

ASSEMBLY BILL NO. 445—ASSEMBLYWOMAN NEWBY

MARCH 27, 2023

Referred to Committee on Revenue

SUMMARY—Revises provisions relating to the mental health of children. (BDR 32-1004)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact. Effect on the State: Yes.

~

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

AN ACT relating to mental health; authorizing 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 that provides mental health services for children; establishing a credit against the modified business tax on certain businesses for taxpayers who donate money to the Account to Improve Mental Health Services for Children; clarifying that facilities providing mental health services for children are eligible for loans and financial assistance from the Nevada State Infrastructure Bank; creating the Account to Improve Mental Health Services for Children to provide supplemental rates or enhanced rates of reimbursement to a recipient of Medicaid who is a child for mental health services; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Under existing law, a person who intends to locate or expand a business in this
2 State may apply to the Office of Economic Development for a partial abatement of
3 one or more of the taxes imposed on the new or expanded business. (NRS 360.750,
4 361.0687, 363B.120, 374.357) **Section 1** of this bill authorizes the Office to grant a
5 partial abatement of property taxes, business taxes and sales and use taxes to a
6 business that locates or expands in this State and that provides mental health
7 services for children. **Section 1** establishes criteria for a business to be eligible to
8 apply for such a partial abatement. If the Office determines a business applying for
9 the partial abatement meets these criteria, **section 1** authorizes the Office to
10 approve the application for the partial abatement subject to the agreement made
11 with the applicant. If the Office approves an application, **section 1**: (1) establishes



12 certain limits on the amount and duration of the abatement; and (2) requires the
13 Office to forward a certificate of eligibility to certain entities in this State. **Section 1**
14 prohibits the Office from considering an application for a partial abatement until
15 the Office has requested a letter of acknowledgement of the request for the
16 abatement from any affected county, school district, city or town. **Section 1** also
17 requires the Office to consider certain other factors related to the services provided
18 by and the economic impacts related to the business. If the Office determines it is
19 necessary, **section 1** authorizes the Office to require a business to meet additional
20 criteria to qualify for the partial abatement.

21 **Section 1** requires a business that is applying for a partial abatement or an
22 existing business that has a partial abatement in effect to furnish the Executive
23 Director of the Office with copies of all records necessary to verify that the
24 business meets all requirements to obtain approval for or retain the partial
25 abatement, as applicable. **Section 1** requires a business that fails to execute an
26 agreement with the Office within 1 year after the date on which the application was
27 received by the Office to submit a new application for the approval of a partial
28 abatement. **Section 1** prescribes the process and amount for repayment to the
29 Department of Taxation or county treasurer, as applicable, if the business whose
30 partial abatement has been approved or is in effect ceases under certain
31 circumstances. If such repayment is made to a county treasurer, **section 1** directs
32 the county treasurer to deposit the amount from the repayment in certain funds
33 established by the relevant local government and requires that the amount deposited
34 be used for certain purposes.

35 **Section 1** authorizes the Office, the Division of Child and Family Services of
36 the Department of Health and Human Services and the Nevada Tax Commission to
37 adopt certain regulations related to the partial abatement. Lastly, **section 1**
38 authorizes a business that has successfully received a partial abatement to apply to
39 the Division of Health Care Financing and Policy of the Department of Health and
40 Human Services, after 1 year of operations, to qualify for a cost-based
41 reimbursement rate for services provided by the business. **Sections 2, 3 and 4** of
42 this bill make conforming changes to include the provisions of **section 1** in
43 provisions of existing law governing other partial abatements from certain taxes.

44 Under existing law, financial institutions, mining businesses and other
45 employers are required to pay an excise tax (the modified business tax) on wages
46 paid by them. (NRS 363A.130, 363B.110) **Section 10** of this bill creates the
47 Account to Improve Mental Health Services for Children in the State General Fund
48 to be administered by the Division of Health Care Financing and Policy and from
49 which money must be expended to provide supplemental rates or enhanced rates of
50 reimbursement to a recipient of Medicaid who is a child for mental health services.
51 **Sections 5 and 7** of this bill establish a credit against the modified business tax
52 paid by businesses that make a donation to the Account. **Sections 6 and 8** of this
53 bill make conforming changes to incorporate this credit into provisions of existing
54 law governing tax returns.

