

Senate Bill No. 442—Committee on Revenue  
and Economic Development

CHAPTER.....

AN ACT relating to economic development; revising the requirements that a business must satisfy to obtain a partial abatement of certain taxes and certain transferable tax credits; providing for the partial abatement of certain taxes imposed on a project located at multiple sites in this State that satisfies certain capital investment and other requirements; authorizing a municipality to create an improvement district to acquire, improve, equip, operate and maintain a rail project for a qualified project; revising provisions governing an improvement district created to finance certain infrastructure improvements for a qualified project; revising provisions governing the creation of a tax increment area by the governing body of a municipality; authorizing the governing body of a municipality that creates a tax increment area to enter into a contract for the payment of money in the tax increment account to a property owner to reimburse the property owner for certain costs paid by the property owner for an undertaking; 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, 360.752, 360.753, 360.754, 701A.210) Under existing law, a business applying for certain types of partial abatements may meet the requirements for the partial abatement if the business satisfies certain criteria, even if the business pays its new employees less than the average hourly wage in this State and does not provide health insurance to its employees in this State. **Sections 1-3** of this bill revise the eligibility criteria for these partial abatements so that to qualify for the partial abatement, a business is required to pay the new employees hired by the business a wage that is at least equal to the average statewide hourly wage and offer to all of its employees health benefits that meet standards established by the Office. **Sections 1-3 and 22** of this bill remove provisions authorizing the Office to make less stringent the requirements related to the payment of wages and the offering of health benefits to employees. However, **section 1** also: (1) maintains a provision of existing law that authorizes the Office to approve a reduced partial abatement if the business pays the new employees hired by the business a wage that is less than the average statewide wage; and (2) revises the criteria under which the Office may approve a reduced partial abatement under that provision. Finally, **sections 1, 11 and 22** of this bill revise the eligibility criteria for certain partial abatements so that certain criteria applicable to a business expanding or locating in a county whose population is 100,000 or less (currently all counties other than Clark and Washoe Counties) also apply to a business expanding or locating in an area of such a county that is



located: (1) within the geographic boundaries of an area that is designated as rural by the United States Department of Agriculture; and (2) at least 20 miles outside of the geographic boundaries of an area designated as urban by the United States Department of Agriculture.

Under existing law, the eligibility criteria for certain partial abatements of taxes and the issuance of certain transferable tax credits require at least 50 percent of the employees engaged or anticipated to be engaged in the construction of the project for which the partial abatement or tax credits are awarded to be residents of this State. **Sections 4, 6 and 9** of this bill remove the term “anticipated to be engaged” so that the eligibility criteria for the partial abatements and tax credits require at least 50 percent of the employees engaged in the construction of the project to be residents of this State.

Existing law authorizes the Office of Economic Development to approve applications for partial abatements of certain taxes and the issuance of transferable tax credits submitted by the lead participant engaged in a qualified project with other participants for a common purpose or business endeavor and which is located within the geographic boundaries of a single project site in this State. (NRS 360.880-360.980) **Sections 5-7** of this bill authorize the Office to approve an application for partial abatements of certain taxes for qualified projects located on multiple project sites if the capital investment by certain participants in the qualified project will be at least \$1 billion and certain criteria are met. **Sections 5 and 8** of this bill revise the definition of a “project” so that: (1) the participants must be engaged in a common business purpose or industry; and (2) such participants must be deemed to be engaged in a common business purpose or industry if the participants are in the same supply chain related to the common business purpose or industry or provide components or services related to the common business purpose or industry. **Sections 6 and 9** of this bill require the lead participant in the qualified project to enter into an agreement with the governing body of the city or county in which the qualified project is located, which requires: (1) the lead participant to pay the cost of certain engineering and design work necessary to determine the cost of infrastructure improvements required by the qualified project; and (2) the governing body of the city or county to reimburse the lead participant for those costs.

Under existing law governing a partial abatement of certain taxes for a qualified project that will make a capital investment in this State of at least \$1 billion, as a condition of the partial abatement, the lead participant is required to pay all or a portion of the abated taxes into a trust fund in the State Treasury until part or all of the requirements for the partial abatement have been met. If the requirements for the partial abatement are met, the abated taxes paid into the trust fund, including the interest and income earned on that money, must be returned to the lead participant. If the requirements for the partial abatement are not met, the money in the trust fund must be transferred to the entity that would have received the money if the partial abatement had not been granted, as determined by the Department of Taxation. (NRS 360.893) **Sections 7 and 9.5** of this bill provide that if certain assessments, or installments thereof, used to pay bonds or other obligations of this State or a local government in connection with the qualified project are delinquent, the money in the trust fund must be used to repay any bonds or other obligations issued by this State or a local government in connection with the qualified project. **Section 14.5** of this bill provides that any money collected to enforce the assessment, or installment thereof, including the proceeds of a sale of property to collect or enforce the assessment, or installment thereof, must be used to repay any amounts paid from the trust fund to repay such bonds or other obligations.



Existing law establishes provisions pursuant to which a local government that receives notice from the Office of Economic Development that a qualified project will be located within the jurisdiction of the local government and that determines there is a need to finance infrastructure projects to support the development of the qualified project may submit to the Office an economic development financing proposal pursuant to which the infrastructure projects would be financed from the proceeds of bonds, securities or other indebtedness issued by the State of Nevada. (NRS 360.981-360.992) Before the issuance of any bonds, securities or other indebtedness of the State pursuant to such an economic development financing proposal, the lead participant in the qualified project is required to provide adequate security that the lead participant will carry out the qualified project. **Section 10** of this bill provides that a lien for special assessments imposed on the qualified project may constitute such adequate security.

Existing law requires a business applying to the Office for certain partial abatements of property taxes to satisfy certain requirements, including, without limitation, a requirement to make a minimum amount of capital investment in the county in which the business is located. (NRS 361.0687) The minimum amount of the capital investment is scheduled to increase on July 1, 2017. **Section 11** of this bill permanently extends the current requirement for the minimum capital investment.

Existing law authorizes the governing body of any county, city or unincorporated town to create an improvement district for the acquisition, operation and maintenance of certain improvement projects and to finance the cost of any project through the issuance of bonds and the levy of assessments upon property in the improvement district. (NRS 271.265, 271.270, 271.325) Existing law authorizes a municipality in which a qualified project is located to create an improvement district to acquire, improve, equip, operate and maintain an electrical project or a fire protection project for the qualified project. (NRS 271.265) **Sections 12 and 14** of this bill authorize such a municipality to create an improvement district to acquire, improve, equip, operate and maintain a rail project for a qualified project. **Section 16** of this bill amends provisions governing tax increment areas to enact the same definition for "rail project" as is set forth in **section 12**.

Existing law authorizes the governing body of a municipality to designate a tax increment area for the purpose of creating a special account for the payment of bonds or other securities issued to defray the cost of certain undertakings. The designation of a tax increment area by the governing body provides for the allocation of a portion of the taxes levied upon taxable property in the tax increment area each year to pay the bond requirements of loans, money advanced to or indebtedness incurred by the municipality to finance or refinance the undertaking. In addition to such property taxes, a portion of the sales and use taxes imposed within the tax increment area and the excise tax imposed on financial institutions and employers (the "modified business tax") located in the tax increment area may be allocated to pay the debt incurred by the municipality to finance or refinance the undertaking if the undertaking is a rail project in relation to a qualified project or a natural resources project. (Chapter 278C of NRS) **Sections 17 and 18** of this bill authorize the governing body of a municipality to enter into an agreement with a property owner in a tax increment area under which the municipality is required to pay the property owner money from the tax increment account for costs incurred by the property owner in connection with an undertaking. **Section 15** of this bill enacts a definition of "bond requirements" for the purpose of enabling a municipality to pay a property owner money from the tax increment account in accordance with an agreement entered into pursuant to **sections 17 and 18**.



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

**Section 1.** NRS 360.750 is hereby amended to read as follows:

360.750 1. 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 the taxes imposed on the new or expanded business pursuant to chapter 361, 363B 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 business offers primary jobs and is consistent with:

(1) 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

(2) 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 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, which must not be earlier than the date on which the Office received the application;

(3) State that the business will, after the date on which the abatement becomes effective, continue in operation in this State for a period specified by the Office, which must be at least 5 years, and will continue to meet the eligibility requirements set forth in this subsection;

(4) State that the business will offer primary jobs; and

(5) Bind the 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) *Except as otherwise provided in subsection 4 or 5, the average hourly wage that will be paid by the business to its new 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.*



*(e) The business will, by the eighth calendar quarter following the calendar quarter in which the abatement becomes effective, offer a health insurance plan for all employees that includes an option for health insurance coverage for dependents of the employees, and the health care benefits the business offers to its employees in this State will meet the minimum requirements for health care benefits established by the Office.*

*(f) Except as otherwise provided in this subsection and NRS 361.0687, if the business is a new business in a county whose population is 100,000 or more or a city whose population is 60,000 or more, the business meets at least ~~two~~ **one** of the following requirements:*

*(1) The business will have 50 or more full-time employees on the payroll of the business by the eighth calendar quarter following the calendar quarter in which the abatement becomes effective who will be employed at the location of the business in that county or city until at least the date which is 5 years after the date on which the abatement becomes effective.*

*(2) Establishing the business will require the business to make, not later than the date which is 2 years after the date on which the abatement becomes effective, a capital investment of at least \$1,000,000 in this State in capital assets that will be retained at the location of the business in that county or city until at least the date which is 5 years after the date on which the abatement becomes effective.*

~~*(3) The average hourly wage that will be paid by the new business to its new 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 business will, by the eighth calendar quarter following the calendar quarter in which the abatement becomes effective, provide a health insurance plan for all employees that includes an option for health insurance coverage for dependents of the employees; and*~~

~~*(II) The health care benefits the business provides to its employees in this State will meet the minimum requirements for health care benefits established by the Office.*~~

~~*(e)*~~ *(g) Except as otherwise provided in NRS 361.0687, if the business is a new business in a county whose population is less than 100,000 , in an area of a county whose population is 100,000 or more that is located within the geographic boundaries of an area that is designated as rural by the United States Department of*



*Agriculture and at least 20 miles outside of the geographic boundaries of an area designated as urban by the United States Department of Agriculture, or in a city whose population is less than 60,000, the business meets at least ~~two~~ one of the following requirements:*

(1) The business will have 10 or more full-time employees on the payroll of the business by the eighth calendar quarter following the calendar quarter in which the abatement becomes effective who will be employed at the location of the business in that county or city until at least the date which is 5 years after the date on which the abatement becomes effective.

