

Amendment No. 451

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| Senate Amendment to Senate Bill No. 394 | (BDR 34-603) |
| Proposed by: Senate Committee on Revenue and Economic Development | |
| Amends: Summary: Yes Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes | |

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| Adoption of this amendment will REMOVE the 2/3s majority vote requirement from S.B. 394. |
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| ASSEMBLY ACTION | | | Initial and Date | | SENATE ACTION | | | Initial and Date | |
|-----------------|--------------------------|------|--------------------------|-------|---------------|--------------------------|------|--------------------------|-------|
| Adopted | <input type="checkbox"/> | Lost | <input type="checkbox"/> | _____ | Adopted | <input type="checkbox"/> | Lost | <input type="checkbox"/> | _____ |
| Concurred In | <input type="checkbox"/> | Not | <input type="checkbox"/> | _____ | Concurred In | <input type="checkbox"/> | Not | <input type="checkbox"/> | _____ |
| Receded | <input type="checkbox"/> | Not | <input type="checkbox"/> | _____ | Receded | <input type="checkbox"/> | Not | <input type="checkbox"/> | _____ |

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

JFD/BJF



Date: 4/24/2023

S.B. No. 394—Revises provisions governing property taxes levied for the support of public schools. (BDR 34-603)



SENATE BILL NO. 394—COMMITTEE ON
REVENUE AND ECONOMIC DEVELOPMENT

MARCH 27, 2023

Referred to Committee on Revenue and
Economic Development

SUMMARY—Revises provisions governing ~~property taxes levied for the support of public schools;~~ **abatements and partial abatements of certain taxes.** (BDR ~~[34-603]~~ **32-603**)

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

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

AN ACT relating to taxation; ~~requiring the board of county commissioners of a county to levy an additional ad valorem tax on property for the support of the public schools; requiring the inclusion of certain information on the property tax bill issued to a taxpayer;~~ **limiting the total amount of certain abatements and partial abatements of taxes;** and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

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~~Existing law requires each board of county commissioners to levy a tax of 75 cents on each \$100 of assessed valuation of taxable property within the county for the support of the public schools and requires the proceeds of that tax to be remitted in the State Education Fund. (NRS 387.1214, 387.195) Section 2 of this bill requires each board of county commissioners to levy an additional tax of 10 cents on each \$100 of assessed valuation of taxable property within the county for the support of the public schools. Section 2 exempts this tax from certain partial tax abatements during the first year in which the tax is levied. Section 4 of this bill makes a conforming change to include this tax in the sources of revenue for the State Education Fund.~~
— Existing law, in general, limits the total amount of property taxes which may be imposed to \$3.64 on each \$100 of assessed valuation. (NRS 361.453) Sections 2 and 7 of this bill exempt the property tax authorized by section 2 from this limitation and, thus, allow that tax to cause the total property tax rate in a jurisdiction to exceed that amount.
— Section 3 of this bill requires certain information relating to the taxes levied for the support of the public schools to be included in the tax bill of a taxpayer.
— Sections 5 and 6 of this bill make conforming changes to provide for the disposition of the new property tax authorized by section 2 in the same manner as the existing property tax levied for the support of the public schools in certain circumstances. **Existing law authorizes the Office of Economic Development to approve an abatement or partial abatement of certain property taxes, business taxes and sales and use taxes in certain circumstances. (NRS 274.310, 274.320, 274.330, 360.750, 360.753, 360.754) Sections 1-6 of this bill provide that the total amount of such an abatement or partial abatement must not exceed \$500,000.**

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

1 **Delete existing sections 1 through 8 of this bill and replace with the following**
2 **new sections 1 through 7:**

3
4 **Section 1. NRS 360.750 is hereby amended to read as follows:**

5 360.750 1. A person who intends to locate or expand a business in this State
6 may apply to the Office of Economic Development pursuant to this section for a
7 partial abatement of one or more of the taxes imposed on the:

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

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

16 2. The Office of Economic Development shall approve an application for a
17 partial abatement pursuant to this section if the Office makes the following
18 determinations:

19 (a) The business offers primary jobs and is consistent with:

20 (1) The State Plan for Economic Development developed by the Executive
21 Director of the Office of Economic Development pursuant to subsection 2 of NRS
22 231.053; and

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

25 (b) Not later than 1 year after the date on which the application was received
26 by the Office, the applicant has executed an agreement with the Office which must:

27 (1) Comply with the requirements of NRS 360.755;

28 (2) State the date on which the abatement becomes effective, as agreed to
29 by the applicant and the Office, which must not be earlier than the date on which
30 the Office received the application and not later than 1 year after the date on which
31 the Office approves the application;

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

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

37 (5) Bind the successors in interest of the business for the specified period.