55 Existing law creates the Nevada State Infrastructure Bank, the purpose of
56 which is to provide loans and other financial assistance to various units of state and
57 local government or nonprofit entities for the development, construction, repair,
58 improvement, operation, maintenance, decommissioning and ownership of certain
59 transportation facilities and utility infrastructure, including, without limitation,
60 social infrastructure. (NRS 408.55048-408.55088) Existing law defines "social
61 infrastructure" as any infrastructure which is used or useful for the construction,
62 development and maintenance of facilities and systems that support social services,
63 including, without limitation, those services related to health care. (NRS
64 408.550647) **Section 9** of this bill revises the definition of "social infrastructure"
65 to clarify that facilities that provide mental health services to children are eligible for
66 loans and financial assistance from the Nevada State Infrastructure Bank.



67 **Section 11** of this bill directs the Division of Child and Family Services, by
68 January 1, 2025, to review existing regulations relating to mental health services
69 and facilities and the extension of such services to persons who are 18 years of age
70 and received such services as children and adopt revisions to such regulations as
71 necessary.

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

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

3 1. *A person who intends to locate or expand a business which*
4 *provides mental health services for children in this State may*
5 *apply to the Office of Economic Development pursuant to this*
6 *section for a partial abatement of one or more of the taxes*
7 *imposed on the:*

8 (a) *New business pursuant to chapters 361, 363B or 374 of*
9 *NRS.*

10 (b) *Expanded business pursuant to chapter 361 or 363B of*
11 *NRS or a partial abatement of the local sales and use taxes*
12 *imposed on the expanded business. As used in this paragraph,*
13 *“local sales and use taxes” means the taxes imposed on the gross*
14 *receipts of any retailer from the sale of tangible personal property*
15 *sold at retail, or stored, used or otherwise consumed, in the*
16 *political subdivision in which the business is to be located or*
17 *expanded, except the taxes imposed by the Sales and Use Tax Act*
18 *and the Local School Support Tax Law.*

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

22 (a) *The business offers primary jobs in mental health services*
23 *for children.*

24 (b) *The business has been recommended by a county whose*
25 *population is 100,000 or more or by the Department of Health and*
26 *Human Services after a review of the services to be offered and an*
27 *evaluation of the proportion of patients eligible for Medicaid who*
28 *will be served.*

29 (c) *The business would provide additional mental health*
30 *services to children.*

31 (d) *Not later than 1 year after the date on which the*
32 *application was received by the Office, the applicant has executed*
33 *an agreement with the Office which must:*

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

35 (2) *State the date on which the abatement becomes*
36 *effective, as agreed to by the applicant and the Office, which must*



1 *not be earlier than the date on which the Office received the*
2 *application and not later than 1 year after the date on which the*
3 *Office approves the application;*

4 (3) *State that the business will, after the date on which the*
5 *abatement becomes effective, continue in operation in this State*
6 *for a period specified by the Office, which must be at least 15*
7 *years, and will continue to meet the eligibility requirements set*
8 *forth in this subsection;*

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

10 (5) *Bind the successors in interest of the business for the*
11 *specified period.*

12 (e) *The business is registered pursuant to the laws of this State*
13 *or the applicant commits to obtaining a valid business license and*
14 *all other permits required by the county, city or town in which the*
15 *business operates.*

16 (f) *The average hourly wage that will be paid by the business*
17 *to its new employees in this State is at least 100 percent of the*
18 *average statewide hourly wage as established by the Employment*
19 *Security Division of the Department of Employment, Training and*
20 *Rehabilitation on July 1 of each fiscal year.*