(2) Establishing the business will require the business to make, not later than the date which is 2 years after the date on which the abatement becomes effective, a capital investment of at least \$250,000 in this State in capital assets that will be retained at the location of the business in that county or city until at least the date which is 5 years after the date on which the abatement becomes effective.

~~(3) The average hourly wage that will be paid by the new business to its new employees in this State is at least 100 percent of the average statewide hourly wage or the average countywide hourly wage, whichever is less, 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 business will, by the eighth calendar quarter following the calendar quarter in which the abatement becomes effective, provide a health insurance plan for all employees that includes an option for health insurance coverage for dependents of the employees; and~~

~~(II) The health care benefits the business provides to its employees in this State will meet the minimum requirements for health care benefits established by the Office.~~

~~(f) (h) If the business is an existing business, the business meets at least ~~two~~ one of the following requirements:~~

(1) For a business in:

(I) ~~(A)~~ *Except as otherwise provided in sub-subparagraph (II), a county whose population is 100,000 or more or a city whose population is 60,000 or more, the business will, by the eighth calendar quarter following the calendar quarter in which the abatement becomes effective, increase the number of employees on its payroll in that county or city by 10 percent more than it employed in the fiscal year immediately preceding the fiscal year in which the abatement becomes effective or by twenty-five*



employees, whichever is greater, who will be employed at the location of the business in that county or city until at least the date which is 5 years after the date on which the abatement becomes effective; or

(II) A county whose population is less than 100,000 , *an area of a county whose population is 100,000 or more that is located within the geographic boundaries of an area that is designated as rural by the United States Department of Agriculture and at least 20 miles outside of the geographic boundaries of an area designated as urban by the United States Department of Agriculture*, or a city whose population is less than 60,000, the business will, by the eighth calendar quarter following the calendar quarter in which the abatement becomes effective, increase the number of employees on its payroll in that county or city by 10 percent more than it employed in the fiscal year immediately preceding the fiscal year in which the abatement becomes effective or by six employees, whichever is greater, who will be employed at the location of the business in that county or city until at least the date which is 5 years after the date on which the abatement becomes effective.

(2) The business will expand by making a capital investment in this State, not later than the date which is 2 years after the date on which the abatement becomes effective, in an amount equal to at least 20 percent of the value of the tangible property possessed by the business in the fiscal year immediately preceding the fiscal year in which the abatement becomes effective, and the capital investment will be in capital assets that will be retained at the location of the business in that county or city until at least the date which is 5 years after the date on which the abatement becomes effective. The determination of the value of the tangible property possessed by the business in the immediately preceding fiscal year must be made by the:

(I) County assessor of the county in which the business will expand, if the business is locally assessed; or

(II) Department, if the business is centrally assessed.

~~{(3) The average hourly wage that will be paid by the existing business to its new employees in this State is at least the amount of the average hourly wage required to be paid by businesses pursuant to subparagraph (2) of either paragraph (a) or (b) of subsection 2 of NRS 361.0687, whichever is applicable, and:~~

~~(I) The business will, by the eighth calendar quarter following the calendar quarter in which the abatement becomes effective, provide a health insurance plan for all new employees that~~



~~includes an option for health insurance coverage for dependents of the employees; and~~

~~(H) The health care benefits the business provides to its new employees in this State will meet the minimum requirements for health care benefits established by the Office.~~

~~(g)~~ (i) The applicant has provided in the application an estimate of the total number of new employees which the business anticipates hiring in this State by the eighth calendar quarter following the calendar quarter in which the abatement becomes effective if the Office 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 has requested a letter of acknowledgment of the request for the abatement from any affected county, school district, city or town.

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

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

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

(2) Make *any of* the requirements set forth in ~~paragraph (d), (e) or (f)~~ *paragraphs (d) to (h), inclusive*, of subsection 2 more stringent; or

(3) Add additional requirements that a business must meet to qualify for a partial abatement pursuant to this section.

4. Notwithstanding any other provision of law, the Office of Economic Development shall not approve an application for a partial abatement pursuant to this section if:

(a) The applicant intends to locate or expand in a county in which the rate of unemployment is ~~+6+~~ 7 percent or more and the average hourly wage that will be paid by the applicant to its new employees in this State is less than ~~+65+~~ 70 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.

(b) The applicant intends to locate or expand in a county in which the rate of unemployment is less than ~~+6+~~ 7 percent and the average hourly wage that will be paid by the applicant to its new employees in this State is less than ~~+80+~~ 85 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.

5. Notwithstanding any other provision of law, if the Office of Economic Development approves an application for a partial abatement pursuant to this section, in determining the types of taxes imposed on a new or expanded business for which the partial abatement will be approved and the amount of the partial abatement:

(a) If the new or expanded business is located in a county in which the rate of unemployment is ~~16~~ 7 percent or more and the average hourly wage that will be paid by the business to its new employees in this State is less than ~~180~~ 85 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, the Office shall not:

(1) Approve an abatement of the taxes imposed pursuant to chapter 361 of NRS which exceeds 25 percent of the taxes on personal property payable by the business each year.

(2) Approve an abatement of the taxes imposed pursuant to chapter 363B of NRS which exceeds 25 percent of the amount of tax otherwise due pursuant to NRS 363B.110.

(b) If the new or expanded business is located in a county in which the rate of unemployment is less than ~~16~~ 7 percent and the average hourly wage that will be paid by the business to its new employees in this State is 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, the Office shall not:

(1) Approve an abatement of the taxes imposed pursuant to chapter 361 of NRS which exceeds 25 percent of the taxes on personal property payable by the business each year.

(2) Approve an abatement of the taxes imposed pursuant to chapter 363B of NRS which exceeds 25 percent of the amount of tax otherwise due pursuant to NRS 363B.110.

(3) Approve an abatement of the taxes imposed pursuant to chapter 374 of NRS which exceeds the local sales and use taxes. As used in this subparagraph, "local sales and use taxes" means the 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 the political subdivision in which the new or expanded business is located, except the taxes imposed by the Sales and Use Tax Act and the Local School Support Tax Law.



6. 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.

7. 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.

8. If a business 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 business 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 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.

9. A county treasurer:

(a) Shall deposit any money that he or she receives pursuant to subsection 8 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.

10. The Office of Economic Development may adopt such regulations as the Office of Economic Development determines to



be necessary to carry out the provisions of this section and NRS 360.755.

11. The Nevada Tax Commission:

(a) Shall adopt regulations regarding:

(1) The capital investment that a new business must make to meet the requirement set forth in paragraph ~~(d)~~ (f) or ~~(e)~~ (g) of subsection 2; and

(2) Any security that a business 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 and NRS 360.755.

12. 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.

13. For the purposes of this section, an employee is a “full-time employee” if he or she is in a permanent position of employment and works an average of 30 hours per week during the applicable period set forth in subsection 2.

**Sec. 2.** NRS 360.752 is hereby amended to read as follows:

360.752 1. 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 the tax imposed on the new or expanded business pursuant to chapter 361 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 business is in one or more of the industry sectors for economic development promoted, identified or otherwise approved by the Governor’s Workforce Investment Board described in NRS 232.935.

(b) The business is consistent with:

(1) 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

(2) Any guidelines adopted by the Executive Director of the Office to implement the State Plan for Economic Development.

(c) The applicant has executed an agreement with the Office which must:



- (1) Comply with the requirements of NRS 360.755;
  - (2) Require the business to submit to the Department the reports required by paragraph (c) of subsection 1 of NRS 218D.355;
  - (3) State the agreed terms of the partial abatement, which must comply with the requirements of subsection 4;
  - (4) State 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;
  - (5) State that the business will, after the date on which a certificate of eligibility for the abatement is issued pursuant to subsection 5, continue in operation in this State for a period specified by the Office, which must be at least 5 years, and will continue to meet the eligibility requirements set forth in this subsection; and
  - (6) Bind the successors in interest of the business for the specified period.
- (d) 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.
- (e) The business does not receive:
- (1) Any funding from a governmental entity, other than any private activity bonds as defined in 26 U.S.C. § 141; or
  - (2) Any real or personal property from a governmental entity at no cost or at a reduced cost.
- (f) *The average hourly wage that will be paid by the business to its new employees in this State is at least 100 percent of the average statewide hourly wage or the average countywide hourly wage, whichever is less, as established by the Employment Security Division of the Department of Employment, Training and Rehabilitation on July 1 of each fiscal year.*
- (g) *The business will offer a health insurance plan for all full-time employees that includes an option for health insurance coverage for dependents of those employees, or will abide by all applicable provisions of the Patient Protection and Affordable Care Act, Public Law 111-148, or both, and the benefits the business offers to its employees in this State will meet the minimum requirements for benefits established by the Office.*
- (h) The business meets the following requirements:
- (1) The business makes a capital investment of at least \$1,000,000 in a program of the University of Nevada, Reno, the University of Nevada, Las Vegas, or the Desert Research Institute to



be used in support of research, development or training related to the field of endeavor of the business.

(2) The business will employ 15 or more full-time employees for the duration of the abatement.

(3) The business will employ two or more graduate students from the program in which the capital investment is made on a part-time basis during years 2 through 5, inclusive, of the abatement.

~~(4) The average hourly wage that will be paid by the business to its new employees in this State is at least 100 percent of the average statewide hourly wage or the average countywide hourly wage, whichever is less, 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 business will provide a health insurance plan for all full time employees that includes an option for health insurance coverage for dependents of those employees, or will abide by all applicable provisions of the Patient Protection and Affordable Care Act, Public Law 111-148, or both; and~~

~~—————(II) The benefits the business provides to its employees in this State will meet the minimum requirements for benefits established by the Office.~~

~~(5)~~ The business submits with its application for a partial abatement:

(I) A letter of support from the institution in which the capital investment is made, which is signed by the chief administrative officer of the institution and the director or chair of the program or the appropriate department, and which includes, without limitation, a summary of the financial and other resources the business will provide to the program and an agreement that the institution will provide to the Office periodic reports, at such times and containing such information as the Office may require, regarding the use of those resources; and

(II) A letter of support which is signed by the chair of the board of directors of the regional economic development authority within whose jurisdiction the institution is located and which includes, without limitation, a summary of the role the business will play in diversifying the economy and, if applicable, in achieving the broader goals of the regional economic development authority for economic development and diversification.