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

41 (d) Except as otherwise provided in subsection 4 or 5, the average hourly wage
42 that will be paid by the business to its new employees in this State is at least 100
43 percent of the average statewide hourly wage as established by the Employment
44 Security Division of the Department of Employment, Training and Rehabilitation
45 on July 1 of each fiscal year.

46 (e) The business will, by the eighth calendar quarter following the calendar
47 quarter in which the abatement becomes effective, offer a health insurance plan for

1 all employees that includes an option for health insurance coverage for dependents
2 of the employees, and the health care benefits the business offers to its employees
3 in this State will meet the minimum requirements for health care benefits
4 established by the Office.

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

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

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

20 (g) Except as otherwise provided in NRS 361.0687, if the business is a new
21 business in a county whose population is less than 100,000, in an area of a county
22 whose population is 100,000 or more that is located within the geographic
23 boundaries of an area that is designated as rural by the United States Department of
24 Agriculture and at least 20 miles outside of the geographic boundaries of an area
25 designated as urban by the United States Department of Agriculture, or in a city
26 whose population is less than 60,000, the business meets at least one of the
27 following requirements:

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

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

38 (h) If the business is an existing business, the business meets at least one of the
39 following requirements:

40 (1) For a business in:

41 (I) Except as otherwise provided in sub-subparagraph (II), a county
42 whose population is 100,000 or more or a city whose population is 60,000 or more,
43 the business will, by the eighth calendar quarter following the calendar quarter in
44 which the abatement becomes effective, increase the number of employees on its
45 payroll in that county or city by 10 percent more than it employed in the fiscal year
46 immediately preceding the fiscal year in which the abatement becomes effective or
47 by twenty-five employees, whichever is greater, who will be employed at the
48 location of the business in that county or city until at least the date which is 5 years
49 after the date on which the abatement becomes effective; or

50 (II) A county whose population is less than 100,000, an area of a
51 county whose population is 100,000 or more that is located within the geographic
52 boundaries of an area that is designated as rural by the United States Department of
53 Agriculture and at least 20 miles outside of the geographic boundaries of an area

1 designated as urban by the United States Department of Agriculture, or a city
2 whose population is less than 60,000, the business will, by the eighth calendar
3 quarter following the calendar quarter in which the abatement becomes effective,
4 increase the number of employees on its payroll in that county or city by 10 percent
5 more than it employed in the fiscal year immediately preceding the fiscal year in
6 which the abatement becomes effective or by six employees, whichever is greater,
7 who will be employed at the location of the business in that county or city until at
8 least the date which is 5 years after the date on which the abatement becomes
9 effective.

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

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

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

23 (i) The applicant has provided in the application an estimate of the total
24 number of new employees which the business anticipates hiring in this State by the
25 eighth calendar quarter following the calendar quarter in which the abatement
26 becomes effective if the Office approves the application.

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

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

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

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

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

39 (2) Make any of the requirements set forth in paragraphs (d) to (h),
40 inclusive, of subsection 2 more stringent; or

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

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

46 (a) The applicant intends to locate or expand in a county in which the rate of
47 unemployment is 7 percent or more and the average hourly wage that will be paid
48 by the applicant to its new employees in this State is less than 70 percent of the
49 average statewide hourly wage, as established by the Employment Security
50 Division of the Department of Employment, Training and Rehabilitation on July 1
51 of each fiscal year.

52 (b) The applicant intends to locate or expand in a county in which the rate of
53 unemployment is less than 7 percent and the average hourly wage that will be paid

1 by the applicant to its new employees in this State is less than 85 percent of the
2 average statewide hourly wage, as established by the Employment Security
3 Division of the Department of Employment, Training and Rehabilitation on July 1
4 of each fiscal year.

5 (c) The applicant intends to locate in a county but has already received a partial
6 abatement pursuant to this section for locating that business in that county.

