

THE FIFTY-SEVENTH DAY

CARSON CITY (Monday), March 30, 2015

Senate called to order at 12:12 p.m.

President Hutchison presiding.

Roll called.

All present except Senator Smith, who was excused.

Prayer by the Chaplain, Lieutenant Mark Cyr.

Our God in Heaven, Father we thank you for this great State of Nevada. We thank you for these leaders of our State that have gathered here to determine the future and direction of our State. Lord, I ask your blessing and strength to be on each of them. Give them wisdom and understanding. Help them see clearly the needs of our State and its people. Help them lead with unity and integrity always seeking and finding the direction You would take them.

Father, we pray these things in the precious Name of Jesus.

AMEN.

Pledge of Allegiance to the Flag.

By previous order of the Senate, the reading of the Journal is dispensed with, and the President and Secretary are authorized to make the necessary corrections and additions.

REPORTS OF COMMITTEES

Mr. President:

Your Committee on Education, to which was referred Senate Bill No. 200, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

BECKY HARRIS, *Chair*

Mr. President:

Your Committee on Government Affairs, to which were referred Senate Bills Nos. 297, 362, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

Also, your Committee on Government Affairs, to which was referred Senate Bill No. 26, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

PETE GOICOECHEA, *Chair*

Mr. President:

Your Committee on Judiciary, to which were referred Senate Bills Nos. 186, 230, 240, 449, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

Also, your Committee on Judiciary, to which were referred Senate Bills Nos. 17, 36, 161, 162, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

GREG BROWER, *Chair*

WAIVERS AND EXEMPTIONS

NOTICE OF EXEMPTION

March 29, 2015

The Fiscal Analysis Division, pursuant to Joint Standing Rule No. 14.6, has determined the

exemption of: Senate Bills Nos. 423, 427, 428, 429, 431, 467, 468, 469, 470, 486, 487, 490, 491, 493, 497, 505, 506.

MARK KRMPOTIC
Fiscal Analysis Division

March 30, 2015

The Fiscal Analysis Division, pursuant to Joint Standing Rule No. 14.6, has determined the eligibility for exemption of: Senate Bills Nos. 222, 234, 237, 248, 265, 266, 268, 269, 275, 280, 282, 283, 284, 288, 290, 295, 305, 364, 391, 392, 399, 405, 420, 422, 430, 432, 471, 472, 474, 483, 488, 489, 492, 494, 495, 496, 498, 500, 501, 502, 503, 504, 507, 508.

MARK KRMPOTIC
Fiscal Analysis Division

SECOND READING AND AMENDMENT

Senate Bill No. 4.

Bill read second time.

The following amendment was proposed by the Committee on Natural Resources:

Amendment No. 5.

SUMMARY—~~[Provides exemptions from certain registration]~~ Revises requirements for the ~~[trapping]~~ taking of wild mammals on private property. (BDR 45-89)

AN ACT relating to trapping; providing exemptions from certain registration requirements for a trap, snare or similar device used in the trapping of wild mammals on private property; limiting the requirement to obtain a permit to take or kill fur-bearing mammals injuring property; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires that each trap, snare or similar device used in the taking of wild mammals must be registered with the Department of Wildlife before it is used. Existing law also requires that each registered trap, snare or similar device bear a number which is assigned by the Department and is affixed to or marked on the trap, snare or similar device. (NRS 503.452) ~~[This]~~ Section 1 of this bill exempts from those requirements a trap, snare or similar device used: (1) exclusively on private property by the owner or occupant of the property or with the permission of the owner or occupant; ~~for~~ (2) for the control of rodents by ~~a governmental agency;~~ an institution of the Nevada System of Higher Education; or (3) by a federal, state or local governmental agency.

Existing law provides that fur-bearing mammals injuring property may be taken or killed at any time in any manner if a permit is obtained from the Department. (NRS 503.470) Section 2 of this bill removes the requirement that the owner or occupant of the property obtain a permit in such circumstances.

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

Section 1. NRS 503.452 is hereby amended to read as follows:

503.452 1. ~~Each~~ *Except as otherwise provided in subsection 2, each trap, snare or similar device used by a person in the taking of wild mammals must be registered with the Department before it is used. Each registered trap, snare or similar device must bear a number which is assigned by the Department and is affixed to or marked on the trap, snare or similar device in the manner specified by regulations adopted by the Commission. The registration of a trap, snare or similar device is valid until the trap, snare or similar device is sold or ownership of the trap, snare or similar device is otherwise transferred.*

2. *The provisions of subsection 1 do not apply to a trap, snare or similar device used:*

(a) Exclusively on private property which is posted or fenced in accordance with the provisions of NRS 207.200 by the owner or occupant of the property or with the permission of the owner or occupant; ~~or~~

(b) For the control of rodents by an institution of the Nevada System of Higher Education ~~for any other federal, state or local governmental agency~~; or

(c) By any federal, state or local governmental agency.

3. A registration fee of \$10 for each registrant is payable only once by each person who registers a trap, snare or similar device. The fee must be paid at the time the first trap, snare or similar device is registered.

~~{3-}~~ 4. It is unlawful:

(a) For a person to whom a trap, snare or similar device is registered to allow another person to possess or use the trap, snare or similar device without providing to that person written authorization to possess or use the trap, snare or similar device.

(b) For a person to possess or use a trap, snare or similar device registered to another person without obtaining the written authorization required pursuant to paragraph (a). If a person obtains written authorization to possess or use a trap, snare or similar device pursuant to paragraph (a), the person shall ensure that the written authorization, together with his or her trapping license, is in his or her possession during any period in which he or she uses the trap, snare or similar device to take fur-bearing mammals.

~~{4-}~~ 5. A person to whom a trap, snare or similar device is registered pursuant to this section shall report any theft of the trap, snare or similar device to the Department as soon as it is practical to do so after the person discovers the theft.

~~{5-}~~ 6. Any information in the possession of the Department concerning the registration of a trap, snare or similar device is confidential and the Department shall not disclose that information unless required to do so by law or court order.

Sec. 2. NRS 503.470 is hereby amended to read as follows:

503.470 1. Fur-bearing mammals injuring any property may be taken or killed at any time in any manner ~~if, provided a permit is first obtained from~~

~~the Department.] by the owner or occupant of the property or with the permission of the owner or occupant.~~

2. When the Department has determined from investigations or upon a petition signed by the owners of 25 percent of the land area in any irrigation district or the area served by a ditch company alleging that an excessive population of beaver or otter exists or that beaver or otter are doing damage to lands, streams, ditches, roads or water control structures, the Department shall remove such excess or depredating beaver or otter.

~~[Sec. 2.]~~ Sec. 3. This act becomes effective upon passage and approval.

Senator Gustavson moved the adoption of the amendment.

Remarks by Senator Gustavson.

Amendment No. 5 to Senate Bill No. 4 clarifies that trap registration requirements do not apply to devices used on private property that is posted or fenced according to state law; and provides that fur-bearing mammals injuring property may be taken at any time by the owner or occupant of the property or with their permission and removes the permit requirement.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 27.

Bill read second time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 31.