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

28 (h) *The business will, in the opinion of the Office,*
29 *substantially expand mental health services for children,*
30 *including, without limitation, creating or expanding the following*
31 *mental health services:*

32 (1) *Acute psychiatric inpatient facilities and services.*

33 (2) *Residential treatment facilities and services.*

34 (3) *Co-occurring behavioral health and intellectual*
35 *disability services.*

36 (4) *Stepdown facilities and services.*

37 (5) *Intensive in-home services.*

38 (6) *Crisis services.*

39 (7) *Care coordination.*

40 (8) *Respite care.*

41 (9) *Therapeutic foster care.*

42 (10) *Peer supports.*

43 (i) *The business agrees to provide mental health services to*
44 *patients whose source of payment is Medicaid.*



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

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

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

11 (c) *May, if the Office determines that such action is necessary,*
12 *add additional requirements that a business must meet to qualify*
13 *for a partial abatement pursuant to this section.*

14 4. *If the Office of Economic Development approves an*
15 *application for a partial abatement pursuant to this section:*

16 (a) *The total amount of the abatement must not exceed:*

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

20 (2) *Fifty percent of the amount of the tax otherwise due*
21 *pursuant to NRS 363B.110 during the period of the abatement;*
22 *and*

23 (3) *One hundred percent of the amount of the taxes*
24 *imposed on the gross receipts from the sale, and the storage, use*
25 *or other consumption, of eligible machinery or equipment for use*
26 *by the business pursuant to chapter 374 of NRS during the period*
27 *of the abatement.*

28 (b) *The duration of the abatement must be:*

29 (1) *For the taxes imposed on the personal property of the*
30 *business pursuant to chapter 361 of NRS, at least 1 year but not*
31 *more than 10 years;*

32 (2) *For the tax otherwise due pursuant to NRS 363B.110,*
33 *not more than 4 years; and*

34 (3) *For the taxes imposed on the gross receipts from the*
35 *sale, and the storage, use or other consumption, of eligible*
36 *machinery or equipment for use by the business pursuant to*
37 *chapter 374 of NRS, not more than 2 years.*

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

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

45 (a) *The Department;*



- 1 (b) *The Nevada Tax Commission;*
- 2 (c) *The Division of Child and Family Services of the*
- 3 *Department of Health and Human Services;*
- 4 (d) *Counties whose population is 100,000 or more; and*
- 5 (e) *If the partial abatement is from the property tax imposed*
- 6 *pursuant to chapter 361 of NRS, the county treasurer.*

7 6. *An applicant for a partial abatement pursuant to this*
8 *section or an existing business whose partial abatement is in effect*
9 *shall, upon the request of the Executive Director of the Office of*
10 *Economic Development, furnish the Executive Director with*
11 *copies of all records necessary to verify that the applicant meets*
12 *the requirements of subsection 2.*

13 7. *If an applicant for a partial abatement pursuant to this*
14 *section fails to execute the agreement described in paragraph (d)*
15 *of subsection 2 within 1 year after the date on which the*
16 *application was received by the Office, the applicant shall not be*
17 *approved for a partial abatement pursuant to this section unless*
18 *the applicant submits a new application.*

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

- 21 (a) *To meet the requirements set forth in subsection 2; or*
- 22 (b) *Operation before the time specified in the agreement*
- 23 *described in paragraph (d) of subsection 2,*

24 *↪ the business shall repay to the Department or, if the partial*
25 *abatement was from the property tax imposed pursuant to chapter*
26 *361 of NRS, to the county treasurer, the amount of the partial*
27 *abatement that was allowed pursuant to this section before the*
28 *failure of the business to comply unless the Nevada Tax*
29 *Commission determines that the business has substantially*
30 *complied with the requirements of this section. Except as*
31 *otherwise provided in NRS 360.232 and 360.320, the business*
32 *shall, in addition to the amount of the partial abatement required*
33 *to be paid pursuant to this subsection, pay interest on the amount*
34 *due at the rate most recently established pursuant to NRS 99.040*
35 *for each month, or portion thereof, from the last day of the month*
36 *following the period for which the payment would have been made*
37 *had the partial abatement not been approved until the date of the*
38 *payment of tax.*