7 (d) The applicant intends to expand in a county but has already received a
8 partial abatement pursuant to this section for expanding that business in that county.

9 (e) The applicant has changed the name or identity of the business to evade the
10 provisions of paragraph (c) or (d).

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

16 (a) If the new or expanded business is located in a county in which the rate of
17 unemployment is 7 percent or more and the average hourly wage that will be paid
18 by the business to its new employees in this State is less than 85 percent of the
19 average statewide hourly wage, as established by the Employment Security
20 Division of the Department of Employment, Training and Rehabilitation on July 1
21 of each fiscal year, the Office shall not:

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

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

28 (b) If the new or expanded business is located in a county in which the rate of
29 unemployment is less than 7 percent and the average hourly wage that will be paid
30 by the business to its new employees in this State is less than 100 percent of the
31 average statewide hourly wage, as established by the Employment Security
32 Division of the Department of Employment, Training and Rehabilitation on July 1
33 of each fiscal year, the Office shall not:

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

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

40 (c) The Office shall not approve a partial abatement pursuant to this section
41 which exceeds \$500,000.

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

45 (a) The Department;

46 (b) The Nevada Tax Commission; and

47 (c) If the partial abatement is from the property tax imposed pursuant to
48 chapter 361 of NRS, the county treasurer.

49 7. An applicant for a partial abatement pursuant to this section or an existing
50 business whose partial abatement is in effect shall, upon the request of the
51 Executive Director of the Office of Economic Development, furnish the Executive
52 Director with copies of all records necessary to verify that the applicant meets the
53 requirements of subsection 2.

1 8. If an applicant for a partial abatement pursuant to this section fails to
2 execute the agreement described in paragraph (b) of subsection 2 within 1 year after
3 the date on which the application was received by the Office, the applicant shall not
4 be approved for a partial abatement pursuant to this section unless the applicant
5 submits a new application.

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

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

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

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

23 10. A county treasurer:

24 (a) Shall deposit any money that he or she receives pursuant to subsection 9 in
25 one or more of the funds established by a local government of the county pursuant
26 to NRS 354.6113 or 354.6115; and

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

29 11. The Office of Economic Development may adopt such regulations as the
30 Office of Economic Development determines to be necessary to carry out the
31 provisions of this section and NRS 360.755.

32 12. The Nevada Tax Commission:

33 (a) Shall adopt regulations regarding:

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

36 (2) Any security that a business is required to post to qualify for a partial
37 abatement pursuant to this section.

38 (b) May adopt such other regulations as the Nevada Tax Commission
39 determines to be necessary to carry out the provisions of this section and NRS
40 360.755.

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

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

47 **Sec. 2. NRS 360.753 is hereby amended to read as follows:**

48 360.753 1. An owner of a business or a person who intends to locate or
49 expand a business in this State may apply to the Office of Economic Development
50 pursuant to this section for a partial abatement of one or more of:

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

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

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

8 (a) Not later than 1 year after the date on which the application was received
9 by the Office, the applicant has executed an agreement with the Office which:

10 (1) Complies with the requirements of NRS 360.755;

11 (2) States the date on which the abatement becomes effective, as agreed to
12 by the applicant and the Office, which must not be earlier than the date on which
13 the Office received the application and not later than 1 year after the date on which
14 the Office approves the application;

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

20 (4) Binds any successor in interest of the applicant for the specified period;

21 (b) The business is registered pursuant to the laws of this State or the applicant
22 commits to obtaining a valid business license and all other permits required by the
23 county, city or town in which the business operates;

24 (c) The business owns, operates, manufactures, services, maintains, tests,
25 repairs, overhauls or assembles an aircraft or any component of an aircraft;

26 (d) The average hourly wage that will be paid by the business to its employees
27 in this State during the period of partial abatement is not less than 100 percent of
28 the average statewide hourly wage as established by the Employment Security
29 Division of the Department of Employment, Training and Rehabilitation on July 1
30 of each fiscal year;

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

37 (f) If the business is:

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

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

45 (g) The business meets at least one of the following requirements:

46 (1) The business will make a new capital investment of at least \$250,000 in
47 this State within 1 year after receiving its certificate of eligibility for a partial
48 abatement;

49 (2) The business will maintain and possess in this State tangible personal
50 property having a value of not less than \$5,000,000 during the period of partial
51 abatement;

1 (3) The business develops, refines or owns a patent or other intellectual
2 property, or has been issued a type certificate by the Federal Aviation
3 Administration pursuant to 14 C.F.R. Part 21; and

4 (h) If the application is for the partial abatement of the taxes imposed by the
5 Local School Support Tax Law, the application has been approved by a vote of at
6 least two-thirds of the members of the Board of Economic Development created by
7 NRS 231.033.