SUMMARY—Revises the amount of money that the Commission for Cultural Affairs may use each fiscal year from the ~~[Fund for the Preservation and Promotion of Cultural Resources.]~~ proceeds of certain bonds to pay for administrative services. (BDR 18-321)

AN ACT relating to the Commission for Cultural Affairs; revising the amount of money that the Commission may use ~~[each fiscal year]~~ from the ~~[Fund for the Preservation and Promotion of Cultural Resources;]~~ proceeds of bonds issued on behalf of the Commission to pay for the administrative services of the Commission; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law creates the Fund for the Preservation and Promotion of Cultural Resources in the State Treasury and requires the Commission for Cultural Affairs to administer the Fund. Money in the Fund is derived from the issuance of general obligation bonds on behalf of the Commission. The Commission is authorized to expend the money in the Fund only for projects identified in the Commission's plan to promote and preserve the State's cultural resources. Additionally, the Commission is authorized to use the money derived from interest earned on the money in the Fund to pay for: (1) any administrative services required by the Commission; and (2) the per diem allowances and travel expenses of the members of the Commission.

(NRS 233C.200 ~~))~~, 233C.225, 233C.230) This bill ~~[changes the amount of money in the Fund]~~ authorizes the Commission ~~[is authorized to use for those purposes from the interest earned on the money in the Fund]~~ to use not more than 5 percent of the ~~[money in the Fund, including any money derived from interest earned on the money in the Fund.]~~ proceeds from any particular issuance of bonds to pay for the administrative services of the Commission.

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

Section 1. NRS 233C.200 is hereby amended to read as follows:

233C.200 1. The Commission for Cultural Affairs is hereby created.

The Commission is advisory to the Department and consists of:

- (a) The Chair of the Nevada Humanities Committee or a member of the Committee designated by the Chair;
- (b) The Chair of the Board or a member of the Board designated by the Chair;
- (c) The Chair of the Board of Museums and History or a member of the Board of Museums and History designated by the Chair;
- (d) A member of the Board of Museums and History, to be appointed by the Governor;
- (e) One representative of the general public who has a working knowledge of the promotion of tourism in Nevada, to be appointed by the Governor; and
- (f) The Chair of the State Council on Libraries and Literacy or a member of the Council designated by the Chair.

2. The Commission shall:

- (a) Elect from its membership a Chair who shall serve for a term of 2 years. A vacancy occurring in this position must be filled by election of the members of the Commission for the remainder of the unexpired term.
- (b) Prescribe rules for its own management and government.
- (c) Meet biannually, or at more frequent times if it deems necessary, and may, within the limitations of its budget, hold special meetings at the call of its Chair.

3. Three members of the Commission constitute a quorum, but a majority of the members of the Commission is necessary to consider the particular business before it and to exercise the power conferred on the Commission.

4. The members of the Commission are not entitled to be paid a salary, but are entitled, while engaged in the business of the Commission, to receive the per diem allowance and travel expenses provided for state officers and employees generally.

~~[5. The *Each fiscal year, the Commission may use not more than 5 percent of the money in the Fund for the Preservation and Promotion of Cultural Resources created pursuant to NRS 233C.230, including any money derived from interest earned on the money in the Fund for the Preservation and Promotion of Cultural Resources created pursuant to NRS 233C.230 to pay for:*~~

~~—(a) Any administrative services required by the Commission; and~~

~~(b) The per diem allowances and travel expenses of members of the Commission authorized pursuant to subsection 4.]~~

Sec. 2. NRS 233C.225 is hereby amended to read as follows:

233C.225 1. The Commission shall determine annually the total amount of financial assistance it will grant from the proceeds of bonds issued pursuant to this section in that calendar year pursuant to NRS 233C.200 to 233C.230, inclusive. The Commission shall notify the State Board of Examiners and the State Board of Finance of that amount.

2. After receiving the notice given pursuant to subsection 1, the State Board of Finance shall issue general obligation bonds of the State of Nevada in the amount necessary to generate the amount to be granted by the Commission from the proceeds of bonds issued pursuant to this section, ~~and~~ to pay the expenses related to the issuance of the bonds ~~and~~ and to pay for the administrative services of the Commission. The expenses related to the issuance of bonds pursuant to this section must be paid from the proceeds of the bonds, and must not exceed 2 percent of the face amount of the bonds sold. In no case may the total face amount of the bonds issued pursuant to this section exceed \$3,000,000 per year. No public debt is created, within the meaning of Section 3 of Article 9 of the Constitution of the State of Nevada, until the issuance of the bonds.

3. The proceeds from the sale of the bonds authorized by this section, after deducting the expenses relating to the issuance of the bonds, must be deposited with the State Treasurer and credited to the Fund for the Preservation and Promotion of Cultural Resources.

4. The provisions of the State Securities Law, contained in chapter 349 of NRS, apply to the issuance of bonds pursuant to this section.

Sec. 3. NRS 233C.230 is hereby amended to read as follows:

233C.230 1. There is hereby created in the State Treasury the Fund for the Preservation and Promotion of Cultural Resources. The Commission is responsible for the administration of the Fund. All money received and held by the State Treasurer for that purpose must be deposited in the Fund. The Commission shall account separately for money received from the proceeds of bonds issued pursuant to NRS 233C.225.

2. ~~Except as otherwise provided in subsection 5 of NRS 233C.200, the~~ The Commission may expend money in the Fund only ~~for~~ :

(a) For projects identified in the Commission's plan to promote and preserve the State's cultural resources pursuant to NRS 233C.200 to 233C.230, inclusive. In addition to the amount of financial assistance granted from the proceeds of bonds issued pursuant to NRS 233C.225, the Commission may grant as financial assistance not more than \$750,000 each calendar year of the interest earned on the deposit or investment of the money in the Fund ~~and~~ ; and

(b) For any administrative services provided by the Commission. The Commission may not use more than 5 percent of the proceeds from any particular issuance of bonds to pay for the administrative services.

3. The money in the Fund must be invested as the money in other state funds is invested. All interest on the deposit or investment of the money in the Fund must be credited to the Fund.

4. Claims against the Fund must be paid as other claims against the State are paid.

~~Sec. 2.~~ *Sec. 4.* This act becomes effective on July 1, 2015.

Senator Goicoechea moved the adoption of the amendment.

Remarks by Senator Goicoechea.

The amendment does the following: Specifies that the Commission for Cultural Affairs may not expend more than 5 percent of the proceeds of any bond issued, instead of the Fund; and it also simplifies the language authorizing the Commission to pay for administrative services, as testimony indicted, for per diem and travel for Commission members who were paid as part of administrative services.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 93.

Bill read second time.

The following amendment was proposed by the Committee on Revenue and Economic Development:

Amendment No. 161.

SUMMARY—Authorizes certain businesses to apply to the Office of Economic Development for a partial abatement from certain taxes. (BDR 32-291)

AN ACT relating to taxation; authorizing certain qualified businesses in this State that own, operate, manufacture, service, maintain, test, repair, overhaul or assemble an aircraft or any component of an aircraft to apply to the Office of Economic Development for a partial abatement from certain property or sales and use taxes; revising the provisions governing the administration of the sales and use taxes to change the manner in which the taxes are required to be paid on tangible personal property purchased in the performance of certain contracts; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides for the assessment of ad valorem taxes on certain real and personal property and the assessment of certain taxes on the gross receipts from the sale, storage, use or other consumption of certain personal property. (Chapters 361 and 374 of NRS) Section 1 of this bill authorizes an owner of a qualified business or a person who intends to locate or expand a qualified business in this State to apply to the Office of Economic Development for a partial abatement of certain personal property or sales and use taxes. Section 1 requires the Office of Economic Development to approve a partial abatement for a period of not more than 20 years for certain qualified new and existing businesses that own, operate, manufacture, service, maintain, test, repair, overhaul or assemble an aircraft or any component of an aircraft.

