

ASSEMBLY BILL NO. 170—ASSEMBLYMAN HANSEN

PREFILED FEBRUARY 13, 2017

Referred to Committee on Taxation

SUMMARY—Extends the requirement for the Office of Economic Development to submit quarterly reports relating to certain economic development incentives. (BDR 32-302)

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

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

AN ACT relating to economic development; extending the requirement for the Office of Economic Development to submit quarterly reports relating to certain economic development incentives; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law authorizes the Office of Economic Development to approve
2 applications for partial abatements of certain taxes and the issuance of transferable
3 tax credits submitted by the lead participant engaged in a qualified project with other
4 participants for a common purpose or business endeavor and which is located within
5 the geographic boundaries of a single project site in this State. (NRS 360.880-
6 360.980) The authorization to approve such applications will expire on June 30,
7 2032, for projects with a capital investment of at least \$1 billion in this State and on
8 June 30, 2036, for projects with a capital investment of at least \$3.5 billion in this
9 State. (Section 41 of chapter 4, Statutes of Nevada 2014, 28th Special Session, p. 28;
10 section 69 of chapter 2, Statutes of Nevada 2015, 29th Special Session, p. 54)

11 Under existing law, the Office must make and submit to the Governor and the
12 Legislature certain quarterly reports concerning the qualified projects for which the
13 Office has approved partial abatements of taxes and the issuance of transferable tax
14 credits. (NRS 360.895, 360.975) The requirement for submitting such reports will
15 expire on July 1, 2017, for projects with a capital investment of at least \$1 billion in
16 this State and expired on July 1, 2016, for projects with a capital investment of at
17 least \$3.5 billion in this State. (NRS 360.895, 360.975) This bill extends the
18 requirement for submitting quarterly reports until the authorization to approve the
19 related tax abatements and transferable tax credits expires on June 30, 2032, and
20 June 30, 2036, respectively.



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

- 1 **Section 1.** NRS 360.895 is hereby amended to read as follows:
2 360.895 1. The Office of Economic Development shall, on or
3 before October 1 of each year, prepare and submit to the Governor
4 and to the Director of the Legislative Counsel Bureau for transmittal
5 to the Legislature an annual report which includes:
6 (a) For the immediately preceding fiscal year:
7 (1) The number of applications submitted pursuant to
8 NRS 360.889;
9 (2) The number of qualified projects for which an application
10 was approved;
11 (3) The amount of transferable tax credits approved;
12 (4) The amount of transferable tax credits used;
13 (5) The amount of transferable tax credits transferred;
14 (6) The amount of transferable tax credits taken against each
15 allowable fee or tax, including the actual amount used and
16 outstanding, in total and for each qualified project;
17 (7) The number of partial abatements approved;
18 (8) The dollar amount of the partial abatements;
19 (9) The number of employees engaged in construction of
20 each qualified project who are residents of Nevada and the number
21 of employees employed by each participant in a qualified project
22 who are residents of Nevada;
23 (10) The number of qualified employees employed by each
24 participant in a qualified project and the total amount of wages paid
25 to those persons; and
26 (11) For each qualified project, an assessment of whether the
27 participants in the qualified project are making satisfactory progress
28 towards meeting the investment requirements necessary to support
29 the determination by the Office that the project is a qualified project.
30 (b) For each partial abatement from taxation that the Office
31 approved during the fiscal years which are 3 fiscal years, 6 fiscal
32 years, 10 fiscal years and 15 fiscal years immediately preceding the
33 submission of the report:
34 (1) The dollar amount of the partial abatement;
35 (2) The value of infrastructure included as an incentive for
36 the qualified project;
37 (3) The economic sector in which each participant in the
38 qualified project operates, the number of primary jobs related to the
39 qualified project, the average wage paid to employees employed by
40 the participants in the qualified project and the assessed values of
41 personal property and real property of the qualified project; and



1 (4) Any other information that the Office determines to be
2 useful.

3 2. In addition to the annual reports required to be prepared and
4 submitted pursuant to subsection 1, ~~[for the period beginning on~~
5 ~~December 19, 2015, and ending on July 1, 2017,]~~ the Office shall,
6 not less frequently than every calendar quarter, prepare and submit
7 to the Governor and the Director of the Legislative Counsel Bureau
8 for transmittal to the Legislature a report which includes, for the
9 immediately preceding calendar quarter:

10 (a) The dollar amount of the partial abatements approved for the
11 lead participant in each qualified project;

12 (b) The number of employees engaged in construction of each
13 qualified project who are residents of Nevada and the number of
14 employees employed by each participant in each qualified project
15 who are residents of Nevada;

16 (c) The number of qualified employees employed by each
17 participant in each qualified project and the total amount of wages
18 paid to those persons;

19 (d) For each qualified project an assessment of whether the
20 participants in the qualified project are making satisfactory progress
21 towards meeting the investment requirements necessary to support
22 the determination by the Office that the project is a qualified project;
23 and

24 (e) Any other information requested by the Legislature.