8 3. The Office of Economic Development:

9 (a) Shall approve or deny an application submitted pursuant to this section and
10 notify the applicant of its decision not later than 45 days after receiving the
11 application.

12 (b) Must not:

13 (1) Consider an application for a partial abatement unless the Office has
14 requested a letter of acknowledgment of the request for the partial abatement from
15 any affected county, school district, city or town and has complied with the
16 requirements of NRS 360.757; ~~for~~

17 (2) Approve a partial abatement for any applicant for a period of more than
18 10 years. ~~for~~ ; or

19 (3) Approve a partial abatement pursuant to this section which exceeds
20 \$500,000.

21 4. The Office of Economic Development must not approve a partial
22 abatement of personal property taxes for a business whose physical property is
23 collectively valued and centrally assessed pursuant to NRS 361.320 and 361.3205.

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

27 (a) The Department;

28 (b) The Nevada Tax Commission; and

29 (c) If the partial abatement is from personal property taxes, the appropriate
30 county treasurer.

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

36 7. If an applicant for a partial abatement pursuant to this section fails to
37 execute the agreement described in paragraph (a) of subsection 2 within 1 year after
38 the date on which the application was received by the Office, the applicant shall not
39 be approved for a partial abatement pursuant to this section unless the applicant
40 submits a new application.

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

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

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

46 the business shall repay to the Department or, if the partial abatement was from
47 personal property taxes, to the appropriate county treasurer, the amount of the
48 partial abatement that was allowed pursuant to this section before the failure of the
49 business to comply unless the Nevada Tax Commission determines that the
50 business has substantially complied with the requirements of this section. Except as
51 otherwise provided in NRS 360.232 and 360.320, the business shall, in addition to
52 the amount of the partial abatement required to be repaid pursuant to this
53 subsection, pay interest on the amount due at the rate most recently established

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

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

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

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

11 12. As used in this section:

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

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

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

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

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

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

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

28 (e) "Personal property taxes" means any taxes levied on personal property by
29 the State or a local government pursuant to chapter 361 of NRS.

30 **Sec. 3. NRS 360.754 is hereby amended to read as follows:**

31 360.754 1. A person who intends to locate or expand a data center in this
32 State may apply to the Office of Economic Development pursuant to this section
33 for a partial abatement , not to exceed \$500,000, of one or more of the taxes
34 imposed on the new or expanded data center pursuant to chapter 361 or 374 of
35 NRS.

36 2. The Office of Economic Development shall approve an application for a
37 partial abatement pursuant to this section if the Office makes the following
38 determinations:

39 (a) The application is consistent with the State Plan for Economic
40 Development developed by the Executive Director of the Office of Economic
41 Development pursuant to subsection 2 of NRS 231.053 and any guidelines adopted
42 by the Executive Director of the Office to implement the State Plan for Economic
43 Development.

44 (b) Not later than 1 year after the date on which the application was received
45 by the Office, the applicant has executed an agreement with the Office of Economic
46 Development which must:

47 (1) Comply with the requirements of NRS 360.755;

48 (2) State the date on which the abatement becomes effective, as agreed to
49 by the applicant and the Office of Economic Development, which must not be
50 earlier than the date on which the Office received the application and not later than
51 1 year after the date on which the Office approves the application;

52 (3) State that the data center will, after the date on which the abatement
53 becomes effective, continue in operation in this State for a period specified by the

1 Office of Economic Development, which must be at least 10 years, and will
2 continue to meet the eligibility requirements set forth in this subsection; and

3 (4) Bind the successors in interest of the applicant for the specified period.

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

7 (d) If the applicant is seeking a partial abatement for a period of not more than
8 10 years, the applicant meets the following requirements:

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

15 (2) Establishing or expanding the data center will require the data center or
16 any combination of the data center and one or more colocated businesses to make in
17 each county in this State in which the data center is located, by not later than the
18 date which is 5 years after the date on which the abatement becomes effective, a
19 cumulative capital investment of at least \$25,000,000 in capital assets that will be
20 used or located at the data center.