Sections 4 and 5 of this bill revise provisions governing the administration of the sales and use taxes (chapters 372 and 374 of NRS) to provide that a business, rather than a customer of such a business, is required to pay the sales or use tax on any tangible personal property purchased in the performance of a contract for the ownership, operation, manufacture, servicing, maintenance, testing, repair, overhaul or assembly of an aircraft or any component of an aircraft. For any such business which has been granted a partial abatement from sales and use taxes pursuant to section 1, the sales or use tax imposed on the business, other than the taxes imposed pursuant to the Sales and Use Tax Act would then be abated.

Existing law exempts from certain sales and use taxes the gross receipts from the sale of aircraft and major components of aircraft to an air carrier that maintains its central office and bases a majority of its aircraft in Nevada. (NRS 372.317) A related provision governs the administration of the exemption. (NRS 372.726) In 1997, the Nevada Supreme Court held that the exemption was unconstitutional because it discriminated against interstate commerce. (*Worldcorp v. State, Dep't of Taxation*, 113 Nev. 1032 (1997)) Section 12 of this bill repeals both provisions.

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

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

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

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

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

(1) *Complies with the requirements of NRS 360.755; ~~and~~*

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

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

(4) Binds the successors 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) If the business is:

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

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

(e) 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 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.

(4) 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.

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 20 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 unless the business is regulated under 14 C.F.R. Part 125 or 135.

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 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.

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

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

10. *An applicant for a partial abatement who is aggrieved by a final decision of the Office of Economic Development may petition a court of competent jurisdiction to review the decision in the manner provided in chapter 233B of NRS.*

11. *If the Office of Economic Development approves an application for a partial abatement of local sales and use taxes pursuant to this section, the Department shall issue to the business a document certifying the partial abatement which can be presented to retailers and customers of the business at the time of sale. The document must clearly state that the purchaser is only*

required to pay sales and use taxes imposed in this State at the rate of 2 percent.

12. As used in this section:

(a) "Aircraft" means any fixed-wing, rotary-wing or unmanned aerial vehicle.

(b) "Component of an aircraft" means any:

(1) Element that makes up the physical structure of an aircraft, or is affixed thereto;

(2) Mechanical, electrical or other system of an aircraft, including, without limitation, any component thereof; and

(3) Raw material or processed material, part, machinery, tool, chemical, gas or equipment used to operate, manufacture, service, maintain, test, repair, overhaul or assemble an aircraft or component of an aircraft.

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

(d) "Local sales and use taxes" means any taxes imposed on the gross receipts of any retailer from the sale of tangible personal property sold at retail, or stored, used or otherwise consumed, in any political subdivision of this State, except the taxes imposed by the Sales and Use Tax Act.

~~(d)~~ (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. 2. 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 or 360.752, 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. 3. 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 or 360.750 *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. 4. Chapter 372 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *In administering the provisions of this chapter:*

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

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

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

(b) *Any tangible personal property purchased by a business for use in the 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 of section 1 of this act.*

(b) *"Component of an aircraft" has the meaning ascribed to it in paragraph (b) of subsection 12 of section 1 of this act.*

(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.*

Sec. 5. Chapter 374 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *In administering the provisions of this chapter:*

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

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

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

(b) Any tangible personal property purchased by a business for use in the 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 of section 1 of this act.

(b) "Component of an aircraft" has the meaning ascribed to it in paragraph (b) of subsection 12 of section 1 of this act.

(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.

Sec. 6. NRS 218D.355 is hereby amended to read as follows:

218D.355 1. Except as otherwise provided in NRS 360.965 ~~and~~ *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 or 374.190; 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. 7. 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 or 360.752 ~~or~~ *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; and

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

Sec. 8. 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. 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 or 360.750 ~~[-]~~ 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.

Sec. 9. 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, 360.752, 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. 10. The provisions of NRS 218D.380 do not apply to the reporting requirements of NRS 231.0685, as amended by section 7 of this act.

Sec. 11. The Legislature hereby finds that each exemption provided by this act from any ad valorem tax on personal 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 exemption are expected to exceed any adverse effect of the exemption 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 exemption would be granted; and

2. Will not impair adversely the ability of the State or any 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 exemption would be granted was pledged.

Sec. 12. NRS 372.317 and 372.726 are hereby repealed.

Sec. 13. This act becomes effective upon passage and approval and expires by limitation on June 30, 2035.

TEXT OF REPEALED SECTIONS

372.317 Aircraft and major components of aircraft. There are exempted from the taxes imposed by this chapter the gross receipts from the sale of aircraft and major components of aircraft, such as engines and other components made for use only in aircraft, to an air carrier which:

1. Holds a certificate to engage in air transportation issued pursuant to 49 U.S.C. § 1371 and is not solely a charter air carrier or a supplemental air carrier as described in Title 49 of the United States Code; and

2. Maintains its central office in Nevada and bases a majority of its aircraft in Nevada.

372.726 Application of exemption for aircraft and major components of aircraft. On and after July 1, 1995, in administering the provisions of section 61.5 of chapter 397, Statutes of Nevada 1955, which is included in NRS as NRS 372.317, the Department shall:

1. Not enforce any restriction on the applicability of the exemption provided therein which would violate the United States Constitution.

2. Apply the exemption to all types of sales to air carriers including both indirect sales to an entity which purchases the aircraft or major components of an aircraft for lease to and use by an air carrier that otherwise qualifies for the exemption and direct sales to air carriers.

Senator Brower moved the adoption of the amendment.

Remarks by Senator Brower.

Amendment No. 161 to Senate Bill. No. 93 makes certain changes to the application process and eligibility criteria for aircraft related businesses to qualify for a partial abatement to be administered by the Governor's Office of Economic Development.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 170.

Bill read second time.

The following amendment was proposed by the Committee on Revenue and Economic Development:

Amendment No. 162.

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

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 collocate with a data center for which a partial abatement has been approved; revising provisions governing eligibility for a partial abatement of certain property taxes and sales and use taxes for a data center that is or will be located in a historically underutilized business zone, a redevelopment area, an area eligible for a community development block grant or an enterprise community; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes the Office of Economic Development to grant a partial abatement of property taxes, business taxes and sales and use taxes to a business that locates or expands in this State and meets certain qualifications for the abatement. (NRS 274.310, 274.320, 360.750, 361.0687, 363B.120, 374.357, 701A.210) Section 1 of this bill authorizes the Office of Economic Development to grant a partial abatement of property taxes and local sales and use taxes to a data center that locates or expands in this State and meets certain qualifications. Section 1 establishes the criteria by which a data center must demonstrate eligibility for a partial abatement, including requirements concerning the number of full-time employees that must be employed by a data center and minimum requirements for capital investment. If the Office of Economic Development approves a partial abatement for a data center, section 1 authorizes the Office of Economic Development to grant the same partial abatement to certain businesses that collocate with the data center. Section 5 of this bill specifies that the amount of the abatement must not exceed 75 percent of the amount of personal property taxes payable by a data center for eligible equipment and machinery located in the data center. Section 6 of this bill specifies the duration of the partial abatement applicable to the local sales and use taxes otherwise payable by a data center for eligible equipment and machinery located in the data center.