~~(g)~~ *(i)* In lieu of meeting the requirements of paragraph ~~(f)~~ *(h)*, the business meets the following requirements:

(1) The business makes a capital investment of at least \$500,000 in the Nevada State College or an institution of the



Nevada System of Higher Education other than those set forth in subparagraph (1) of paragraph ~~(f)~~ **(h)**, to be used in support of college certification or in support of research or training related to the field of endeavor of the business.

(2) The business will employ 15 or more full-time employees for the duration of the abatement.

(3) The business will employ two or more students from the college or institution in which the capital investment is made on a full-time basis during years 2 through 5, inclusive, of the abatement.

~~(4) The average hourly wage that will be paid by the business to its new employees in this State is at least 100 percent of the average statewide hourly wage or the average countywide hourly wage, whichever is less, 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 business will provide a health insurance plan for all full-time employees that includes an option for health insurance coverage for dependents of those employees, or will abide by all applicable provisions of the Patient Protection and Affordable Care Act, Public Law 111-148, or both; and~~

~~(II) The benefits the business provides to its employees in this State will meet the minimum requirements for benefits established by the Office.~~

~~(5)~~ The business submits with its application for a partial abatement:

(I) A letter of support from the college or institution in which the capital investment is made, which is signed by the chief administrative officer of the college or institution and which includes, without limitation, a summary of the financial and other resources the business will provide to the program and an agreement that the college or institution will provide to the Office periodic reports, at such times and containing such information as the Office may require, regarding the use of those resources; and

(II) A letter of support which is signed by the chair of the board of directors of the regional economic development authority within whose jurisdiction the college or institution is located and which includes, without limitation, a summary of the role the business will play in diversifying the economy and, if applicable, in achieving the broader goals of the regional economic development authority for economic development and diversification.

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



(a) Shall furnish to the board of county commissioners of each affected county a copy of each application for a partial abatement pursuant to this section.

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

(c) Shall not approve an application for a partial abatement pursuant to this section unless the abatement is approved or deemed approved as described in this paragraph. The board of county commissioners of each affected county must approve or deny the application not later than 30 days after the board of county commissioners receives a copy of the application as described in paragraph (a). If the board of county commissioners does not approve or deny the application within 30 days after the board of county commissioners receives a copy of the application, the application shall be deemed approved.

(d) May, if the Office determines that such action is necessary add additional requirements that a business 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:

(a) The total amount of the abatement must not exceed;

(1) Fifty percent of the amount of the taxes imposed on the personal property of the business pursuant to chapter 361 of NRS during the period of the abatement; or

(2) Fifty percent of the amount of the capital investment by the business,

↳ whichever amount is less;

(b) The duration of the abatement must be for 5 years; and

(c) The abatement applies only to the business for which the abatement was approved pursuant to this section and the property used in connection with that business.

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 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 the county in which the business will be located.



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 is in effect ceases to meet the requirements set forth in subsection 2 or ceases operation before the time specified in the agreement described in paragraph (c) of subsection 2:

(a) The business shall repay 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.

(b) The applicable institution of higher education is entitled to keep the entire capital investment made by the business in that institution.

8. A county treasurer:

(a) Shall deposit any money that he or she receives pursuant to subsection 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. 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 a partial abatement pursuant to this section; and

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

10. The Nevada Tax Commission:

(a) Shall adopt regulations regarding any security that a business is required to post to qualify for a partial abatement pursuant to this section; and



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

11. 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.

12. Except as otherwise provided in this subsection, as used in this section, "capital investment" includes, without limitation, an investment of real or personal property, money or other assets by a business in an institution of the Nevada System of Higher Education. The Office of Economic Development may, by regulation, specify the types of real or personal property or assets that are included within the definition of "capital investment."

**Sec. 3.** NRS 360.753 is hereby amended to read as follows:

360.753 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;

(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 any successor 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) *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.*

(e) *The business will, by the eighth calendar quarter following the calendar quarter in which the abatement becomes effective, offer a health insurance plan for all employees that includes an option for health insurance coverage for dependents of the employees, and the health care benefits the business offers to its employees in this State will meet the minimum requirements for health care benefits established by the Office.*

(f) 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)~~ (g) 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.

(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. 4.** NRS 360.754 is hereby amended to read as follows:

360.754 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

(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) 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 10 or more full-time employees who are residents of Nevada and who will be employed at the data center and will continue to employ 10 or more full-time employees who are residents of Nevada 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 one or more colocated businesses to make in each county in this State in which the data center is located, 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 \$25,000,000 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 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 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 12.

(4) At least 50 percent of the employees engaged ~~for anticipated to be engaged~~ in the construction of the data center are residents of Nevada, unless waived by the Executive Director of the Office of Economic Development upon proof satisfactory to the Executive Director of the Office of Economic Development that there is an insufficient number of residents of Nevada available and qualified for such employment.

(e) 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 50 or more full-time employees who are residents of Nevada and who will be employed at the data center and will continue to employ 50 or more full-time employees who are residents of Nevada 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 one or more collocated businesses to make in each county in this State in which the data center is located, 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 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 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 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 12.

(4) At least 50 percent of the employees engaged ~~for anticipated to be engaged~~ in the construction of the data center are residents of Nevada, unless waived by the Executive Director of the Office of Economic Development upon proof satisfactory to the Executive Director of the Office of Economic Development that there is an insufficient number of residents of Nevada available and qualified for such employment.

(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 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

(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. Each such colocated business shall obtain a state business registration issued by the Secretary of State. 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 Executive Director within 30 days after any change to the list. The 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. For an employee to be considered a resident of Nevada for the purposes of this section, a data center must maintain the following documents in the personnel file of the employee:

(a) A copy of the current and valid Nevada driver's license of the employee or a current and valid identification card for the employee issued by the Department of Motor Vehicles;

(b) If the employee is a registered owner of one or more motor vehicles in Nevada, a copy of the current motor vehicle registration of at least one of those vehicles;

(c) Proof that the employee is a full-time employee; and

(d) Proof that the employee is covered by the health insurance plan which the data center is required to provide pursuant to sub-subparagraph (I) of subparagraph (3) of paragraph (d) of subsection 2 or sub-subparagraph (I) of subparagraph (3) of paragraph (e) of subsection 2.

11. For the purpose of obtaining from the Executive Director of the Office of Economic Development any waiver of the requirements set forth in subparagraph (4) of paragraph (d) of subsection 2 or subparagraph (4) of paragraph (e) of subsection 2, a data center must submit to the Executive Director of the Office of Economic Development written documentation of the efforts to meet the requirements and documented proof that an insufficient number of Nevada residents is available and qualified for employment.

12. 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.

13. 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.

14. 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. 5.** NRS 360.886 is hereby amended to read as follows:

360.886 "Project" means a project undertaken by a business or group of businesses:

1. Located within the geographic boundaries of a single project site *or sites* in this State; and

2. Engaged in a common *business* purpose or ~~business endeavor.~~ *industry. A business or group of businesses must be deemed to be engaged in a common business purpose or industry if the business or group of businesses are in a supply chain related to the common business purpose or industry or provide components or services related to the common business purpose or industry.*

**Sec. 5.5.** NRS 360.888 is hereby amended to read as follows:

360.888 "Qualified project" means a project which the Office of Economic Development determines meets all the requirements set forth in subsections 2, ~~3 and~~ 4 *and 5* of NRS 360.889.



**Sec. 6.** NRS 360.889 is hereby amended to read as follows:

360.889 1. On behalf of a project, the lead participant in the project may apply to the Office of Economic Development for:

(a) A certificate of eligibility for transferable tax credits which may be applied to:

(1) Any tax imposed by chapters 363A and 363B of NRS;

(2) The gaming license fees imposed by the provisions of NRS 463.370;

(3) Any tax imposed by chapter 680B of NRS; or

(4) Any combination of the fees and taxes described in subparagraphs (1), (2) and (3).

(b) A partial abatement of property taxes, employer excise taxes or local sales and use taxes, or any combination of any of those taxes.

2. For a project to be eligible for the transferable tax credits described in paragraph (a) of subsection 1 and the partial abatement of the taxes described in paragraph (b) of subsection 1, the lead participant in the project must, on behalf of the project:

(a) Submit an application that meets the requirements of subsection ~~3~~ 4;

(b) Provide documentation satisfactory to the Office that approval of the application would promote the economic development of this State and aid the implementation of the State Plan for Economic Development developed by the Executive Director of the Office pursuant to subsection 2 of NRS 231.053;

(c) Provide documentation satisfactory to the Office that the participants in the project collectively will make a total new capital investment of at least \$1 billion in this State within the 10-year period immediately following approval of the application;

(d) Provide documentation satisfactory to the Office that the participants in the project are engaged in a common *business* purpose or ~~business endeavor~~ *industry*;

(e) Provide documentation satisfactory to the Office that the place of business of each participant is or will be located within the geographic boundaries of the project site ~~or~~ *or sites*;

(f) Provide documentation satisfactory to the Office that each participant in the project is registered pursuant to the laws of this State or commits to obtaining a valid business license and all other permits required by the county, city or town in which the project operates;

(g) Provide documentation satisfactory to the Office of the number of employees engaged ~~for anticipated to be engaged~~ in the construction of the project;



(h) Provide documentation satisfactory to the Office of the number of qualified employees employed or anticipated to be employed at the project by the participants;

(i) Provide documentation satisfactory to the Office that each employer engaged in the construction of the project provides a plan of health insurance and that each employee engaged in the construction of the project is offered coverage under the plan of health insurance provided by his or her employer;

(j) Provide documentation satisfactory to the Office that each participant in the project provides a plan of health insurance and that each employee employed at the project by each participant is offered coverage under the plan of health insurance provided by his or her employer;