39 9. *A county treasurer:*

40 (a) *Shall deposit any money that he or she receives pursuant to*
41 *subsection 8 in one or more of the funds established by the local*
42 *government of the county pursuant to NRS 354.6113 or 354.6115;*
43 *and*

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



1 *10. The Office of Economic Development and the Division of*
2 *Child and Family Services of the Department of Health and*
3 *Human Services may adopt such regulations as necessary to carry*
4 *out the provisions of this section.*

5 *11. The Nevada Tax Commission:*

6 *(a) Shall adopt regulations regarding any security that a*
7 *business is required to post to qualify for a partial abatement*
8 *pursuant to this section.*

9 *(b) May adopt such other regulations as the Nevada Tax*
10 *Commission determines to be necessary to carry out the provisions*
11 *of this section and NRS 360.755.*

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

16 *13. A business that has successfully received a partial*
17 *abatement pursuant to subsection 2 may apply to the Division of*
18 *Health Care Financing and Policy of the Department of Health*
19 *and Human Services after 1 year of operations to qualify for a*
20 *cost-based reimbursement rate for their services.*

21 *14. As used in this section, unless the context otherwise*
22 *requires, "eligible machinery or equipment" means machinery or*
23 *equipment for which a deduction is authorized pursuant to 26*
24 *U.S.C. § 179. The term does not include:*

25 *(a) Buildings or the structural components of buildings;*

26 *(b) Equipment used by a public utility;*

27 *(c) Equipment used for medical treatment;*

28 *(d) Machinery or equipment used in mining; or*

29 *(e) Machinery or equipment used in gaming.*

30 **Sec. 2.** NRS 360.755 is hereby amended to read as follows:

31 360.755 1. If the Office of Economic Development approves
32 an application by a business for an abatement of taxes pursuant to
33 NRS 360.950 or a partial abatement pursuant to NRS 360.750,
34 360.752, 360.753, 360.754 or 360.890, *or section 1 of this act*, the
35 agreement with the Office must provide that the business:

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

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

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



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

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

6 (b) Is not a public record; and

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

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

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

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

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

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

31 (b) Is not a public record;

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

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

37 **Sec. 3.** NRS 360.757 is hereby amended to read as follows:

38 360.757 1. The Office of Economic Development shall not
39 take any action on an application for any abatement of taxes
40 pursuant to NRS 274.310, 274.320, 274.330, 360.750, 360.753 or
41 360.754, *or section 1 of this act*, or any other specific statute unless
42 the Office:

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



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

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

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

8 (3) The general public.

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

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

14 **Sec. 4.** NRS 360.7575 is hereby amended to read as follows:

15 360.7575 1. If the Office of Economic Development
16 approves an application for an abatement of sales and use taxes
17 pursuant to NRS 360.950 or a partial abatement of any sales and use
18 taxes pursuant to NRS 274.310, 274.320, 274.330, 360.750,
19 360.753, 360.754 or 360.890, *or section 1 of this act*, the
20 Department shall issue to the business a document certifying the
21 abatement or partial abatement which can be presented to retailers at
22 the time of purchase. The document must clearly state that the
23 business is not required to pay sales and use taxes or the rate of sales
24 and use tax that the business is required to pay.

25 2. If the Department has issued to a business a document
26 pursuant to subsection 1 and the business pays an amount of sales
27 and use taxes for which the business was entitled to an abatement
28 because the business fails to present the document, the business may
29 apply to the Department for a refund of the amount of sales and use
30 tax paid for which the business was entitled to an abatement. If the
31 Department has issued to a business a document pursuant to
32 subsection 1 and the failure of the business to present the document
33 results in the business paying the full amount of sales and use tax on
34 50 percent or more of the purchases for which the business was
35 eligible for the abatement, the Department shall impose on the
36 business a penalty equal to 10 percent of the total amount of the
37 abatement. The Department shall distribute the proceeds of any
38 penalty imposed pursuant to this subsection to each local
39 government affected by a refund issued pursuant to this subsection
40 in proportion to the amount of the refunds for which the affected
41 local government is responsible.