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

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

29 (II) The health care benefits provided to employees employed at the
30 data center will meet the minimum requirements for health care benefits established
31 by the Office of Economic Development by regulation pursuant to subsection 13.

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

37 (e) If the applicant is seeking a partial abatement for a period of 10 years or
38 more but not more than 20 years, the applicant meets the following requirements:

39 (1) The data center will, by not later than the date that is 5 years after the
40 date on which the abatement becomes effective, have or have added 50 or more
41 full-time employees who are residents of Nevada and who will be employed at the
42 data center and will continue to employ 50 or more full-time employees who are
43 residents of Nevada at the data center until at least the date which is 20 years after
44 the date on which the abatement becomes effective.

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

51 (3) The average hourly wage that will be paid by the data center to its
52 employees in this State is at least 100 percent of the average statewide hourly wage

1 as established by the Employment Security Division of the Department of
2 Employment, Training and Rehabilitation on July 1 of each fiscal year and:

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

7 (II) The health care benefits provided to employees employed at the
8 data center will meet the minimum requirements for health care benefits established
9 by the Office of Economic Development by regulation pursuant to subsection 13.

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

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

18 (g) If the applicant is seeking a partial abatement of the taxes imposed by the
19 Local School Support Tax Law, the application has been approved by a vote of at
20 least two-thirds of the members of the Board of Economic Development created by
21 NRS 231.033.

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

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

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

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

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

37 (2) Make the requirements set forth in paragraphs (d) and (e) of subsection
38 2 more stringent; or

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

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

44 (a) The Department;

45 (b) The Nevada Tax Commission; and

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

49 5. If the Office of Economic Development approves an application for a
50 partial abatement pursuant to this section, the Office may also approve a partial
51 abatement of taxes for each colocated business that enters into a contract to use or
52 occupy, for a period of at least 2 years, all or a portion of the new or expanded data
53 center. Each such colocated business shall obtain a state business license issued by

1 the Secretary of State. The percentage amount of a partial abatement approved for a
2 colocated business pursuant to this subsection must not exceed the percentage
3 amount of the partial abatement approved for the data center. The total amount of a
4 partial abatement approved for a colocated business pursuant to this subsection
5 must not exceed \$500,000. The duration of a partial abatement approved for a
6 colocated business pursuant to this subsection must not exceed the duration of the
7 contract or contracts entered into between the colocated business and the data
8 center, including the duration of any contract or contracts extended or renewed by
9 the parties. If a colocated business ceases to meet the requirements set forth in this
10 subsection, the colocated business shall repay the amount of the abatement that was
11 allowed in the same manner in which a data center is required by subsection 8 to
12 repay the Department or a county treasurer. If a data center ceases to meet the
13 requirements of subsection 2 or ceases operation before the time specified in the
14 agreement described in paragraph (b) of subsection 2, any partial abatement
15 approved for a colocated business ceases to be in effect, but the colocated business
16 is not required to repay the amount of the abatement that was allowed before the
17 date on which the abatement ceases to be in effect. A data center shall provide the
18 Executive Director of the Office and the Department with a list of the colocated
19 businesses that are qualified to receive a partial abatement pursuant to this
20 subsection and shall notify the Executive Director within 30 days after any change
21 to the list. The Executive Director shall provide the list and any updates to the list
22 to the Department and the county treasurer of each affected county.

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

28 7. If an applicant for a partial abatement pursuant to this section fails to
29 execute the agreement described in paragraph (b) of subsection 2 within 1 year after
30 the date on which the application was received by the Office, the applicant shall not
31 be approved for a partial abatement pursuant to this section unless the applicant
32 submits a new application.

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

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

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

38 the data center shall repay to the Department or, if the partial abatement was
39 from the property tax imposed pursuant to chapter 361 of NRS, to the county
40 treasurer, the amount of the partial abatement that was allowed pursuant to this
41 section before the failure of the data center to comply unless the Nevada Tax
42 Commission determines that the data center has substantially complied with the
43 requirements of this section. Except as otherwise provided in NRS 360.232 and
44 360.320, the data center shall, in addition to the amount of the partial abatement
45 required to be repaid pursuant to this subsection, pay interest on the amount due at
46 the rate most recently established pursuant to NRS 99.040 for each month, or
47 portion thereof, from the last day of the month following the period for which the
48 payment would have been made had the partial abatement not been approved until
49 the date of payment of the tax.