(k) Provide documentation satisfactory to the Office that at least 50 percent of the employees engaged ~~for anticipated to be engaged~~ in construction of the project and 50 percent of the employees employed at the project are residents of Nevada, unless waived by the Executive Director of the Office upon proof satisfactory to the Executive Director of the Office that there is an insufficient number of Nevada residents available and qualified for such employment;

(l) Agree to provide the Office with a full compliance audit of the participants in the project at the end of each fiscal year which:

(1) Shows the amount of money invested in this State by each participant in the project;

(2) Shows the number of employees engaged in the construction of the project and the number of those employees who are residents of Nevada;

(3) Shows the number of employees employed at the project by each participant and the number of those employees who are residents of Nevada; and

(4) Is certified by an independent certified public accountant in this State who is approved by the Office;

(m) Pay the cost of the audit required by paragraph (l); ~~and~~

(n) *Enter into an agreement with governing body of the city or county in which the qualified project is located that:*

*(1) Requires the lead participant to pay the cost of any engineering or design work necessary to determine the cost of infrastructure improvements required to be made by the governing body pursuant to an economic development financing proposal approved pursuant to NRS 360.990; and*



*(2) Requires the lead participant to seek reimbursement for any costs paid by the lead participant pursuant to subparagraph (1) from the proceeds of bonds issued pursuant to NRS 360.991; and*

*(o) Meet any other requirements prescribed by the Office.*

*3. In addition to meeting the requirements set forth in subsection 2, for a project located on more than one site in this State to be eligible for the partial abatement of the taxes described in paragraph (b) of subsection 1, the lead participant must, on behalf of the project, submit an application that meets the requirements of subsection 4 on or before June 30, 2019, and provide documentation satisfactory to the Office that:*

*(a) The initial project will have a total of 500 or more full-time employees employed at the site of the initial project and the average hourly wage that will be paid to employees of the initial project in this State is at least 120 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;*

*(b) Each participant in the project must be a subsidiary or affiliate of the lead participant; and*

*(c) Each participant offers primary jobs and:*

*(1) Except as otherwise provided in subparagraph (2), satisfies the requirements of paragraph (f) or (g) of subsection 2 of NRS 360.750, regardless of whether the business is a new business or an existing business; and*

*(2) If a participant owns, operates, manufactures, services, maintains, tests, repairs, overhauls or assembles an aircraft or any component of an aircraft, that the participant satisfies the applicable requirements of paragraph (f) or (g) of subsection 2 of NRS 360.753.*

*↳ If any participant is a data center, as defined in NRS 360.754, any capital investment by that participant must not be counted in determining whether the participants in the project collectively will make a total new capital investment of at least \$1 billion in this State within the 10-year period immediately following approval of the application, as required by paragraph (c) of subsection 2.*

*4. An application submitted pursuant to subsection 2 must include:*

*(a) A detailed description of the project, including a description of the common purpose or business endeavor in which the participants in the project are engaged;*



(b) A detailed description of the location of the project, including a precise description of the geographic boundaries of the project site ~~H~~ or sites;

(c) The name and business address of each participant in the project, which must be an address in this State;

(d) A detailed description of the plan by which the participants in the project intend to comply with the requirement that the participants collectively make a total new capital investment of at least \$1 billion in this State in the 10-year period immediately following approval of the application;

(e) If the application includes one or more partial abatements, an agreement executed by the Office with the lead participant in the project which:

(1) Complies with the requirements of NRS 360.755;

(2) States the date on which the partial 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 project will, after the date on which a certificate of eligibility for the partial abatement is approved pursuant to NRS 360.893, continue in operation in this State for a period specified by the Office; and

(4) Binds successors in interest of the lead participant for the specified period; and

(f) Any other information required by the Office.

~~H~~ 5. For an employee to be considered a resident of Nevada for the purposes of this section, each participant in the project must maintain the following documents in the personnel file of the employee:

(a) A copy of the:

(1) Current and valid Nevada driver's license of the employee originally issued by the Department of Motor Vehicles more than 60 days before the hiring of the employee or a current and valid identification card for the employee originally issued by the Department of Motor Vehicles more than 60 days before the hiring of the employee; or

(2) If the employee is a veteran of the Armed Forces of the United States, a current and valid Nevada driver's license of the employee or a current and valid identification card for the employee issued by the Department of Motor Vehicles;

(b) If the employee is a registered owner of one or more motor vehicles in Nevada, a copy of the current motor vehicle registration of at least one of those vehicles;



(c) Proof that the employee is employed full-time and scheduled to work for an average minimum of 30 hours per week; and

(d) Proof that the employee is offered coverage under a plan of health insurance provided by his or her employer.

~~15-1~~ **6.** For the purpose of obtaining from the Executive Director of the Office any waiver of the requirement set forth in paragraph (k) of subsection 2, the lead participant in the project must submit to the Executive Director of the Office written documentation of the efforts to meet the requirement and documented proof that an insufficient number of Nevada residents is available and qualified for employment.

~~16-1~~ **7.** The Executive Director of the Office shall make available to the public and post on the Internet website of the Office:

(a) Any request for a waiver of the requirements set forth in paragraph (k) of subsection 2; and

(b) Any approval of such a request for a waiver that is granted by the Executive Director of the Office.

~~17-1~~ **8.** The Executive Director of the Office shall post a request for a waiver of the requirements set forth in paragraph (k) of subsection 2 on the Internet website of the Office within 3 days after receiving the request and shall keep the request posted on the Internet website for not less than 5 days. The Executive Director of the Office shall ensure that the Internet website allows members of the public to post comments regarding the request.

~~18-1~~ **9.** The Executive Director of the Office shall consider any comments posted on the Internet website concerning any request for a waiver of the requirements set forth in paragraph (k) of subsection 2 before making a decision regarding whether to approve the request. If the Executive Director of the Office approves the request for a waiver, the Executive Director of the Office must post the approval on the Internet website of the Office within 3 days and ensure that the Internet website allows members of the public to post comments regarding the approval.

**Sec. 7.** NRS 360.893 is hereby amended to read as follows:

360.893 1. If the Office of Economic Development approves an application for a partial abatement of property taxes, employer excise taxes or local sales and use taxes submitted pursuant to paragraph (b) of subsection 1 of NRS 360.889, the Office shall immediately forward a certificate of eligibility for the partial abatement of the taxes described in that paragraph to:

(a) The Department;

(b) The Nevada Tax Commission; and



(c) The county treasurer of the county in which the qualified project will be located.

2. ~~The~~ *Except as otherwise provided in subsection 3, the partial abatement for the lead participant in the qualified project must:*

(a) For property taxes, be for a duration of not more than 10 years after the effective date of the partial abatement and in an amount that equals 75 percent of the amount of the property taxes that would otherwise be owed by each participant for the qualified project;

(b) For employer excise taxes, be for a duration of not more than 10 years after the effective date of the partial abatement and in an amount that equals 75 percent of the amount of the employer excise taxes that would otherwise be owed by each participant for employees employed by the participant for the qualified project; and

(c) For local sales and use taxes, be for a duration of not more than 15 years after the effective date of the partial abatement and in an amount that equals the amount of the local sales and use taxes that would otherwise be owed by each participant in the qualified project.

3. *If the qualified project is a project located on more than one site in this State, the partial abatement for the lead participant must:*

(a) *For property taxes, be for a duration of not more than 10 years after the effective date of the partial abatement and in an amount that equals 75 percent of the amount of the property taxes that would otherwise be owed by each participant for the qualified project;*

(b) *For employer excise taxes, be for a duration of not more than 10 years after the effective date of the partial abatement and in an amount that equals 75 percent of the amount of the employer excise taxes that would otherwise be owed by each participant for employees employed by the participant for the qualified project; and*

(c) *For local sales and use taxes, be for a duration of not more than 15 years after the effective date of the partial abatement and in an amount that equals that portion of the combined rate of all the local sales and use taxes payable by each participant in the qualified project each year which exceeds 0.6 percent. The Department of Taxation shall issue to the lead participant a document certifying the abatement which can be presented to retailers 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 2.6 percent. As used in this paragraph, "local sales and use taxes" means the 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 the political subdivision in which the new or expanded business is located, except the taxes imposed by the Sales and Use Tax Act.*

*↳ Notwithstanding any other provision of law, if the Office of Economic Development approves an application for a partial abatement of property taxes, employer excise taxes or local sales and use taxes submitted pursuant to paragraph (b) of subsection 1 of NRS 360.889 for a lead participant of a qualified project located on more than one site in this State, the State Controller shall allocate, transfer and remit an amount equal to all the sales and use taxes imposed in this State and collected from the qualified project for the period of the abatement in the same manner as if that amount consisted solely of the proceeds of the taxes imposed by NRS 374.110 and 374.190.*

4. As a condition of approving a partial abatement of taxes pursuant to NRS 360.880 to 360.896, inclusive, the Executive Director of the Office of Economic Development, if he or she determines it to be in the best interests of the State of Nevada, may require the lead participant to pay at such time or times as deemed appropriate, an amount of money equal to all or a portion of the abated taxes into a trust fund in the State Treasury to be held until all or a portion of the requirements for the partial abatement have been met. Interest and income earned on money in the trust fund must be credited to the trust fund. Any money remaining in the trust fund at the end of a fiscal year does not revert to the State General Fund, and the balance in the trust fund must be carried forward to the next fiscal year. Money in the trust fund must not be used for any purpose other than the purposes set forth in ~~subsection 4.~~ ~~4.~~ *subsections 5 and 6.*

5. *If any assessment, or installment thereof, imposed on a qualified project pursuant to chapter 271 of NRS is delinquent, the money in the trust fund established pursuant to subsection 4 must:*

*(a) First be used to repay the bonds or other obligations of the State which are issued in connection with the qualified project.*

*(b) If any money remains in the trust fund after payments are made pursuant to paragraph (a), be used to repay bonds or other obligations of a municipality issued in connection with the qualified project.*

6. Upon a determination by the Executive Director of the Office of Economic Development that the requirements for the



partial abatement have been met, the money in the trust fund established pursuant to subsection ~~3.1~~ 4, including any interest and income earned on the money during the time it was in the trust fund, must be returned to the lead participant. If the Executive Director of the Office of Economic Development determines that the requirements for the partial abatement have not been met:

(a) Except as otherwise provided in this subsection ~~5.1~~ ~~the~~ :

*(1) The money in the trust fund established pursuant to subsection ~~3.1~~ 4, after any payment made pursuant to subsection 5, must be transferred to the entity that would have received the money if the Office had not approved the partial abatement, as determined by the Department ~~1.1~~; and*

*(2) Any amount of money in the trust fund used to repay bonds or other obligations of the State or municipality pursuant to subsection 5 must proportionally reduce the amount transferred to an entity pursuant to subparagraph (1).*

(b) The interest and income earned on the money in the trust fund during the time it was in the trust fund must be distributed to an entity receiving a distribution pursuant to paragraph (a) in the proportion that the money distributed to the entity pursuant to that paragraph bears to the total money distributed pursuant to that paragraph.