42 3. If, after submitting an application for an abatement of sales
43 and use taxes pursuant to NRS 360.950 or a partial abatement of any
44 sales and use taxes pursuant to NRS 360.750, 360.753, 360.754 or
45 360.890 *or section 1 of this act* and before receiving the document



1 issued pursuant to subsection 1, a business pays an amount of sales
2 and use tax for which the business is entitled to an abatement, the
3 business may apply to the Department for a refund of the amount of
4 sales and use tax which the applicant paid for which the business is
5 entitled to an abatement.

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

8 **Sec. 5.** Chapter 363A of NRS is hereby amended by adding
9 thereto a new section to read as follows:

10 *1. Any taxpayer who is required to pay a tax pursuant to NRS*
11 *363A.130 may receive a credit against the tax otherwise due for*
12 *any donation of money made by the taxpayer to the Account to*
13 *Improve Mental Health Services for Children.*

14 *2. To receive the credit authorized by subsection 1, a taxpayer*
15 *who intends to make a donation of money to the Account must,*
16 *before making such a donation, notify the Division of Health Care*
17 *Financing and Policy of the taxpayer's intent to make the*
18 *donation to the Account and to seek the credit authorized by*
19 *subsection 1. The Division shall, before accepting any such*
20 *donation, apply to the Department of Taxation for approval of the*
21 *credit authorized by subsection 1 for the donation. The*
22 *Department of Taxation shall, within 20 days after receiving the*
23 *application, approve or deny the application and provide to the*
24 *Division notice of the decision and, if the application is approved,*
25 *the amount of the credit authorized. Upon receipt of notice that*
26 *the application has been approved, the Division shall provide*
27 *notice of the approval to the taxpayer who must, not later than 30*
28 *days after receiving the notice, make the donation of money to the*
29 *Account. If the taxpayer does not make the donation of money to*
30 *the Account within 30 days after receiving the notice, the Division*
31 *shall provide notice of the failure to the Department of Taxation*
32 *and the taxpayer forfeits any claim to the credit authorized by*
33 *subsection 1.*

34 *3. The Department of Taxation shall approve or deny*
35 *applications for the credit authorized by subsection 1 in the order*
36 *in which the applications are received.*

37 *4. The Department of Taxation may, for each fiscal year,*
38 *approve applications for the credit authorized by subsection 1 until*
39 *the total amount of the credits authorized by subsection 1 and*
40 *approved by the Department of Taxation pursuant to this*
41 *subsection and subsection 4 of section 7 of this act is \$5,000,000.*
42 *The amount of any credit which is forfeited pursuant to subsection*
43 *2 must not be considered in calculating the amount of credits*
44 *authorized for any fiscal year.*



1 5. *If a taxpayer applies to and is approved by the Department*
2 *of Taxation for the credit authorized by subsection 1, the amount*
3 *of the credit provided by this section is equal to the amount*
4 *approved by the Department of Taxation pursuant to subsection 2,*
5 *which must not exceed the amount of the donation made by the*
6 *taxpayer to the Account. The total amount of the credit applied*
7 *against the taxes described in subsection 1 and otherwise due from*
8 *a taxpayer must not exceed the amount of the donation.*

9 6. *If the amount of the tax described in subsection 1 and*
10 *otherwise due from a taxpayer is less than the credit to which the*
11 *taxpayer is entitled pursuant to this section, the taxpayer may,*
12 *after applying the credit to the extent of the tax otherwise due,*
13 *carry the balance of the credit forward for not more than 5 years*
14 *after the end of the calendar year in which the donation is made*
15 *or until the balance of the credit is applied, whichever is earlier.*