50 9. A county treasurer:

51 (a) Shall deposit any money that he or she receives pursuant to subsection 5 or
52 8 in one or more of the funds established by a local government of the county
53 pursuant to NRS 354.6113 or 354.6115; and

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

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

6 11. For an employee to be considered a resident of Nevada for the purposes of
7 this section, a data center must maintain the following documents in the personnel
8 file of the employee:

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

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

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

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

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

27 13. The Office of Economic Development:

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

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

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

35 14. The Nevada Tax Commission:

36 (a) Shall adopt regulations regarding:

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

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

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

43 15. As used in this section, unless the context otherwise requires:

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

47 (b) "Data center" means one or more buildings located at one or more physical
48 locations in this State which house a group of networked server computers for the
49 purpose of centralizing the storage, management and dissemination of data and
50 information pertaining to one or more businesses and includes any modular or
51 preassembled components, associated telecommunications and storage systems and,
52 if the data center includes more than one building or physical location, any network
53 or connection between such buildings or physical locations.

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

4 **Sec. 4. NRS 274.310 is hereby amended to read as follows:**

5 274.310 1. A person who intends to locate a business in this State within:

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

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

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

10 (d) An enterprise community established pursuant to 24 C.F.R. Part 597,

11 ➤ may submit a request to the governing body of the county, city or town in which
12 the business would operate for an endorsement of an application by the person to
13 the Office of Economic Development for a partial abatement of one or more of the
14 taxes imposed pursuant to chapter 361 of NRS or the local sales and use taxes. The
15 governing body of the county, city or town shall provide notice of the request to the
16 board of trustees of the school district in which the business would operate. The
17 notice must set forth the date, time and location of the hearing at which the
18 governing body will consider whether to endorse the application. As used in this
19 subsection, "local sales and use taxes" means the taxes imposed on the gross
20 receipts of any retailer from the sale of tangible personal property sold at retail, or
21 stored, used or otherwise consumed, in the political subdivision in which the
22 business is located, except the taxes imposed by the Sales and Use Tax Act and the
23 Local School Support Tax Law.

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

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

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

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

34 (a) The business is consistent with:

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

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

39 (b) Not later than 1 year after the date on which the application was received
40 by the Office, the applicant has executed an agreement with the Office which states:

41 (1) The date on which the abatement becomes effective, as agreed to by the
42 applicant and the Office, which must not be earlier than the date on which the
43 Office received the application and not later than 1 year after the date on which the
44 Office approves the application; and

45 (2) That the business will, after the date on which the abatement becomes
46 effective:

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

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

3 (b) The agreement must bind successors in interest of the business for the specified
4 period.

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

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

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

18 (a) The Department of Taxation;

19 (b) The Nevada Tax Commission; and

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

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

25 (a) The partial abatement must be for a duration of not less than 1 year but not
26 more than 5 years.

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

30 (c) The amount of the partial abatement must not exceed \$500,000.

31 6. If an applicant for a partial abatement pursuant to this section fails to
32 execute the agreement described in paragraph (b) of subsection 3 within 1 year after
33 the date on which the application was received by the Office, the applicant shall not
34 be approved for a partial abatement pursuant to this section unless the applicant
35 submits a new request pursuant to subsection 1.

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

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

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

41 (b) the business shall repay to the Department of Taxation or, if the partial
42 abatement was from the property tax imposed pursuant to chapter 361 of NRS, to
43 the county treasurer, the amount of the partial abatement that was allowed pursuant
44 to this section before the failure of the business to comply unless the Nevada Tax
45 Commission determines that the business has substantially complied with the
46 requirements of this section. Except as otherwise provided in NRS 360.232 and
47 360.320, the business shall, in addition to the amount of the partial abatement
48 required to be paid pursuant to this subsection, pay interest on the amount due at the
49 rate most recently established pursuant to NRS 99.040 for each month, or portion
50 thereof, from the last day of the month following the period for which the payment
51 would have been made had the partial abatement not been approved until the date
52 of payment of the tax.