~~Section 6~~ ~~also~~ prohibits the Office of Economic Development from approving any abatements pursuant to the provisions of sections 1-6, 7-9 and

10-12 of this bill on or after January 1, 2036 ~~[Pursuant]~~ , but, pursuant to section 13 of this bill, the provisions of ~~[this bill expire by limitation on December 31, 2036.]~~ sections 1-6, 7-9 and 10-12 will remain effective until December 31, 2056, so that the Office of Economic Development and the Department of Taxation may continue to administer the law with regard to any abatements approved pursuant to the provisions of this bill and in effect on January 1, 2036.

Existing law authorizes the Office of Economic Development to grant, for a period of at least 1 year but not more than 5 years, a partial abatement of property taxes and sales and use taxes to an eligible business that is or will be located in a historically underutilized business zone, a redevelopment area, an area eligible for a community development block grant or an enterprise community. Under existing law, a data center that locates in such an area is eligible for such partial abatements for a period of at least 1 year but not more than 15 years. (NRS 274.310, 274.320, 274.330, 374.358) Sections 6.5, 9.3-9.7 and 12.5 of this bill delete the provisions which apply specifically to a data center which is or will be located in a historically underutilized business zone, a redevelopment area, an area eligible for a community development block grant or an enterprise community.

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 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.*

(b) *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 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;*

(3) *State that the data center will, after the date on which the 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

~~[(2)]~~ (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 data center operates.

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

(1) The data center will, by not later than the date that is 5 years after the date on which the abatement becomes effective, have or have added ~~100~~ 25 or more full-time employees who will be employed at the data center and will continue to employ ~~100~~ 25 or more full-time employees at the data center until at least the date which is 10 years after the date on which the abatement becomes effective.

(2) Establishing or expanding the data center will require the data center or any combination of the data center and ~~any colocated business~~ one or more colocated businesses to make, by not later than the date which is 5 years after the date on which the abatement becomes effective, a cumulative capital investment of at least ~~\$100,000,000~~ \$50,000,000 in this State in capital assets that will be used or located at the data center.

(3) The average hourly wage that will be paid by the data center to its 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 and:

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

(II) The ~~cost to the data center for the~~ health care benefits provided to employees employed at the data center will meet the minimum requirements for health care benefits established by the Office of Economic Development by regulation pursuant to subsection 10.

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

(1) The data center will, by not later than the date that is 5 years after the date on which the abatement becomes effective, have or have added ~~200~~ 50 or more full-time employees who will be employed at the data center and will continue to employ ~~200~~ 50 or more full-time employees at the data center until at least the date which is 20 years after the date on which the abatement becomes effective.

(2) Establishing or expanding the data center will require the data center or any combination of the data center and ~~any colocated business~~ one or more colocated businesses to make, by not later than the date which is 5 years after the date on which the abatement becomes effective, a cumulative capital investment of at least ~~(\$250,000,000)~~ \$100,000,000 in this State in capital assets that will be used or located at the data center.

(3) The average hourly wage that will be paid by the data center to its 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 and:

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

(II) The ~~cost to the data center for the~~ health care benefits provided to employees employed at the data center will meet the minimum requirements for health care benefits established by the Office of Economic Development by regulation pursuant to subsection 10.

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

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

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

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

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

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

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

~~(2)~~ (3) Add additional requirements that an applicant must meet to qualify for a partial abatement pursuant to this section.

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

(a) The Department;

(b) The Nevada Tax Commission; and

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

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

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

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

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

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

↳ the data center shall repay to the Department or, if the partial abatement was from the property tax imposed pursuant to chapter 361 of NRS, to the county treasurer, the amount of the abatement that was allowed pursuant to

this section before the failure of the data center to comply unless the Nevada Tax Commission determines that the data center has substantially complied with the requirements of this section. Except as otherwise provided in NRS 360.232 and 360.320, the data center shall, in addition to the amount of the 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.

8. *A county treasurer:*

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

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

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

10. *The Office of Economic Development:*

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

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

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

11. *The Nevada Tax Commission:*

(a) Shall adopt regulations regarding:

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

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

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

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

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

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

more than one building or physical location, any network or connection between such buildings or physical locations.

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

Sec. 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 360.752; ~~for~~
- (f) *A partial abatement of taxes pursuant to section 1 of this act; or*
- (g) An abatement of taxes pursuant to NRS 360.950,

→ 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 or 360.752 ~~or~~ *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 or 360.750 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. 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 data center 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 located at the data center.*

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

(a) The partial abatement must:

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

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

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

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

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

(II) Not exceed 75 percent of the taxes payable by the data center each year pursuant to this chapter on personal property located at the data center; 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 each county in which the data center is located of the approval of the partial abatement, including, without limitation, the duration and percentage of the partial abatement that the Office granted and the applicability of the partial abatement to any colocated business. The Executive Director shall, on or before April 15 of each year, advise the county assessor of each county in which a data center qualifies for a partial abatement during the current fiscal year as to whether the data center or any colocated business is still eligible for the partial abatement in the next succeeding fiscal year.

3. *As used in this section:*

(a) "Colocated business" has the meaning ascribed to it in section 1 of this act.

(b) "Data center" has the meaning ascribed to it in section 1 of this act.

Sec. 6. Chapter 374 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 data center 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 at a data center 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:

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

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

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

3. As used in this section:

(a) "Colocated business" has the meaning ascribed to it in section 1 of this act.

(b) "Data center" has the meaning ascribed to it in section 1 of this act.

(c) "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 buildings or the structural components of buildings.

Sec. 6.5. NRS 374.358 is hereby amended to read as follows:

374.358 1. A person who maintains a business or intends to locate a business in a historically underutilized business zone, as defined in 15 U.S.C. § 632, redevelopment area created pursuant to NRS 279.382 to 279.685, inclusive, 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 in this State may, pursuant to the applicable provisions of NRS 274.310, 274.320 or 274.330, apply to the Office of Economic Development for an 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 business which has been approved for an abatement pursuant to NRS 274.310, 274.320 or 274.330.

2. If an application for an abatement is approved pursuant to NRS 274.310, 274.320 or 274.330:

(a) The taxpayer is eligible for an abatement from the tax imposed by this chapter for ~~f~~

~~(1) Except as otherwise provided in subparagraph (2), a duration of not less than 1 year but not more than 5 years; or~~

~~(2) If the business is a data center that has invested or commits to invest during the period in which the abatement is effective, a minimum of~~

~~\$100,000,000 in the historically underutilized business zone, as defined in 15 U.S.C. § 632, redevelopment area created pursuant to NRS 279.382 to 279.685, inclusive, 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, a duration of not less than 1 year but not more than 15 years.~~

(b) The abatement must be administered and carried out in the manner set forth in the applicable provisions of NRS 274.310, 274.320 or 274.330.

3. As used in this section, unless the context otherwise requires ~~the~~

~~(a) "Data center" has the meaning ascribed to it in NRS 274.025.~~

~~(b) "Eligible", "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.