~~5.1~~ 7. If the Office approves a partial abatement of local sales and use taxes, the Office shall issue to the lead participant in the qualified project a document certifying the partial abatement which can be presented to retailers at the time of sale. The document must clearly state the rate of sales and use taxes which the purchaser is required to pay in the county in which the abatement is effective.

**Sec. 7.5.** NRS 360.894 is hereby amended to read as follows:

360.894 1. The lead participant in a qualified project shall, upon the request of the Office of Economic Development, furnish the Office with copies of all records necessary to verify that the qualified project meets the eligibility requirements for any transferable tax credits issued pursuant to NRS 360.891 and the partial abatement of any taxes pursuant to NRS 360.893.

2. The lead participant shall repay to the Department or the Nevada Gaming Control Board, as applicable, any portion of the transferable tax credits to which the lead participant is not entitled if:

(a) The participants in the qualified project collectively fail to make the investment in this State necessary to support the determination by the Executive Director of the Office of Economic Development that the project is a qualified project;



(b) The participants in the qualified project collectively fail to employ the number of qualified employees identified in the certificate of eligibility approved for the qualified project;

(c) The lead participant submits any false statement, representation or certification in any document submitted for the purpose of obtaining transferable tax credits; or

(d) The lead participant otherwise becomes ineligible for transferable tax credits after receiving the transferable tax credits pursuant to NRS 360.880 to 360.896, inclusive.

3. Transferable tax credits purchased in good faith are not subject to forfeiture unless the transferee submitted fraudulent information in connection with the purchase.

4. Notwithstanding any provision of this chapter or chapter 361 of NRS, if the lead participant in a qualified project for which a partial abatement has been approved pursuant to NRS 360.893 and is in effect:

(a) Fails to meet the requirements for eligibility pursuant to that section; or

(b) Ceases operation before the time specified in the agreement described in paragraph (e) of subsection ~~3~~ 4 of NRS 360.889,

↳ the lead participant shall repay to the Department or, if the partial abatement is from the property tax imposed by chapter 361 of NRS, to the appropriate county treasurer, the amount of the partial abatement that was allowed to the lead participant pursuant to NRS 360.893 before the failure of the lead participant to meet the requirements for eligibility. Except as otherwise provided in NRS 360.232 and 360.320, the lead participant shall, in addition to the amount of the partial abatement required to be repaid by the lead participant pursuant to this subsection, pay interest on the amount due from the lead participant 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.

5. The Secretary of State may, upon application by the Executive Director of the Office, revoke or suspend the state business registration of the lead participant in a qualified project which is required to repay any portion of transferable tax credits pursuant to subsection 2 or the amount of any partial abatement pursuant to subsection 4 and which the Office determines is not in compliance with the provisions of this section governing repayment. If the state business registration of the lead participant in a qualified project is suspended or revoked pursuant to this subsection, the



Secretary of State shall provide written notice of the action to the lead participant. The Secretary of State shall not reinstate a state business registration suspended pursuant to this subsection or issue a new state business registration to the lead participant whose state business registration has been revoked pursuant to this subsection unless the Executive Director of the Office provides proof satisfactory to the Secretary of State that the lead participant is in compliance with the requirements of this section governing repayment.

**Sec. 8.** NRS 360.930 is hereby amended to read as follows:

360.930 “Project” means a project undertaken by a business or group of businesses:

1. Located within the geographic boundaries of a single project site in this State; and

2. Engaged in a common *business* purpose or ~~business endeavor~~ *industry. A business or group of businesses must be deemed to be engaged in a common business purpose or industry if the business or group of businesses are in a supply chain related to the common business purpose or industry or provide components or services related to the common business purpose or industry.*

**Sec. 9.** NRS 360.945 is hereby amended to read as follows:

360.945 1. On behalf of a project, the lead participant in the project may apply to the Office of Economic Development for:

(a) A certificate of eligibility for transferable tax credits which may be applied to:

(1) Any tax imposed by chapters 363A and 363B of NRS;

(2) The gaming license fees imposed by the provisions of NRS 463.370;

(3) Any tax imposed by chapter 680B of NRS; or

(4) Any combination of the fees and taxes described in subparagraphs (1), (2) and (3).

(b) An abatement of property taxes, employer excise taxes or local sales and use taxes, or any combination of any of those taxes.

2. For a project to be eligible for the transferable tax credits described in paragraph (a) of subsection 1 and abatement of the taxes described in paragraph (b) of subsection 1, the lead participant in the project must, on behalf of the project:

(a) Submit an application that meets the requirements of subsection 3;

(b) Provide documentation satisfactory to the Office that approval of the application would promote the economic development of this State and aid the implementation of the State



Plan for Economic Development developed by the Executive Director of the Office pursuant to subsection 2 of NRS 231.053;

(c) Provide documentation satisfactory to the Office that the participants in the project collectively will make a total new capital investment of at least \$3.5 billion in this State within the 10-year period immediately following approval of the application;

(d) Provide documentation satisfactory to the Office that the participants in the project are engaged in a common *business* purpose or ~~business endeavor;~~ *industry*;

(e) Provide documentation satisfactory to the Office that the place of business of each participant is or will be located within the geographic boundaries of the project site;

(f) Provide documentation satisfactory to the Office that each participant in the project is registered pursuant to the laws of this State or commits to obtaining a valid business license and all other permits required by the county, city or town in which the project operates;

(g) Provide documentation satisfactory to the Office of the number of employees engaged ~~for anticipated to be engaged~~ in the construction of the project;

(h) Provide documentation satisfactory to the Office of the number of qualified employees employed or anticipated to be employed at the project by the participants;

(i) Provide documentation satisfactory to the Office that each employer engaged in the construction of the project provides a plan of health insurance and that each employee engaged in the construction of the project is offered coverage under the plan of health insurance provided by his or her employer;

(j) Provide documentation satisfactory to the Office that each participant in the project provides a plan of health insurance and that each employee employed at the project by each participant is offered coverage under the plan of health insurance provided by his or her employer;

(k) Provide documentation satisfactory to the Office that at least 50 percent of the employees engaged ~~for anticipated to be engaged~~ in construction of the project and 50 percent of the employees employed at the project are residents of Nevada, unless waived by the Executive Director of the Office upon proof satisfactory to the Executive Director of the Office that there is an insufficient number of Nevada residents available and qualified for such employment;

(l) Agree to provide the Office with a full compliance audit of the participants in the project at the end of each fiscal year which:



(1) Shows the amount of money invested in this State by each participant in the project;

(2) Shows the number of employees engaged in the construction of the project and the number of those employees who are residents of Nevada;

(3) Shows the number of employees employed at the project by each participant and the number of those employees who are residents of Nevada; and

(4) Is certified by an independent certified public accountant in this State who is approved by the Office;

(m) Pay the cost of the audit required by paragraph (l); ~~and~~

(n) *Enter into an agreement with governing body of the city or county in which the qualified project is located that:*

*(1) Requires the lead participant to pay the cost of any engineering or design work necessary to determine the cost of infrastructure improvements required to be made by the governing body pursuant to an economic development financing proposal approved pursuant to NRS 360.990; and*

*(2) Requires the lead participant to seek reimbursement for any costs paid by the lead participant pursuant to subparagraph (1) from the proceeds of bonds of the State of Nevada issued pursuant to NRS 360.991; and*

*(o) Meet any other requirements prescribed by the Office.*

3. An application submitted pursuant to subsection 2 must include:

(a) A detailed description of the project, including a description of the common purpose or business endeavor in which the participants in the project are engaged;

(b) A detailed description of the location of the project, including a precise description of the geographic boundaries of the project site;

(c) The name and business address of each participant in the project, which must be an address in this State;

(d) A detailed description of the plan by which the participants in the project intend to comply with the requirement that the participants collectively make a total new capital investment of at least \$3.5 billion in this State in the 10-year period immediately following approval of the application;

(e) If the application includes one or more abatements, an agreement executed by the Office with the lead participant in the project which:



- (1) Complies with the requirements of NRS 360.755;
- (2) States that the project will, after the date on which a certificate of eligibility for the abatement is approved pursuant to NRS 360.965, continue in operation in this State for a period specified by the Office; and
- (3) Binds successors in interest of the lead participant for the specified period; and
- (f) Any other information required by the Office.

4. For an employee to be considered a resident of Nevada for the purposes of this section, each participant in the project must maintain the following documents in the personnel file of the employee:

(a) A copy of the current and valid Nevada driver's license of the employee or a current and valid identification card for the employee issued by the Department of Motor Vehicles;

(b) If the employee is a registered owner of one or more motor vehicles in Nevada, a copy of the current motor vehicle registration of at least one of those vehicles;

(c) Proof that the employee is employed full-time and scheduled to work for an average minimum of 30 hours per week; and

(d) Proof that the employee is offered coverage under a plan of health insurance provided by his or her employer.

5. For the purpose of obtaining from the Executive Director of the Office any waiver of the requirement set forth in paragraph (k) of subsection 2, the lead participant in the project must submit to the Executive Director of the Office written documentation of the efforts to meet the requirement and documented proof that an insufficient number of Nevada residents is available and qualified for employment.

6. The Executive Director of the Office shall make available to the public and post on the Internet website for the Office:

(a) Any request for a waiver of the requirements set forth in paragraph (k) of subsection 2; and

(b) Any approval of such a request for a waiver that is granted by the Executive Director of the Office.

