29 useful.

30 **Sec. 9.** NRS 231A.170 is hereby amended to read as follows:

31 231A.170 1. For the purpose of NRS 231A.110, a qualified  
32 active low-income community business is limited to those  
33 businesses meeting the Small Business Administration size  
34 eligibility standards established in 13 C.F.R. §§ 121.101 to 201,  
35 inclusive, at the time the qualified low-income community  
36 investment is made. A business must be considered a qualified  
37 active low-income community business for the duration of the  
38 qualified community development entity's investment in, or loan to,  
39 the business if the entity reasonably expects, at the time it makes the  
40 investment or loan, that the business will continue to satisfy the  
41 requirements for being a qualified active low-income community  
42 business, other than the Small Business Administration size  
43 standards, throughout the entire period of the investment or loan.

44 2. Except as otherwise provided in this subsection, the  
45 businesses limited by this section do not include any business that



1 derives or projects to derive 15 percent or more of its annual  
2 revenue from the rental or sale of real estate. This exclusion does  
3 not apply to a business that is controlled by, or under common  
4 control with, another business if the second business:

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

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

9 3. The following businesses are not qualified active low-  
10 income community businesses:

11 (a) A business that has received an abatement from taxation  
12 pursuant to NRS 274.310, 274.320, 274.330 or 360.750 ~~§~~ *or*  
13 *section 1 of this act.*

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

16 (c) A business engaged in banking or lending.

17 (d) A massage parlor.

18 (e) A bath house.

19 (f) A tanning salon.

20 (g) A country club.

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

23 (i) A liquor store.

24 (j) A golf course.

25 **Sec. 10.** NRS 353.207 is hereby amended to read as follows:

26 353.207 1. The Chief shall:

27 (a) Require the Office of Economic Development and the Office  
28 of Energy each periodically to conduct an analysis of the relative  
29 costs and benefits of each incentive for economic development  
30 previously approved by the respective office and in effect during the  
31 immediately preceding 2 fiscal years, including, without limitation,  
32 any abatement of taxes approved by the Office of Economic  
33 Development pursuant to NRS 274.310, 274.320, 274.330, 360.750,  
34 360.752, 360.950, 361.0687, 374.357 or 701A.210 ~~§~~ *or section 1*  
35 *of this act,* to assist the Governor and the Legislature in determining  
36 whether the economic benefits of the incentive have accomplished  
37 the purposes of the statute pursuant to which the incentive was  
38 approved and warrant additional incentives of that kind;

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

42 (c) Establish a schedule for performing and reporting the results  
43 of the analysis required by paragraph (a) which ensures that the  
44 results of the analysis reported by each office are included in the



1 proposed budget prepared pursuant to NRS 353.205, as required by  
2 that section.

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

6 **Sec. 11.** The provisions of subsection 1 of NRS 218D.380 do  
7 not apply to any provision of this act which adds or revises a  
8 requirement to submit a report to the Legislature.

9 **Sec. 12.** The Legislature hereby finds that each abatement  
10 provided by this act from any ad valorem tax on property or excise  
11 tax on the sale, storage, use or other consumption of tangible  
12 personal property sold at retail:

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

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

22 **Sec. 13.** 1. This act becomes effective:

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

26 (b) On January 1, 2016, for all other purposes.

27 2. Expires by limitation on December 31, 2056.