Sec. 7. NRS 218D.355 is hereby amended to read as follows:

218D.355 1. Except as otherwise provided in NRS 360.965 ~~and~~ *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 or 374.190; 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. 8. 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 or 360.752 ~~+~~ 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; and
7. Any other information that the Office determines to be useful.

Sec. 9. 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. 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 or 360.750 ~~[-]~~ 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.


Sec. 9.3. NRS 274.310 is hereby amended to read as follows:

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

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

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

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

(d) An enterprise community established pursuant to 24 C.F.R. Part 597,  may submit a request to the governing body of the county, city or town in which the business would operate for an endorsement of an application by the person to the Office of Economic Development for a partial abatement of one or more of the taxes imposed pursuant to chapter 361 or 374 of NRS. The governing body of the county, city or town shall provide notice of the request to the board of trustees of the school district in which the business would operate. The notice must set forth the date, time and location of the hearing at which the governing body will consider whether to endorse the application.

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

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

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

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

(a) The business is consistent with:

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

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

(b) The applicant has executed an agreement with the Office which states that the business will, after the date on which the abatement becomes effective:

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

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

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

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

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

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

(a) The Department of Taxation;

(b) The Nevada Tax Commission; and

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

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

(a) The partial abatement must ~~be~~

~~(1) Except as otherwise provided in subparagraph (2),~~ be for a duration of not less than 1 year but not more than 5 ~~years; or~~

~~(2) If the business is a data center that has invested or commits to invest during the period in which the abatement is effective a minimum of \$100,000,000 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, be for a duration of not less than 1 year but not more than 15] years.~~

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

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

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

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

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

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

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

Sec. 9.5. NRS 274.320 is hereby amended to read as follows:

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

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

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

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

(d) An enterprise community established pursuant to 24 C.F.R. Part 597, ↪ may submit a request to the governing body of the county, city or town in which the business operates for an endorsement of an application by the person to the Office of Economic Development for a partial abatement of the taxes imposed on capital equipment pursuant to chapter 374 of NRS. The governing body of the county, city or town shall provide notice of the request to the board of trustees of the school district in which the business operates. The notice must set forth the date, time and location of the hearing at which the governing body will consider whether to endorse the application.

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

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

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

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

(a) The business is consistent with:

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

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

(b) The applicant has executed an agreement with the Office which states that the business will, after the date on which the abatement becomes effective:

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

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

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

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

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

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

- (a) The Department of Taxation; and
- (b) The Nevada Tax Commission.

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

(a) The partial abatement must ~~be~~

~~—(1) Except as otherwise provided in subparagraph (2), be for a duration of not less than 1 year but not more than 5 years; or~~

~~—(2) If the business is a data center that has invested or commits to invest during the period in which the abatement is effective a minimum of \$100,000,000 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, be for a duration of not less than 1 year but not more than 15 years.~~

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

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

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

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

the business shall repay to the Department of Taxation the amount of the exemption that was allowed pursuant to this section before the failure of the business to comply unless the Nevada Tax Commission determines that the business has substantially complied with the requirements of this section. Except as otherwise provided in NRS 360.232 and 360.320, the business shall, in addition to the amount of the exemption required to be paid pursuant to this subsection, pay interest on the amount due at the rate most recently

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

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

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

Sec. 9.7. NRS 274.330 is hereby amended to read as follows:

274.330 1. A person who owns a business which is located within an enterprise community established pursuant to 24 C.F.R. Part 597 in this State may submit a request to the governing body of the county, city or town in which the business is located for an endorsement of an application by the person to the Office of Economic Development for a partial abatement of one or more of the taxes imposed pursuant to chapter 361 or 374 of NRS. The governing body of the county, city or town shall provide notice of the request to the board of trustees of the school district in which the business operates. The notice must set forth the date, time and location of the hearing at which the governing body will consider whether to endorse the application.

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

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

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

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

(a) The business is consistent with:

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

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

(b) The applicant has executed an agreement with the Office which states that the business will, after the date on which the abatement becomes effective:

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

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

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

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

(d) The business:

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

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

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

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

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

(1) The Department of Taxation;

(2) The Nevada Tax Commission; and

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

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

(a) The partial abatement must ~~be~~

~~(1) Except as otherwise provided in subparagraph (2), be for a duration of not less than 1 year but not more than 5 years; or~~

~~(2) If the business is a data center that has invested or commits to invest during the period in which the abatement is effective a minimum of \$100,000,000 in the enterprise community established pursuant to 24 C.F.R. Part 597, be for a duration of not less than 1 year but not more than 15 years.~~

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

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

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

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

↪ the business shall repay to the Department of Taxation or, if the partial abatement was from the property tax imposed pursuant to chapter 361 of NRS, to the county treasurer, the amount of the exemption that was allowed pursuant to this section before the failure of the business to comply

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

7. The Office of Economic Development:

(a) Shall adopt regulations relating to the minimum level of benefits that a business must provide to its employees to qualify for an abatement pursuant to this section.

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

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

9. As used in this section, "dislocated worker" means a person who:

(a) Has been terminated, laid off or received notice of termination or layoff from employment;

(b) Is eligible for or receiving or has exhausted his or her entitlement to unemployment compensation;

(c) Has been dependent on the income of another family member but is no longer supported by that income;

(d) Has been self-employed but is no longer receiving an income from self-employment because of general economic conditions in the community or natural disaster; or

(e) Is currently unemployed and unable to return to a previous industry or occupation.

Sec. 10. 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, 360.752, 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. 11. The provisions of subsection 1 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. 12. 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. 12.5. NRS 274.025 is hereby repealed.

Sec. 13. 1. This act becomes effective:

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

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

2. ~~Expires~~ Sections 6.5, 9.3, 9.5 and 9.7 of this act expire by limitation on June 30, 2032.

3. Sections 1 to 6, inclusive, 7, 8, 9, 10, 11 and 12 of this act expire by limitation on December 31, 2056.

TEXT OF REPEALED SECTION

274.025 "Data center" defined. "Data center" means one or more buildings located at one physical location which house a group of networked server computers for the purpose of centralizing the storage, management and dissemination of data and information pertaining to a particular business and includes the associated telecommunications and storage systems at the location.

Senator Ford moved the adoption of the amendment.

Remarks by Senator Ford.

Amendment No. 162 to Senate Bill No. 170 makes several changes to the application process and eligibility criteria for a data center to qualify for a partial abatement administered by the Governor's Office of Economic Development. First, the amendment repeals the current definition of data centers contained in NRS 2704.025 and deletes various provisions of current law related to a partial abatement of sales and use taxes and property taxes, up to 15 years for a data center that invests a minimum of \$100 million and locates in certain designated economic

development areas. Second, the amendment lowers the number of jobs and the amount of capital investment required for a data center. First for the 10-year partial abatement the eligibility criteria is reduced from a minimum of 100 jobs and \$100 million in capital investment to a minimum of 25 jobs and a minimum of \$50 million in capital investment. Secondly, for the 20 year partial abatement the eligibility criteria is reduced from a minimum of 200 jobs and \$250 million in capital investment to a minimum of 50 jobs and \$100 million in capital investment. Finally, the amendment adds provisions to specify that the amount of capital investment required to qualify for the abatement may be made by the data center or any combination of data centers in one or more co-located businesses.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

MOTIONS, RESOLUTIONS AND NOTICES

Senator Kieckhefer moved that Senate Bill No. 93 be re-referred to the Committee on Finance, upon return from reprint.