16 7. *As used in this section:*

17 (a) *“Account to Improve Mental Health Services for Children”*
18 *and “Account” mean the Account to Improve Mental Health*
19 *Services for Children created by section 10 of this act.*

20 (b) *“Division of Health Care Financing and Policy” and*
21 *“Division” mean the Division of Health Care Financing and*
22 *Policy of the Department of Health and Human Services.*

23 **Sec. 6.** NRS 363A.130 is hereby amended to read as follows:

24 363A.130 1. Except as otherwise provided in NRS 360.203,
25 there is hereby imposed an excise tax on each employer at the rate
26 of 2 percent of the wages, as defined in NRS 612.190, paid by the
27 employer during a calendar quarter with respect to employment in
28 connection with the business activities of the employer.

29 2. The tax imposed by this section:

30 (a) Does not apply to any person or other entity or any wages
31 this State is prohibited from taxing under the Constitution, laws or
32 treaties of the United States or the Nevada Constitution.

33 (b) Must not be deducted, in whole or in part, from any wages of
34 persons in the employment of the employer.

35 3. Each employer shall, on or before the last day of the month
36 immediately following each calendar quarter for which the
37 employer is required to pay a contribution pursuant to
38 NRS 612.535:

39 (a) File with the Department a return on a form prescribed by
40 the Department; and

41 (b) Remit to the Department any tax due pursuant to this section
42 for that calendar quarter.

43 4. In determining the amount of the tax due pursuant to this
44 section, an employer is entitled to subtract from the amount
45 calculated pursuant to subsection 1 a credit in an amount equal to 50



1 percent of the amount of the commerce tax paid by the employer
2 pursuant to chapter 363C of NRS for the preceding taxable year.
3 The credit may only be used for any of the 4 calendar quarters
4 immediately following the end of the taxable year for which the
5 commerce tax was paid. The amount of credit used for a calendar
6 quarter may not exceed the amount calculated pursuant to
7 subsection 1 for that calendar quarter. Any unused credit may not be
8 carried forward beyond the fourth calendar quarter immediately
9 following the end of the taxable year for which the commerce tax
10 was paid, and a taxpayer is not entitled to a refund of any unused
11 credit.

12 5. An employer who makes a donation of money to a
13 scholarship organization during the calendar quarter for which a
14 return is filed pursuant to this section is entitled, in accordance with
15 NRS 363A.139, to a credit equal to the amount authorized pursuant
16 to NRS 363A.139 against any tax otherwise due pursuant to this
17 section. As used in this subsection, "scholarship organization" has
18 the meaning ascribed to it in NRS 388D.260.

19 *6. An employer who makes a donation of money to the*
20 *Account to Improve Mental Health Services for Children during*
21 *the calendar quarter for which a return is filed pursuant to this*
22 *section is entitled, in accordance with section 5 of this act, to a*
23 *credit equal to the amount authorized pursuant to section 5 of this*
24 *act against any tax otherwise due pursuant to this section. As used*
25 *in this subsection, "Account to Improve Mental Health Services*
26 *for Children" means the Account to Improve Mental Health*
27 *Services for Children created by section 10 of this act.*

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

30 *1. Any taxpayer who is required to pay a tax pursuant to NRS*
31 *363B.110 may receive a credit against the tax otherwise due for*
32 *any donation of money made by the taxpayer to the Account to*
33 *Improve Mental Health Services for Children.*

34 *2. To receive the credit authorized by subsection 1, a taxpayer*
35 *who intends to make a donation of money to the Account must,*
36 *before making such a donation, notify the Division of Health Care*
37 *Financing and Policy of the taxpayer's intent to make the*
38 *donation to the Account and to seek the credit authorized by*
39 *subsection 1. The Division shall, before accepting any such*
40 *donation, apply to the Department of Taxation for approval of the*
41 *credit authorized by subsection 1 for the donation. The*
42 *Department of Taxation shall, within 20 days after receiving the*
43 *application, approve or deny the application and provide to the*
44 *Division notice of the decision and, if the application is approved,*
45 *the amount of the credit authorized. Upon receipt of notice that*