7. The Executive Director of the Office shall post a request for a waiver of the requirements set forth in paragraph (k) of subsection 2 on the Internet website of the Office within 3 days after receiving the request and shall keep the request posted on the Internet website for not less than 5 days. The Executive Director of the Office shall ensure that the Internet website allows members of the public to post comments regarding the request.



8. The Executive Director of the Office shall consider any comments posted on the Internet website concerning any request for a waiver of the requirements set forth in paragraph (k) of subsection 2 before making a decision regarding whether to approve the request. If the Executive Director of the Office approves the request for a waiver, the Executive Director of the Office must post the approval on the Internet website of the Office within 3 days and ensure that the Internet website allows members of the public to post comments regarding the approval.

**Sec. 9.5.** NRS 360.990 is hereby amended to read as follows:

360.990 1. Upon receipt of an economic development financing proposal, the Office shall:

(a) Request from the State Treasurer a determination of the capacity available under the State's debt limit; and

(b) In consultation with any person or entity the Office determines is appropriate, review the proposal. The Office may request any additional information from the governing body as it determines is necessary to evaluate the proposal.

2. Except as otherwise provided in paragraph (c) of subsection 3, the Office shall approve, approve and modify, or reject any economic development financing proposal within 45 days after receiving the completed proposal.

3. The Executive Director of the Office may approve an economic development financing proposal only if:

(a) The proposal includes such provisions as the Executive Director of the Office determines are necessary to ensure that:

(1) The Office will enter into one or more agreements with the local government pursuant to which the Office will administer any districts or areas which are or may be created for the purpose of carrying out the infrastructure projects identified in the proposal, including, without limitation, any district or area created pursuant to chapters 271, 271A and 278C of NRS;

(2) The proceeds of any bonds, securities or other indebtedness issued pursuant to NRS 360.991 will be allocated to the Office for the purpose of providing financing for the infrastructure projects identified in the proposal;

(3) The revenues from any districts or areas created for the purpose of financing the infrastructure projects identified in the proposal will be pledged for the repayment of any bonds, securities or other indebtedness issued pursuant to NRS 360.991; and

(4) Notwithstanding any other provision of law, if the revenues from any districts or areas created for the purpose of financing the infrastructure projects identified in the proposal which



are pledged for the repayment of the general obligation bonds of the State issued pursuant to NRS 360.991 are insufficient to pay any sums coming due on the bonds, before such sums are paid from the State General Fund, the local government that created the districts or areas shall promptly pay such sums to the extent of the money available in the uncommitted balance of the general fund of the local government. If the money available in the uncommitted balance of the general fund of the local government is insufficient to pay the sums coming due on the bonds **and if, pursuant to subsection 4 of NRS 360.893, the Executive Director of the Office of Economic Development required the lead participant to pay money into a trust fund in the State Treasury, the money in the trust fund, including any interest and income earned on the money during the time it was in the trust fund, must be used to pay sums coming due on the bonds. If the amount of money in the trust fund is insufficient to pay the sums coming due on the bonds,** the remainder of such sums must be paid in accordance with the State Securities Law. The payment of any sums by a local government pursuant to this subparagraph is not secured by a pledge of the taxing power of the local government. For the purposes of this subparagraph the uncommitted balance of the general fund of a local government is the uncommitted balance as determined by the Department of Taxation.

(b) The Executive Director of the Office makes a finding, which shall be conclusive, that the revenues pledged as provided in subparagraph (3) of paragraph (a) will be sufficient, together with any capitalized interest, to fully repay any bonds, securities or other indebtedness issued pursuant to NRS 360.991.

(c) For a proposal submitted on or after July 1, 2017, the Office submits the proposal to and obtains the approval of the Legislature or the Interim Finance Committee if the Legislature is not in session.

4. In addition to the agreements described in subparagraph (1) of paragraph (a) of subsection 3, the Office may enter into one or more cooperative agreements with any state or local agency which the Office determines is necessary to carry out an economic development financing proposal approved pursuant to this section.

5. If the Office approves an economic development financing proposal, the Office shall provide notice and a copy of the decision approving the proposal to the governing body of the local government and the State Board of Finance.



**Sec. 10.** NRS 360.991 is hereby amended to read as follows:

360.991 1. As soon as practicable after receiving notice from the Office that it has approved an economic development financing agreement, the State Board of Finance shall issue general obligation bonds of the State of Nevada to finance the infrastructure projects identified in the economic development financing agreement. The provisions of the State Securities Law contained in chapter 349 of NRS apply to the issuance of bonds pursuant to this section. The State Board of Finance shall issue the bonds in the amount set forth in the economic development financing agreement but shall not issue bonds in an amount that exceeds \$175,000,000 for each economic development financing agreement or have outstanding at any time bonds issued pursuant to this section in an amount that exceeds \$200,000,000. Before any bonds may be issued pursuant to this section, the lead participant in the qualified project must provide adequate security that the lead participant will carry out the qualified project. The security may consist of one or more performance bonds or similar documents, actual expenditures on the qualified project, commitments to make such expenditures, *a lien for special assessments pursuant to chapter 271 of NRS* or other security deemed appropriate by the Executive Director of the Office ~~+~~ *in consultation with the Office of the State Treasurer.* A commitment to make an expenditure may be conditioned upon the issuance of bonds pursuant to this section but may not be subject to any other conditions.

2. The proceeds of any bonds issued pursuant to subsection 1 must be allocated to the Office in the manner prescribed by the economic development financing agreement.

**Sec. 11.** NRS 361.0687 is hereby amended to read as follows:

361.0687 1. A person who intends to locate or expand a business in this State may, pursuant to NRS 360.750, apply to the Office of Economic Development for a partial abatement from the taxes imposed by this chapter.

2. For a business to qualify pursuant to NRS 360.750 for a partial abatement from the taxes imposed by this chapter, the Office of Economic Development must determine that, in addition to meeting the other requirements set forth in subsection 2 of that section:

(a) ~~+~~ *Except as otherwise provided in paragraph (b), if* the business is a new business in a county whose population is 100,000 or more or a city whose population is 60,000 or more ~~+~~



~~(1) The~~, *the* business will, not later than the date which is 2 years after the date on which the abatement becomes effective, make a capital investment in the county or city of:

~~{(I)}~~ (1) At least ~~{\$50,000,000}~~ *\$5,000,000* if the business is an industrial or manufacturing business; or

~~{(H)}~~ (2) At least ~~{\$5,000,000}~~ *\$1,000,000* if the business is not an industrial or manufacturing business,

↳ in capital assets that will be retained at the location of the business in that county or city until at least the date which is 5 years after the date on which the abatement becomes effective. ~~}; and~~

~~(2) The average hourly wage that will be paid by the new business 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.}~~

(b) If the business is a new business in a county whose population is less than 100,000, *in an area of a county whose population is 100,000 or more that is located within the geographic boundaries of an area that is designated as rural by the United States Department of Agriculture and at least 20 miles outside of the geographic boundaries of an area designated as urban by the United States Department of Agriculture, or in a city* whose population is less than 60,000 ~~};~~

~~(1) The~~, *the* business will, not later than the date which is 2 years after the date on which the abatement becomes effective, make a capital investment in the county or city of:

~~{(I)}~~ (1) At least ~~{\$5,000,000}~~ *\$1,000,000* if the business is an industrial or manufacturing business; or

~~{(H)}~~ (2) At least ~~{\$500,000}~~ *\$250,000* if the business is not an industrial or manufacturing business,

↳ in capital assets that will be retained at the location of the business in that county or city until at least the date which is 5 years after the date on which the abatement becomes effective. ~~}; and~~

~~(2) The average hourly wage that will be paid by the new business to its employees in this State is at least 100 percent of the average statewide hourly wage or the average countywide hourly wage, whichever is less, as established by the Employment Security Division of the Department of Employment, Training and Rehabilitation on July 1 of each fiscal year.}~~

3. Except as otherwise provided in NRS 701A.210, if a partial abatement from the taxes imposed by this chapter is approved by the Office of Economic Development pursuant to NRS 360.750:



(a) The partial abatement must:

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

(2) Subject to any limitation on the abatement set forth in NRS 360.750, not exceed 50 percent of the taxes on personal property payable by a business each year pursuant to this chapter; and

(3) Be administered and carried out in the manner set forth in NRS 360.750.

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

**Sec. 12.** Chapter 271 of NRS is hereby amended by adding thereto a new section to read as follows:

*“Rail project” means any railroad, railroad tracks, rail spurs and any structures or facilities necessary for freight rail service provided by a regional transportation commission pursuant to NRS 277A.283, including, without limitation, equipment, terminals, stations, platforms and other facilities necessary, useful or desirable for such a project and all property, easements, rights-of-way and other rights or interests incidental to the project.*

**Sec. 13.** NRS 271.030 is hereby amended to read as follows:

271.030 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 271.035 to 271.253, inclusive, *and section 12 of this act* have the meanings ascribed to them in those sections.

**Sec. 14.** NRS 271.265 is hereby amended to read as follows:

271.265 1. The governing body of a county, city or town, upon behalf of the municipality and in its name, without any election, may from time to time acquire, improve, equip, operate and maintain, within or without the municipality, or both within and without the municipality:

- (a) A curb and gutter project;
- (b) A drainage project;
- (c) An energy efficiency improvement project;
- (d) A neighborhood improvement project;



- (e) An off-street parking project;
- (f) An overpass project;
- (g) A park project;
- (h) A public safety project;
- (i) A renewable energy project;
- (j) A sanitary sewer project;
- (k) A security wall;
- (l) A sidewalk project;
- (m) A storm sewer project;
- (n) A street project;
- (o) A street beautification project;
- (p) A transportation project;
- (q) An underpass project;
- (r) A water project;
- (s) A waterfront project; and
- (t) Any combination of such projects.

2. In addition to the power specified in subsection 1, the governing body of a city having a commission form of government as defined in NRS 267.010, upon behalf of the municipality and in its name, without any election, may from time to time acquire, improve, equip, operate and maintain, within or without the municipality, or both within and without the municipality:

- (a) An electrical project;
- (b) A telephone project;
- (c) A combination of an electrical project and a telephone project;
- (d) A combination of an electrical project or a telephone project with any of the projects, or any combination thereof, specified in subsection 1; and
- (e) A combination of an electrical project and a telephone project with any of the projects, or any combination thereof, specified in subsection 1.