Motion carried.

Senator Kieckhefer moved that Senate Bill No. 170 be re-referred to the Committee on Finance, upon return from reprint.

Motion carried.

GENERAL FILE AND THIRD READING

Senate Bill No. 23.

Bill read third time.

Remarks by Senator Manendo.

Senate Bill No. 23 revises certain reporting requirements for the Director of the Nevada Department of Transportation (NDOT). This bill requires the Director to report biennially to the Legislature the requirements for the construction and maintenance of highways for the next four years, rather than three years. Senate Bill No. 23 also reduces the length of NDOT's plan for resurfacing State highways, on which it must report to the Legislature, from 12 years to 10 years. The Board of Directors of NDOT must submit a proposed work program to the Governor annually by October 1, rather than July 15, to align with the upcoming federal fiscal year. Finally, the Board may provide a copy of the proposed work program to county commissioners by means other than mailing a printed copy. This bill is effective on July 1, 2015.

Roll call on Senate Bill No. 23:

YEAS—19.

NAYS—None.

EXCUSED—Segerblom, Smith—2.

Senate Bill No. 23 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 30.

Bill read third time.

Remarks by Senator Lipparelli.

Senate Bill No. 30 authorizes an elected county officer to choose not to receive some or any of the longevity pay for which the officer is entitled by State law.

Under State law, an elected county officer who has served in office for more than four years is entitled to an additional salary of 2 percent of his or her base salary for each full calendar year the officer has served in his or her office. This bill is effective on July 1, 2015.

Roll call on Senate Bill No. 30:

YEAS—17.

NAYS—Atkinson, Ford—2.

EXCUSED—Segerblom, Smith—2.

Senate Bill No. 30 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 83.

Bill read third time.

Remarks by Senator Lipparelli.

Senate Bill No. 83 allows a person to report, confidentially, to the telephone hotline established within the Division of Internal Audits, Department of Administration, information relevant to abuse, fraud or waste with respect to public money received and used by an Executive Branch agency or certain contractors. Upon receipt of such information, the Division shall perform a review and prepare a report of its findings. The report is a public record, but it may not include the identity of the person who reported the information.

The 2013 Legislature enacted Assembly Bill 327, chapter 167, *Statutes of Nevada*, to require the Director of the Department of Administration to establish the above-referenced telephone hotline. This measure is effective upon passage and approval.

Roll call on Senate Bill No. 83:

YEAS—19.

NAYS—None.

EXCUSED—Segerblom, Smith—2.

Senate Bill No. 83 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 84.

Bill read third time.

Remarks by Senator Settlemeyer.

Senate Bill No. 84 is an Act relating to health care providers, including certain drug and alcohol and drug abuse counselors, problem gaming counselors and social workers and the definition of provider of health care for the purpose of various provisions relating to healing arts and certain provisions and providing other matters properly thereto. I urge your support.

Roll call on Senate Bill No. 84:

YEAS—19.

NAYS—None.

EXCUSED—Segerblom, Smith—2.

Senate Bill No. 84 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 168.

Bill read third time.

Remarks by Senator Settlemeyer.

Senate Bill No. 168 authorizes a local government to reopen a collective bargaining agreement during a fiscal emergency and sets forth the circumstances under which such an

emergency shall be deemed to exist. Negotiations must begin no later than 21 days after the local government employer notifies the employee organization that a fiscal emergency exists. The bill provides, for certain funds of any local government other than a school district, that a budgeted ending fund balance of not more than 25 percent of the total budgeted expenditures, less capital outlay, for a general fund is not subject to negotiation and cannot be considered by a fact finder or arbitrator in determining ability to pay compensation or monetary benefits. This bill is effective upon passage and approval.

Roll call on Senate Bill No. 168:

YEAS—11.

NAYS—Atkinson, Denis, Ford, Kihuen, Manendo, Parks, Spearman, Woodhouse—8.

EXCUSED—Segerblom, Smith—2.

Senate Bill No. 168 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

REMARKS FROM THE FLOOR

Senator Roberson moved that the Senate recess until the hour of 4:45 p.m.
Motion carried.

Senate in recess 12:50 p.m.

SENATE IN SESSION

At 5:05 p.m.

President Hutchison presiding.

Quorum present.

MOTIONS, RESOLUTIONS AND NOTICES

Senator Roberson gave notice, per Senate Standing Rule No. 50, to withdraw Senate Bill No. 314 from the Committee on Health and Human Services on the next legislative day.

Senator Roberson moved that the Senate recess subject to the call of the Chair.

Motion carried.

Senate in recess at 5:06 p.m.

SENATE IN SESSION

At 5:07 p.m.

President Hutchison presiding.

Quorum present.

The Sergeant at Arms announced that Assemblymen O'Neill and Flores were at the bar of the Senate. Assemblyman O'Neill invited the Senate to meet in Joint Session with the Assembly to hear Representative Joe Heck.

Mr. President announced that if there were no objections, the Senate would recess subject to the call of the Chair.

Senate in recess at 5:08 p.m.

IN JOINT SESSION

At 5:13 p.m.

President Hutchison presiding.

The Secretary of the Senate called the Senate roll.

All present except Senator Smith, who was excused.

The Chief Clerk of the Assembly called the Assembly roll.

All present except Assemblyman Ellison, who was excused.

The President appointed a Committee on Escort consisting of Senator Hardy and Assemblyman Oscarson to wait upon the Honorable Representative Joe Heck and escort him to the Assembly Chamber.

Representative Heck delivered his message as follows:

MESSAGE TO THE LEGISLATURE OF NEVADA

SEVENTY-EIGHTH SESSION, 2015

Good evening, Governor Sandoval, Lieutenant Governor Hutchison, Speaker Hambrick, Minority Leader Kirkpatrick, Majority Leader Roberson, Minority Leader Ford, Constitutional Officers, honorable members of the Judiciary, family, friends, distinguished guests. Thank you for being here this evening. Thank you for your service to the great State of Nevada, and thank you for allowing me the opportunity to speak with you about our shared goal: a better Nevada.

Before I begin, I want to take a moment to recognize my wife of 20 years, Lisa, who is here with me tonight. As a congressional and military spouse, Lisa puts up with a lot, but she never, okay rarely, complains. She has supported me every step of the way, and I would not be standing here tonight if not for her love and her blessing to allow me to do what I do. I am sure the same can be said for everyone gathered here, tonight, who serves in public office. The life of an elected official is far from glamorous. While not as Machivellian as *House of Cards* or as inane as *Alpha House*, it can be hard on families. I thank all of the family members here, tonight, and all those not in the Chamber, for the sacrifices they make as we pursue our goal of a better Nevada.

It is a great honor and my distinct pleasure to address you, tonight, as the Representative for Nevada's Third Congressional District. The Third District is home to well-known landmarks like the Hoover Dam, Red Rock and Lake Mead National Recreation Areas, and lesser known but just as important, gems like the Pioneer Saloon in Goodsprings. Innovative small businesses, cutting edge health-care providers, institutions of higher learning, and high-performing schools dot our communities and line our streets. Living in cities as large as Henderson and towns as small as Sandy Valley are hard-working teachers, retail and hospitality workers, health-care professionals, business owners, construction workers, active duty military and veterans from every conflict from World War II through the present, and the Third District is growing.