1 *the application has been approved, the Division shall provide*
2 *notice of the approval to the taxpayer who must, not later than 30*
3 *days after receiving the notice, make the donation of money to the*
4 *Account. If the taxpayer does not make the donation of money to the*
5 *Account within 30 days after receiving the notice, the Division*
6 *shall provide notice of the failure to the Department of Taxation*
7 *and the taxpayer forfeits any claim to the credit authorized by*
8 *subsection 1.*

9 *3. The Department of Taxation shall approve or deny*
10 *applications for the credit authorized by subsection 1 in the order*
11 *in which the applications are received.*

12 *4. The Department of Taxation may, for each fiscal year,*
13 *approve applications for the credit authorized by subsection 1 until*
14 *the total amount of the credits authorized by subsection 1 and*
15 *approved by the Department of Taxation pursuant to this*
16 *subsection and subsection 4 of section 5 of this act is \$5,000,000.*
17 *The amount of any credit which is forfeited pursuant to subsection*
18 *2 must not be considered in calculating the amount of credits*
19 *authorized for any fiscal year.*

20 *5. If a taxpayer applies to and is approved by the Department*
21 *of Taxation for the credit authorized by subsection 1, the amount*
22 *of the credit provided by this section is equal to the amount*
23 *approved by the Department of Taxation pursuant to subsection 2,*
24 *which must not exceed the amount of the donation made by the*
25 *taxpayer to the Account. The total amount of the credit applied*
26 *against the taxes described in subsection 1 and otherwise due from*
27 *a taxpayer must not exceed the amount of the donation.*

28 *6. If the amount of the tax described in subsection 1 and*
29 *otherwise due from a taxpayer is less than the credit to which the*
30 *taxpayer is entitled pursuant to this section, the taxpayer may,*
31 *after applying the credit to the extent of the tax otherwise due,*
32 *carry the balance of the credit forward for not more than 5 years*
33 *after the end of the calendar year in which the donation is made*
34 *or until the balance of the credit is applied, whichever is earlier.*

35 *7. As used in this section:*

36 *(a) "Account to Improve Mental Health Services for Children"*
37 *and "Account" mean the Account to Improve Mental Health*
38 *Services for Children created by section 10 of this act.*

39 *(b) "Division of Health Care Financing and Policy" and*
40 *"Division" mean the Division of Health Care Financing and*
41 *Policy of the Department of Health and Human Services.*

42 **Sec. 8.** NRS 363B.110 is hereby amended to read as follows:

43 363B.110 1. Except as otherwise provided in NRS 360.203,
44 there is hereby imposed an excise tax on each employer at the rate
45 of 1.475 percent of the amount by which the sum of all the wages,



1 as defined in NRS 612.190, paid by the employer during a calendar
2 quarter with respect to employment in connection with the business
3 activities of the employer exceeds \$50,000.

4 2. The tax imposed by this section:

5 (a) Does not apply to any person or other entity or any wages
6 this State is prohibited from taxing under the Constitution, laws or
7 treaties of the United States or the Nevada Constitution.

8 (b) Must not be deducted, in whole or in part, from any wages of
9 persons in the employment of the employer.

10 3. Each employer shall, on or before the last day of the month
11 immediately following each calendar quarter for which the
12 employer is required to pay a contribution pursuant to
13 NRS 612.535:

14 (a) File with the Department a return on a form prescribed by
15 the Department; and

16 (b) Remit to the Department any tax due pursuant to this chapter
17 for that calendar quarter.