3. In addition to the power specified in subsections 1 and 2, the governing body of a municipality, on behalf of the municipality and in its name, without an election, may finance an underground conversion project with the approval of each service provider that owns the overhead service facilities to be converted.

4. In addition to the power specified in subsections 1, 2 and 3, if the governing body of a municipality in a county whose population is less than 700,000 complies with the provisions of NRS 271.650, the governing body of the municipality, on behalf of the municipality and in its name, without any election, may from time to time acquire, improve, equip, operate and maintain, within or



without the municipality, or both within and without the municipality:

- (a) An art project; and
- (b) A tourism and entertainment project.

5. In addition to the power specified in this section, if a qualified project is located within the jurisdiction of the municipality, the governing body of the municipality, on behalf of the municipality and in its name, without any election, may from time to time acquire, improve, equip, operate and maintain, within or without the municipality, or both within and without the municipality, an electrical project for the qualified project, ~~for~~ a fire protection project for the qualified project ~~or~~ *or a rail project for the qualified project.*

6. As used in this section, “qualified project” has the meaning ascribed to it in NRS 360.888 or 360.940.

**Sec. 14.5.** NRS 271.635 is hereby amended to read as follows:

271.635 1. Notwithstanding any provision of this chapter to the contrary, if the governing body submits to the Office of Economic Development an economic development financing proposal described in NRS 360.989 and the Office approves the proposal and an economic development financing agreement pursuant to NRS 360.990, any improvement district which is or may be created for the purpose of carrying out the projects identified in the proposal must be administered as provided in the agreement.

2. The economic development financing agreement may provide, without limitation, that:

(a) The Office of Economic Development, the Executive Director of the Office or any designee of either is authorized or required to perform any function or duty that under the provisions of this chapter would otherwise be performed by the municipality, the governing body or any officer or employee of the municipality.

(b) Any assessments or other money collected pursuant to this chapter must be paid, collected, deposited, distributed or remitted as provided in the agreement, notwithstanding any provision of this chapter to the contrary.

(c) It may be modified at any time by the Executive Director of the Office of Economic Development, in the exercise of his or her discretion and upon approval of the Board of Economic Development.

*3. Notwithstanding any other provision of law, if an improvement district is administered pursuant to an economic development financing agreement and any assessment, or installment thereof, required to be paid pursuant to this chapter is*



*delinquent, any money collected to enforce the assessment, or installment thereof, including, without limitation, the proceeds of a sale of property to collect or enforce the assessment, or installment thereof, must, before being deposited, distributed or remitted for any other purpose, be used to repay any amounts paid pursuant to subsection 5 of NRS 360.893 from the trust fund established pursuant to subsection 4 of that section.*

**Sec. 14.7.** NRS 271B.070 is hereby amended to read as follows:

271B.070 1. Except as otherwise provided in this section, if a qualified project is located within the jurisdiction of a municipality, the governing body of the municipality may:

(a) Create an economic diversification district for the purposes of carrying out this chapter by adopting an ordinance describing the boundaries of the district, which must be the geographic boundaries of the qualified project, and generally describing the purposes within the district for which money pledged pursuant to this chapter may be used; and

(b) For the purposes of carrying out paragraph (a), include in an ordinance adopted pursuant to that paragraph the pledge of an amount equal to the proceeds of all sales and use taxes imposed on or owed by each participant in the qualified project with regard to tangible personal property purchased in the municipality for use in the district, or stored, used or otherwise consumed in the district by the participant, during a fiscal year other than the amount of any local sales and use taxes for which the lead participant has received an abatement pursuant to an application approved by the Office of Economic Development pursuant to NRS 360.950.

2. The governing body of a municipality may not include in an ordinance adopted to create a district pursuant to paragraph (a) of subsection 1 on or after September 11, 2014, the pledge of any proceeds of the taxes imposed pursuant to NRS 374.110 or 374.111 and NRS 374.190 or 374.191 with regard to tangible personal property sold at retail, or stored, used or otherwise consumed, if the governing body obtains an opinion from independent bond counsel stating that the applicability of this provision would impair an existing contract for the sale of bonds which were issued before September 11, 2014.

3. If:

(a) The qualified project is a qualified project described in NRS 360.888;



(b) The governing body of the municipality includes in the ordinance adopted pursuant to paragraph (a) of subsection 1 a pledge of money pursuant to paragraph (b) of subsection 1; and

(c) The Executive Director of the Office of Economic Development has required the lead participant to make payments to a trust fund in the State Treasury pursuant to subsection ~~3~~ 4 of NRS 360.893,

↳ the governing body must include in the ordinance a provision providing that the pledge of that money is conditioned upon the lead participant qualifying for a return of the money paid into the trust fund pursuant to subsection ~~4~~ 6 of NRS 360.893.

4. A district created pursuant to this section by:

(a) A city must be located entirely within the boundaries of that city.

(b) A county must be located entirely within the boundaries of that county and, when the district is created, entirely outside of the boundaries of any city.

**Sec. 14.9.** NRS 271B.080 is hereby amended to read as follows:

271B.080 1. After the adoption of an ordinance pursuant to NRS 271B.070:

(a) The governing body of the municipality and the Department of Taxation shall enter into an agreement specifying the dates and procedure for distribution to the municipality of any money pledged pursuant to NRS 271B.070.

(b) If the qualified project is a qualified project described in NRS 360.888 and the Executive Director of the Office of Economic Development has required the lead participant to make payments to a trust fund in the State Treasury pursuant to subsection ~~3~~ 4 of NRS 360.893, the Department of Taxation shall deposit in that trust fund the proceeds of any taxes conditionally pledged pursuant to subsection 3 of NRS 271B.070 until:

(1) The lead participant qualifies for a return of the money paid into the trust fund pursuant to subsection ~~4~~ 6 of NRS 360.893, in which case the taxes conditionally pledged, including any interest and income earned on those taxes, must be distributed pursuant to the agreement described in paragraph (a); or

(2) The Executive Director determines that the requirements for the partial abatement set forth in NRS 360.893 have not been met, in which case any taxes conditionally pledged and deposited in the trust fund must be transferred to the entity that would have received those taxes if the taxes had not been conditionally pledged, as determined by the Department of Taxation. The interest and



income earned on those taxes during the time the taxes were in the trust fund must be distributed to an entity receiving a distribution pursuant to this subparagraph in the proportion that the taxes distributed to the entity pursuant to this subparagraph bears to the total taxes distributed pursuant to this subparagraph.

2. If the qualified project is a qualified project described in NRS 360.940, the distributions pursuant to the agreement described in paragraph (a) of subsection 1 must:

(a) Be made not less frequently than monthly; and

(b) Cease at the end of the fiscal year in which the 20th anniversary of the adoption of the ordinance creating the district occurs.

3. If the qualified project is a qualified project described in NRS 360.888, the distributions pursuant to the agreement described in paragraph (a) of subsection 1 must:

(a) Be made not less frequently than monthly;

(b) Cease at the end of the fiscal year in which the 15th anniversary of the adoption of the ordinance creating the district occurs; and

(c) If the Executive Director of the Office of Economic Development has required the lead participant to make payments to a trust fund in the State Treasury pursuant to subsection ~~3~~ 4 of NRS 360.893, not commence until the lead participant qualifies for a return of the money paid into the trust fund pursuant to subsection ~~4~~ 6 of NRS 360.893.

**Sec. 15.** Chapter 278C of NRS is hereby amended by adding thereto a new section to read as follows:

*“Bond requirements” means the principal of, any prior redemption premiums due in connection with and the interest on, or other amounts due in connection with, the designated bonds or other securities, advances, loans or indebtedness.*

**Sec. 16.** NRS 278C.105 is hereby amended to read as follows:

278C.105 “Rail project” means any railroad, railroad tracks, rail spurs and any structures or facilities necessary for ~~to~~ freight rail ~~port, and all appurtenances and incidentals, or any combination thereof, including real and other property therefor.~~ service provided by a regional transportation commission pursuant to NRS 277A.283, including, without limitation, equipment, terminals, stations, platforms and other facilities necessary, useful or desirable for such a project and all property, easements, rights-of-way and other rights or interests incidental to the project.



**Sec. 17.** NRS 278C.150 is hereby amended to read as follows:

278C.150 1. Except as otherwise provided in subsections 2, 3 and 4, the governing body of a municipality, on the behalf and in the name of the municipality, may designate a tax increment area comprising any specially benefited zone within the municipality designated for the purpose of creating a special account for the payment of bonds or securities issued or loans, money advanced or indebtedness incurred to defray the cost of an undertaking, including, without limitation, the condemnation of property for an undertaking, as supplemented by the Local Government Securities Law, except as otherwise provided in this chapter. *The governing body of a municipality, on behalf and in the name of the municipality, may enter into a contract with any property owner in a tax increment area agreeing to pay tax increment revenues from the tax increment account created by NRS 278C.250 to such property owner for costs incurred by such owner in connection with an undertaking. Such a contract constitutes an indebtedness of the municipality for the purposes of this chapter but is not a security for the purposes of NRS 278C.280.*

2. The right-of-way property of a railroad company that is under the jurisdiction of the Surface Transportation Board must not be included in a tax increment area unless the inclusion of the property is mutually agreed upon by the governing body and the railroad company.

3. A tax increment area may not include a property that is, at the time the boundaries of the tax increment area are created, included within a redevelopment area previously established pursuant to the laws of this State.

4. The taxable property of a tax increment area must not be included in any subsequently created tax increment area until at least 50 years after the effective date of creation of the first tax increment area in which the property was included.