Downtown Summerlin is realizing its full potential. It seems like every time I am home working in the district it is time to cut another ribbon at another business opening. The Third District is a vibrant, diverse, thriving community. It is my honor to represent the District in Washington.

It was not all that long ago that I was sitting where you are as State Senator for District 5: When I think back on my time here in Carson City, my memories are of the concerted effort made by this Body to do our part to create a better Nevada. I enjoyed the committee work and knowing the laws and policies we enacted had a real impact on the lives of Nevadans. Doing work that close to the people was extremely fulfilling.

Moving from Carson City to Washington—going from a Senate of 21 to a House of 435—was quite a change and is not without its challenges. At times, it is frustrating to work amongst so many other members, all with their own priorities. I assure you, that while I may be serving in D.C., I am always working on behalf of Nevada. The legislation I introduce and the policies I champion are designed to work in partnership with your priorities, here, in Carson City and

around the State. Every vote I take is viewed through a lens of how it will impact Nevada. Every policy decision I make is with Nevadans in mind. Some of the legislation I have introduced has secured our State's share of power from Hoover Dam for 50 years. That makes it easier for volunteer organizations like Red Rock Search & Rescue to access federal lands, provide services to run-away and homeless youth at risk of human trafficking, and decrease veterans' homelessness.

Tonight, I would like to tell you about four important policy areas I am working on in Washington. I think they are a major part of achieving our shared goal of a better Nevada. Those are graduate medical education and access to health care, career and technical education as one of the keys to a 21st century workforce, unmanned aerial systems' potential to take Nevada's economy to new heights and increased international travel and tourism as a way to boost the economy while preserving national security.

First, I would like to discuss graduate medical education. I think everyone in the Chamber, tonight, agrees that a healthier Nevada is a better Nevada. While the Affordable Care Act allowed more people access to health insurance, we all know that access to health insurance does not necessarily mean access to health care. Unfortunately, here in Nevada, we know that all too well. A recent study found that we rank 45th in the Country in the number of physicians per 100,000 residents. The fewer doctors serving a community, the more difficult it is for people to improve their overall health and recover from injury or illness. There are several reasons for this doctor shortage. Certainly, another medical school could help, and I know you will be looking closely at that project during this Legislative Session.

I want to focus on one of the other major reasons for our doctor shortage which is our scarcity of medical residency positions. The Association of American Medical Colleges found that in 2011, there were about 37 medical residents and fellows per 100,000 people across the U.S. In Nevada, there were just ten. Since medical residents tend to stay in the area where they do their residency to practice, increasing those graduate medical education slots will help boost our physician numbers. I commend Governor Sandoval for his leadership and vision to boost the State's commitment to residency programs by \$10 million. That amount of funding will make a major improvement in access to care. You will face many difficult choices in the days and weeks ahead, especially when it comes to the budget, but if you can, find a way to get this done at the State level. I am going to do everything in my power to give the State a shot at even more residency program money.

The federal government is primarily responsible for funding graduate medical education, through Medicare funds and the Veterans Administration. I have teamed with Representative Kathy Castor of Florida—another state suffering from a doctor shortage—to introduce bipartisan legislation that will help close our doctor shortage gap. Our bill is called the Creating Access to Residency Education Act—or CARE—and it creates a federal grant program for states to develop new residency programs or expand existing ones. This will directly assist under-served states like ours. An eligible state would receive a two-thirds match for starting or expanding a residency in primary care specialty, and a 50-percent match for residencies in other specialties. Given the current conditions in our State, combined with a State-level, financial commitment, we would have a strong case to make for that grant funding.

No longer should the answer to the question, "Where do you go for health care in Nevada?", be "the airport." Expanding graduate medical education will keep more doctors in Nevada, improve access to care for our residents, and be a big step towards a better Nevada.

The second issue is career and technical education and the key role it plays in building a 21st century workforce and a better Nevada. The life stories of people like Steve Jobs and Mark Zuckerberg show us there are many ways to success other than the traditional route of high school to a four-year college. In certain fields including law, medicine and education, college prep high school courses and four-year degrees will always be required. But in critical industries, like information and computer technology, allied health professions, agriculture and natural resources, and public safety, a more career-focused approach to education can be more beneficial.

Career and technical education programs are effective for several reasons. They are flexible and can keep pace with industry trends and real-world conditions to give students an education that will actually be relevant when they leave the program. They allow students to pursue their

passion, which keeps them energized, engaged and in the classroom. That is why we need to work together, at both the State and federal level, to support our CTE programs and ensure they are adequately funded. Governor Sandoval recognizes the importance of career and technical education, proposing a major increase to CTE funding in his two-year budget plan. As a member of the House Committee on Education and the Workforce, I am committed to ensuring Nevada receives its fair allocation of federal CTE dollars.

There are proposals out there that would change or alter the amount of funds states receive for CTE. In fact, one current proposal would take \$100 million from the current CTE budget to start a new grant program. The problem is, taking that \$100 million out of the CTE budget changes the overall CTE budget and would cause us, the State of Nevada, to lose 50 percent of our federal CTE dollars, including more than \$4 million from the Clark County School District alone.

I am working with my colleagues in the Committee to ensure that funding for CTE remains a priority and that proposals to make cuts to critical CTE funding are rejected. I partnered with Representative Raul Grijalva of Arizona to introduce a bill that updates the CTE funding formula and hold-harmless provisions so that no state would ever see more than a 10-percent reduction in the CTE funds allocated the previous year.

During my visits to the Career and Technical Academies in my district and talking with students who participate in DECA, SkillsUSA and HOSA Allied Health Professions programs, it is clear to me that maintaining a robust CTE program here, in Nevada, is critical to educating a 21st century workforce. Workers qualified for the in-demand jobs of the future are part of building a better Nevada.

Next, I want to talk about the potential for unmanned systems to take Nevada's economy to new heights. Governor Sandoval, the Office of Economic Development and all of you are working to diversify Nevada's economy because you realize, as I do, that a more innovative Nevada is a better Nevada. One area I am particularly excited about and engaged in is unmanned systems, especially the aerial systems. This week, I will speak with federal and State representatives meeting in southern Nevada about Nevada's role as one of the six FAA unmanned aerial systems test sites. Tonight, my message to you is the same as it will be to them. The sites currently lack the proper guidance to utilize this research program to its fullest potential, and the FAA, in conjunction with Congress, needs to develop a more actionable strategy for states like ours to implement. We must continue to educate policymakers and the public about the wide array of uses of unmanned systems and the benefits those systems will provide in the future. We must be wary of enacting overbearing regulations that will stifle innovation in this burgeoning industry. That final point may be the most critical at this time. Imagine if, when the Internet was in its infancy, the federal government had rushed to create all sorts of regulations, rules and oversight boards. The technology that so many of us depend upon every day may not have advanced in quite the same way. Likewise, now is not the time to overregulate the unmanned systems industry. It must be allowed to grow and flourish so we can find out what these systems can do and the benefits they can provide. Should we make sure public safety is protected as this industry develops; certainly. Do we need to be careful not to erode privacy and civil liberties in the name of advancement; of course. But, when I think about the prospects of unmanned systems in helping to find lost hikers on Mount Charleston, locating a stranded climber in the Red Rocks or assessing wild fires in the northern counties, I realize we must give the industry the support and resources it needs at this critical time. That is why in this Congress, I am co-chairing the Congressional Unmanned Systems Caucus with my colleague Representative Dan Lipinski of Illinois. Our mission is simple: be a bipartisan forum to educate members on commercial applications of unmanned systems, current industry trends and regulatory issues associated with air-, land- and sea-based systems.