18 4. In determining the amount of the tax due pursuant to this
19 section, an employer is entitled to subtract from the amount
20 calculated pursuant to subsection 1 a credit in an amount equal to 50
21 percent of the amount of the commerce tax paid by the employer
22 pursuant to chapter 363C of NRS for the preceding taxable year.
23 The credit may only be used for any of the 4 calendar quarters
24 immediately following the end of the taxable year for which the
25 commerce tax was paid. The amount of credit used for a calendar
26 quarter may not exceed the amount calculated pursuant to
27 subsection 1 for that calendar quarter. Any unused credit may not be
28 carried forward beyond the fourth calendar quarter immediately
29 following the end of the taxable year for which the commerce tax
30 was paid, and a taxpayer is not entitled to a refund of any unused
31 credit.

32 5. An employer who makes a donation of money to a
33 scholarship organization during the calendar quarter for which a
34 return is filed pursuant to this section is entitled, in accordance with
35 NRS 363B.119, to a credit equal to the amount authorized pursuant
36 to NRS 363B.119 against any tax otherwise due pursuant to this
37 section. As used in this subsection, "scholarship organization" has
38 the meaning ascribed to it in NRS 388D.260.


39 *6. An employer who makes a donation of money to the*
40 *Account to Improve Mental Health Services for Children during*
41 *the calendar quarter for which a return is filed pursuant to this*
42 *section is entitled, in accordance with section 7 of this act, to a*
43 *credit equal to the amount authorized pursuant to section 7 of this*
44 *act against any tax otherwise due pursuant to this section. As used*
45 *in this subsection, "Account to Improve Mental Health Services*



1 *for Children” means the Account to Improve Mental Health*
2 *Services for Children created by section 10 of this act.*

3 **Sec. 9.** NRS 408.550647 is hereby amended to read as
4 follows:

5 408.550647 “Social infrastructure” means any infrastructure
6 which:

7 1. Is used or useful for the construction, development and
8 maintenance of facilities and systems that support social services,
9 including, without limitation, those services related to health care,
10 education, affordable housing, homelessness and food security ,
11 *and facilities providing mental health services to children;* and

12 2. Augments existing services, including, without limitation,
13 the services provided pursuant to chapters 319 and 387 of NRS.

14 **Sec. 10.** Chapter 433B of NRS is hereby amended by adding
15 thereto a new section to read as follows:

16 1. *The Account to Improve Mental Health Services for*
17 *Children is hereby created in the State General Fund. The*
18 *Division of Health Care Financing and Policy of the Department*
19 *shall administer the Account.*

20 2. *The interest and income on the money in the Account,*
21 *after deducting any applicable charges, must be credited to the*
22 *Account.*

23 3. *The money in the Account must be expended to provide*
24 *supplemental rates or enhanced rates of reimbursement to a*
25 *recipient of Medicaid who is a child for mental health services.*

26 4. *Any money remaining in the Account at the end of the*
27 *fiscal year does not revert to the State General Fund, and the*
28 *balance of the Account must be carried forward to the next fiscal*
29 *year.*

30 5. *The Division of Health Care Financing and Policy shall*
31 *adopt regulations necessary to carry out the provisions of this*
32 *section.*

33 **Sec. 11.** On or before January 1, 2025, the Division of Child
34 and Family Services of the Department of Health and Human
35 Services shall:

36 1. Review existing regulations to determine whether any
37 regulations of the Division:

38 (a) Impair the ability of any facility that provides mental health
39 services to children to provide multiple kinds of services in the same
40 facility, including, without limitation, requiring more than one kind
41 of license for different services provided in a single facility; or

42 (b) Prohibit or otherwise impair the ability of any person who
43 received mental health services as a child from continuing to receive
44 such services after the person reaches 18 years of age.



1 2. Adopt such regulations as are necessary to ensure that a
2 facility that provides mental health service to children:

3 (a) Requires only a single license for all mental health services
4 provided to children; and

5 (b) May continue to provide mental health services to a person
6 who received mental health services as a child.

7 **Sec. 12.** 1. This section becomes effective upon passage and
8 approval.

9 2. Sections 1, 3, 10, and 11 of this act become effective:

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

13 (b) On July 1, 2023, for all other purposes.

14 3. Sections 2 and 4 to 9, inclusive, of this act become effective
15 on July 1, 2023.