25 3. In addition to the reports required to be prepared and
26 submitted pursuant to subsections 1 and 2, the Office shall, upon
27 request, make available to the Legislature any information
28 concerning a qualified project or any participant in a qualified
29 project. The Office shall make available any information requested
30 pursuant to this subsection within the period specified in the request.

31 4. The Office shall provide to the Fiscal Analysis Division of
32 the Legislative Counsel Bureau a copy of any agreement entered
33 into by the Office and the lead participant not later than 30 days
34 after the agreement is executed.

35 5. Notwithstanding the provisions of any other specific statute,
36 the information requested by the Legislature pursuant to this section
37 may include information considered confidential for other purposes.
38 If such confidential information is requested, the Office shall make
39 the information available to the Fiscal Analysis Division of the
40 Legislative Counsel Bureau for confidential examination.

41 **Sec. 2.** NRS 360.975 is hereby amended to read as follows:

42 360.975 1. The Office of Economic Development shall, on or
43 before October 1 of each year, prepare and submit to the Governor
44 and to the Director of the Legislative Counsel Bureau for transmittal
45 to the Legislature an annual report which includes:



- 1 (a) For the immediately preceding fiscal year:
2 (1) The number of applications submitted pursuant to
3 NRS 360.945;
4 (2) The number of qualified projects for which an application
5 was approved;
6 (3) The amount of transferable tax credits approved;
7 (4) The amount of transferable tax credits used;
8 (5) The amount of transferable tax credits transferred;
9 (6) The amount of transferable tax credits taken against each
10 allowable fee or tax, including the actual amount used and
11 outstanding, in total and for each qualified project;
12 (7) The number of abatements approved;
13 (8) The dollar amount of the abatements;
14 (9) The number of employees engaged in construction of
15 each qualified project who are residents of Nevada and the number
16 of employees employed by each participant in a qualified project
17 who are residents of Nevada;
18 (10) The number of qualified employees employed by each
19 participant in a qualified project and the total amount of wages paid
20 to those persons; and
21 (11) For each qualified project, an assessment of whether the
22 participants in the qualified project are making satisfactory progress
23 towards meeting the investment requirements necessary to support
24 the determination by the Office that the project is a qualified project.
25 (b) For each abatement from taxation that the Office approved
26 during the fiscal years which are 3 fiscal years, 6 fiscal years, 10
27 fiscal years and 20 fiscal years immediately preceding the
28 submission of the report:
29 (1) The dollar amount of the abatement;
30 (2) The value of infrastructure included as an incentive for
31 the qualified project;
32 (3) The economic sector in which each participant in the
33 qualified project operates, the number of primary jobs related to the
34 qualified project, the average wage paid to employees employed by
35 the participants in the qualified project and the assessed values of
36 personal property and real property of the qualified project; and
37 (4) Any other information that the Office determines to be
38 useful.
39 2. In addition to the annual reports required to be prepared and
40 submitted pursuant to subsection 1, ~~for the period beginning on~~
41 ~~September 11, 2014, and ending on July 1, 2016,~~ the Office shall,
42 not less frequently than every calendar quarter, prepare and submit
43 to the Governor and the Director of the Legislative Counsel Bureau
44 for transmittal to the Legislature a report which includes, for the
45 immediately preceding calendar quarter:



- 1 (a) The dollar amount of the abatements approved for the lead
2 participant in each qualified project;
- 3 (b) The number of employees engaged in construction of each
4 qualified project who are residents of Nevada and the number of
5 employees employed by each participant in each qualified project
6 who are residents of Nevada;
- 7 (c) The number of qualified employees employed by each
8 participant in each qualified project and the total amount of wages
9 paid to those persons;
- 10 (d) For each qualified project an assessment of whether the
11 participants in the qualified project are making satisfactory progress
12 towards meeting the investment requirements necessary to support
13 the determination by the Office that the project is a qualified project;
14 and
- 15 (e) Any other information requested by the Legislature.
- 16 3. In addition to the reports required to be prepared and
17 submitted pursuant to subsections 1 and 2, the Office shall, upon
18 request, make available to the Legislature any information
19 concerning a qualified project or any participant in a qualified
20 project. The Office shall make available any information requested
21 pursuant to this subsection within the period specified in the request.
- 22 4. The Office shall provide to the Fiscal Analysis Division of
23 the Legislative Counsel Bureau a copy of any agreement entered
24 into by the Office and the lead participant not later than 30 days
25 after the agreement is executed.
- 26 5. Notwithstanding the provisions of any other specific statute,
27 the information requested by the Legislature pursuant to this section
28 may include information considered confidential for other purposes.
29 If such confidential information is requested, the Office shall make
30 the information available to the Fiscal Analysis Division of the
31 Legislative Counsel Bureau for confidential examination.
- 32 **Sec. 3.** The provisions of subsection 1 of NRS 218D.380 do
33 not apply to any provision of this act which adds or revises a
34 requirement to submit a report to the Legislature.
- 35 **Sec. 4.** 1. This act becomes effective upon passage and
36 approval.
- 37 2. Section 1 of this act expires by limitation on June 30, 2032.
- 38 3. Section 2 of this act expires by limitation on June 30, 2036.