In the weeks and months ahead, we will take additional steps to keep the development of these systems at the forefront of Washington's policy debates. Nevada took an important first step in securing a role as an FAA test site, and I was pleased to assist in that effort, but that is just the beginning. We must combine our efforts at the State and federal level to incubate unmanned systems development, limited only by our imagination, and together we will be able to build a more innovative, better Nevada.

Lastly, I want to update you on a policy I continue to pursue: updating and expediting the travel-visa interview process so more international travelers and tourists can visit the United States and, hopefully, Nevada. Innovation and diversification is important to our future as I have outlined, but we cannot turn our back on the stalwart industries like hospitality that buoy our economy. The numbers cannot be clearer. According to the U.S. Travel Association, direct travel spending in the United States totaled \$888 billion in 2013, generating \$2.1 trillion in economic output and \$134 billion in tax revenue. Travel was among the top 10 employers in 49 U.S. states and the District of Columbia. Overseas travelers represent the largest segment of this sector, averaging 17.5 nights per trip and nearly \$4,700 in spending per trip, but over the last decade, the U.S. share of international travel has fallen due to a cumbersome visa process. Therefore, once again, I introduced the Jobs Originating through Launching Travel or JOLT Act, a bipartisan solution to expand international tourism and increase national security. The bill does this in two straightforward ways. First, we expedite the visa interview process and convert the current Visa Waiver Program into the Secured Travel Partnership Program. Second, we make mandatory the security requirements for participating countries that are now considered discretionary and mandate the use of the more secure e-passports. Boosting our economy and improving national security are two challenges we face as a nation. The JOLT Act addresses them both.

Achieving our shared goal of a better Nevada is my daily focus as a member of the House of Representatives. In the 114th Session of Congress, addressing our State's doctor shortage, prioritizing federal support for career and technical education, supporting the development of unmanned systems and boosting international travel and tourism are among my top priorities.

In the House Chamber in Washington, members vote under the watchful eye of George Washington and the Marquis de Lafayette, the first foreign leader to address a joint session of Congress. Here, in the Assembly Chamber, we are joined by President Abraham Lincoln. Lincoln will always have a special place in the hearts and minds of Nevadans as he admitted us to the Union in 1864. Over the past year, we celebrated the remarkable developments, achievements and successes we experienced as a state in the 150 years since we were born by Lincoln's signature. Lincoln led the Nation through a time in our Nation's history that none of us can ever fully appreciate in terms of the challenges he faced and the grave difficulties he encountered. Now, our biggest policy challenges are about how much to spend or not spend, how much to tax or not tax. For Lincoln, the challenges were preserving the Union, ending the practice of slavery and, eventually, the reconstruction of the Union after four years of Civil War. It is fair to wonder how Lincoln was able to steel himself during his darkest days, faced with those seemingly insurmountable tasks. We need look no further than Lincoln's own words for the answer. He said, "You cannot escape the responsibility of tomorrow by evading it today." Again, you cannot escape the responsibility of tomorrow by evading it today.

All of us share common bonds. We are lawmakers and the representatives of our communities. More importantly, we are Nevadans: some by birth, some by choice. The responsibilities we are charged to address, today, are to Nevada first and foremost. We must act today because tomorrow someone may have a hard time accessing medical care due to our lack of doctors. In some distant tomorrow, a student may be denied access to career and technical education because it was not made a priority. Tomorrow, an engineer or entrepreneur may be discouraged to advance their idea for an unmanned system technology because we failed to provide an environment that fosters innovation and discovery due to strangling regulations. Tomorrow, we may miss an opportunity to welcome even more international travelers to destinations across the State because we did not grasp the opportunity to improve and expedite our visa interview process.

In closing tonight, I want extend an offer to each of you—Republican or Democrat, northern Nevadan or southern Nevadan—to work with me and my staff on the issues I have discussed tonight. Come meet with us in Washington or in our local offices and share with us your priorities for your communities. We know from our storied past that if we can work together we can give this State we love a much brighter tomorrow and build a better Nevada.

I thank you for your time tonight and for your service, dedication and commitment to the Silver State. May God bless each of you and provide you with wisdom, discernment and guidance as you serve our great State. Good night.

Senator Roberson moved that the Senate and Assembly in Joint Session extend a vote of thanks to Representative Heck for his timely, able and constructive message.

Motion carried.

The Committee on Escort escorted Representative Heck to the bar of the Assembly.

Assemblyman Silberkraus moved that the Joint Session be dissolved.

Motion carried.

Joint Session dissolved at 5:36 p.m.

SENATE IN SESSION

At 5:40 p.m.

President Hutchison presiding.

Quorum present.

GUESTS EXTENDED PRIVILEGE OF SENATE FLOOR

On request of Senator Atkinson, the privilege of the floor of the Senate Chamber for this day was extended to Sakina Turner and Anita Wood.

On request of Senator Ford, the privilege of the floor of the Senate Chamber for this day was extended to Caroline Bilbray-Kohn.

On request of Senator Goicoechea, the privilege of the floor of the Senate Chamber for this day was extended to Cliff Eklund.

On request of Senator Gustavson, the privilege of the floor of the Senate Chamber for this day was extended to Jeanne Herman.

On request of Senator Hammond, the privilege of the floor of the Senate Chamber for this day was extended to Rose Asaf and Tomas Hammond.

On request of Senator Hardy, the privilege of the floor of the Senate Chamber for this day was extended to Lucas Bickford, Victoria Carreon, Evan Gong, Kella Kantor, Katherine Krolicki, Mitchell Ragan, Scott Sax Madeleine Welch and former Senator Valerie Wiener.

On request of Senator Harris, the privilege of the floor of the Senate Chamber for this day was extended to Diana Alonsa and Jose Velasco Villalobos.

On request of Senator Kihuen, the privilege of the floor of the Senate Chamber for this day was extended to Pam Avdoian, Don Kimura and Jennifer Petrie.

On request of Senator Manendo, the privilege of the floor of the Senate Chamber for this day was extended to Loretta Harper.

On request of Senator Parks, the privilege of the floor of the Senate Chamber for this day was extended to Kelli Ross.

On request of Senator Roberson, the privilege of the floor of the Senate Chamber for this day was extended to Jennifer Webb Cook.

On request of Senator Settelmeyer, the privilege of the floor of the Senate Chamber for this day was extended to Nancy McDermid.

On request of Senator Spearman, the privilege of the floor of the Senate Chamber for this day was extended to Steve Ross.

On request of President Hutchison, the privilege of the floor of the Senate Chamber for this day was extended to Reagan Stephens.

Senator Roberson moved that the Senate adjourn until Tuesday, March 31, 2015, at 11:00 a.m.

Motion carried.

Senate adjourned at 5:41 p.m.

Approved:

MARK A. HUTCHISON
President of the Senate

Attest: CLAIRE J. CLIFT
Secretary of the Senate