**Sec. 18.** NRS 278C.157 is hereby amended to read as follows:

278C.157 1. A municipality may adopt an ordinance ordering an undertaking and creating the tax increment area and the tax increment account pertaining thereto pursuant to NRS 278C.220 which includes provisions for:

(a) The allocation of the proceeds of any tax on the sale or use of tangible personal property to the tax increment account of the proposed tax increment area pursuant to paragraph (b) of subsection 1 of NRS 278C.250;

(b) The allocation of the proceeds of any tax imposed pursuant to NRS 363A.130 and 363B.110 to the tax increment account of the



proposed tax increment area pursuant to paragraph (c) of subsection 1 of NRS 278C.250; ~~for~~

(c) The issuance of municipal securities and revenue securities described in paragraph (f) of subsection 1 of NRS 278C.280 ~~is~~; or

*(d) Making a contract with any property owner in a tax increment area agreeing to pay tax increment revenues from the tax increment account created by NRS 278C.250 to the property owner to reimburse the owner for costs incurred by the owner in connection with an undertaking, which contract constitutes an indebtedness of the municipality for the purposes of this chapter but is not a security for the purposes of NRS 278C.280,*

↳ only for an undertaking that is a rail project in relation to a qualified project or a natural resources project, and only after approval by the Interim Finance Committee of a written request submitted by the municipality.

2. The Interim Finance Committee may approve a request submitted pursuant to this section only if the Interim Finance Committee determines that approval of the request:

(a) Will not impede the ability of the Legislature to carry out its duty to provide for an annual tax sufficient to defray the estimated expenses of the State for each fiscal year as set forth in Article 9, Section 2 of the Nevada Constitution; and

(b) Will not threaten the protection and preservation of the property and natural resources of the State of Nevada.

3. A request submitted pursuant to this section must include any information required by the Interim Finance Committee.

4. As used in this section, “qualified project” has the meaning ascribed to it in NRS 360.888 or 360.940.

**Sec. 19.** (Deleted by amendment.)

**Sec. 20.** NRS 278C.270 is hereby amended to read as follows:

278C.270 The Federal Government, the State, any public body or any ~~natural~~ person filing a written complaint, protest or objection in the manner and within the time provided in NRS 278C.170, may, within 30 days after the governing body has finally passed on the complaint, protest or objection by resolution pursuant to NRS 278C.210 or by ordinance pursuant to NRS 278C.220, commence an action or suit in a court of competent jurisdiction to correct or set aside the determination, but thereafter all actions or suits attacking the validity of the proceedings are perpetually barred.

**Sec. 21.** NRS 350A.070 is hereby amended to read as follows:

350A.070 “Municipal securities” means notes, warrants, interim debentures, bonds and temporary bonds validly issued as



obligations for a purpose related to natural resources which are payable:

1. From taxes whether or not additionally secured by any municipal revenues available therefor;
2. For bonds issued by an irrigation district, from assessments against real property;
3. For bonds issued by a water authority organized as a political subdivision created by cooperative agreement, from revenues of the water system of the water authority or one or more of the water purveyors who are members of the water authority or any combination thereof;
4. For bonds issued by a wastewater authority, from revenues of the water reclamation system of the wastewater authority or one or more of the municipalities that are members of the wastewater authority, or any combination thereof;
5. For bonds issued by a flood management authority, from revenues of the flood management authority or one or more of the municipalities that are members of the flood management authority, or any combination thereof; or
6. For assessment bonds issued by a municipality under chapter 271 of NRS ~~H~~ *from assessments against real property.*

**Sec. 22.** NRS 701A.365 is hereby amended to read as follows:

701A.365 1. The Director, in consultation with the Office of Economic Development, shall approve an application for a partial abatement pursuant to NRS 701A.300 to 701A.390, inclusive, if the Director, in consultation with the Office of Economic Development, makes the following determinations:

(a) The applicant has executed an agreement with the Director which must:

(1) State that the facility will, after the date on which the abatement becomes effective, continue in operation in this State for a period specified by the Director, which must be at least 10 years, and will continue to meet the eligibility requirements for the abatement; and

(2) Bind the successors in interest in the facility for the specified period.

(b) The facility 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 facility operates.

(c) No funding is or will be provided by any governmental entity in this State for the acquisition, design or construction of the



facility or for the acquisition of any land therefor, except any private activity bonds as defined in 26 U.S.C. § 141.

(d) ~~##~~ *Except as otherwise provided in paragraph (e), if* the facility will be located in a county whose population is 100,000 or more or a city whose population is 60,000 or more, the facility meets the following requirements:

(1) There will be 75 or more full-time employees working on the construction of the facility during the second quarter of construction, including, unless waived by the Director for good cause, at least 50 percent who are residents of Nevada;

(2) Establishing the facility will require the facility to make a capital investment of at least \$10,000,000 in this State in capital assets that will be retained at the location of the facility until at least the date which is 5 years after the date on which the abatement becomes effective;

(3) The average hourly wage that will be paid by the facility to its employees in this State is at least 110 percent of the average statewide hourly wage, excluding management and administrative employees, as established by the Employment Security Division of the Department of Employment, Training and Rehabilitation on July 1 of each fiscal year; and

(4) Except as otherwise provided in subsection 6, the average hourly wage of the employees working on the construction of the facility will be at least 175 percent of the average statewide hourly wage, excluding management and administrative employees, 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 employees working on the construction of the facility must be provided a health insurance plan that is provided by a third-party administrator and includes health insurance coverage for dependents of the employees; and

(II) The cost of the benefits provided to the employees working on the construction of the facility will meet the minimum requirements for benefits established by the Director by regulation pursuant to NRS 701A.390.

(e) If the facility will be located in a county whose population is less than 100,000 , *in an area of a county whose population is 100,000 or more that is located within the geographic boundaries of an area that is designated as rural by the United States Department of Agriculture and at least 20 miles outside of the geographic boundaries of an area designated as urban by the United States Department of Agriculture, or in* a city whose



population is less than 60,000, the facility meets the following requirements:

(1) There will be 50 or more full-time employees working on the construction of the facility during the second quarter of construction, including, unless waived by the Director for good cause, at least 50 percent who are residents of Nevada;

(2) Establishing the facility will require the facility to make a capital investment of at least \$3,000,000 in this State in capital assets that will be retained at the location of the facility until at least the date which is 5 years after the date on which the abatement becomes effective;

(3) The average hourly wage that will be paid by the facility to its employees in this State is at least 110 percent of the average statewide hourly wage, excluding management and administrative employees, as established by the Employment Security Division of the Department of Employment, Training and Rehabilitation on July 1 of each fiscal year; and

(4) Except as otherwise provided in subsection 6, the average hourly wage of the employees working on the construction of the facility will be at least 175 percent of the average statewide hourly wage, excluding management and administrative employees, 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 employees working on the construction of the facility must be provided a health insurance plan that is provided by a third-party administrator and includes health insurance coverage for dependents of the employees; and

(II) The cost of the benefits provided to the employees working on the construction of the facility will meet the minimum requirements for benefits established by the Director by regulation pursuant to NRS 701A.390.

(f) The financial benefits that will result to this State from the employment by the facility of the residents of this State and from capital investments by the facility in this State will exceed the loss of tax revenue that will result from the abatement.

(g) The facility 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.

2. The Director shall not approve an application for a partial abatement of the taxes imposed pursuant to chapter 361 of NRS submitted pursuant to NRS 701A.360 by a facility for the generation of process heat from solar renewable energy or a wholesale facility



for the generation of electricity from renewable energy unless the application is approved or deemed approved pursuant to this subsection. The board of county commissioners of a county must provide notice to the Director that the board intends to consider an application and, if such notice is given, must approve or deny the application not later than 30 days after the board receives a copy of the application. The board of county commissioners:

(a) Shall, in considering an application pursuant to this subsection, make a recommendation to the Director regarding the application;

(b) May, in considering an application pursuant to this subsection, deny an application only if the board of county commissioners determines, based on relevant information, that:

(1) The projected cost of the services that the local government is required to provide to the facility will exceed the amount of tax revenue that the local government is projected to receive as a result of the abatement; or

(2) The projected financial benefits that will result to the county from the employment by the facility of the residents of this State and from capital investments by the facility in the county will not exceed the projected loss of tax revenue that will result from the abatement;

(c) Must not condition the approval of the application on a requirement that the facility agree to purchase, lease or otherwise acquire in its own name or on behalf of the county any infrastructure, equipment, facilities or other property in the county that is not directly related to or otherwise necessary for the construction and operation of the facility; and

(d) May, without regard to whether the board has provided notice to the Director of its intent to consider the application, make a recommendation to the Director regarding the application.

↳ If the board of county commissioners does not approve or deny the application within 30 days after the board receives from the Director a copy of the application, the application shall be deemed approved.

3. Notwithstanding the provisions of subsection 1, the Director, in consultation with the Office of Economic Development, may, if the Director, in consultation with the Office, determines that such action is necessary:

(a) Approve an application for a partial abatement for a facility that does not meet ~~the requirements~~ **any requirement** set forth in **subparagraph (1) or (2) of paragraph (d) or subparagraph (1) or (2) of paragraph (e)** of subsection 1; or



(b) Add additional requirements that a facility must meet to qualify for a partial abatement.

4. The Director shall cooperate with the Office of Economic Development in carrying out the provisions of this section.

5. The Director shall submit to the Office of Economic Development an annual report, at such a time and containing such information as the Office may require, regarding the partial abatements granted pursuant to this section.

6. The provisions of subparagraph (4) of paragraph (d) of subsection 1 and subparagraph (4) of paragraph (e) of subsection 1 concerning the average hourly wage of the employees working on the construction of a facility do not apply to the wages of an apprentice as that term is defined in NRS 610.010.

7. As used in this section, "wage" or "wages" has the meaning ascribed to it in NRS 338.010.

**Sec. 23.** 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. 24.** The amendatory provisions of this act do not apply to or otherwise affect any abatement of taxes or deferment of the payment of taxes approved by the Office of Economic Development or the Director of the Office of Energy before July 1, 2017.

**Sec. 25.** 1. This act becomes effective on July 1, 2017.

2. Section 2 of this act expires by limitation on June 30, 2023.

3. Sections 5, 5.5, 6, 7, 7.5, 14.7 and 14.9 of this act expire by limitation on June 30, 2032.

4. Section 3 of this act expires by limitation on June 30, 2035.

5. Sections 8 and 9 of this act expire by limitation on June 30, 2036.

6. Section 22 of this act expires by limitation on June 30, 2049.

7. Section 4 expires by limitation on December 31, 2056.