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

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

7 **Sec. 5. NRS 274.320 is hereby amended to read as follows:**

8 274.320 1. A person who intends to expand a business in this State within:

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

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

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

13 (d) An enterprise community established pursuant to 24 C.F.R. Part 597,

14 ↪ may submit a request to the governing body of the county, city or town in which
15 the business operates for an endorsement of an application by the person to the
16 Office of Economic Development for a partial abatement of the local sales and use
17 taxes imposed on capital equipment. The governing body of the county, city or
18 town shall provide notice of the request to the board of trustees of the school
19 district in which the business operates. The notice must set forth the date, time and
20 location of the hearing at which the governing body will consider whether to
21 endorse the application. As used in this subsection, "local sales and use taxes"
22 means the taxes imposed on the gross receipts of any retailer from the sale of
23 tangible personal property sold at retail, or stored, used or otherwise consumed, in
24 the political subdivision in which the business is located, except the taxes imposed
25 by the Sales and Use Tax Act and the Local School Support Tax Law.

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

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

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

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

36 (a) The business is consistent with:

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

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

41 (b) Not later than 1 year after the date on which the application was received
42 by the Office, the applicant has executed an agreement with the Office which states:

43 (1) The date on which the abatement becomes effective, as agreed to by the
44 applicant and the Office, which must not be earlier than the date on which the
45 Office received the application and not later than 1 year after the date on which the
46 Office approves the application; and

47 (2) That the business will, after the date on which the abatement becomes
48 effective:

49 (I) Continue in operation in the historically underutilized business
50 zone, as defined in 15 U.S.C. § 632, redevelopment area created pursuant to chapter
51 279 of NRS, area eligible for a community development block grant pursuant to 24
52 C.F.R. Part 570 or enterprise community established pursuant to 24 C.F.R. Part 597
53 for a period specified by the Office, which must be at least 5 years; and

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

3 ▶ The agreement must bind successors in interest of the business for the specified
4 period.

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

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

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

18 (a) The Department of Taxation; and

19 (b) The Nevada Tax Commission.

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

22 (a) The partial abatement must be for a duration of not less than 1 year but not
23 more than 5 years.

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

27 **(c) The total amount of the partial abatement must not exceed \$500,000.**

28 6. If an applicant for a partial abatement pursuant to this section fails to
29 execute the agreement described in paragraph (b) of subsection 3 within 1 year after
30 the date on which the application was received by the Office, the applicant shall not
31 be approved for a partial abatement pursuant to this section unless the applicant
32 submits a new request pursuant to subsection 1.

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

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

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

38 ▶ the business shall repay to the Department of Taxation the amount of the partial
39 abatement that was allowed pursuant to this section before the failure of the
40 business to comply unless the Nevada Tax Commission determines that the
41 business has substantially complied with the requirements of this section. Except as
42 otherwise provided in NRS 360.232 and 360.320, the business shall, in addition to
43 the amount of the partial abatement required to be paid pursuant to this subsection,
44 pay interest on the amount due at the rate most recently established pursuant to
45 NRS 99.040 for each month, or portion thereof, from the last day of the month
46 following the period for which the payment would have been made had the partial
47 abatement not been approved until the date of payment of the tax.

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

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

1 **Sec. 6. NRS 274.330 is hereby amended to read as follows:**

2 274.330 1. A person who owns a business which is located within an
3 enterprise community established pursuant to 24 C.F.R. Part 597 in this State may
4 submit a request to the governing body of the county, city or town in which the
5 business is located for an endorsement of an application by the person to the Office
6 of Economic Development for a partial abatement of one or more of the taxes
7 imposed pursuant to chapter 361 of NRS or the local sales and use taxes. The
8 governing body of the county, city or town shall provide notice of the request to the
9 board of trustees of the school district in which the business operates. The notice
10 must set forth the date, time and location of the hearing at which the governing
11 body will consider whether to endorse the application. As used in this subsection,
12 "local sales and use taxes" means the taxes imposed on the gross receipts of any
13 retailer from the sale of tangible personal property sold at retail, or stored, used or
14 otherwise consumed, in the political subdivision in which the business is located,
15 except the taxes imposed by the Sales and Use Tax Act and the Local School
16 Support Tax Law.

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

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

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

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

27 (a) The business is consistent with:

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

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

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

34 (1) The date on which the abatement becomes effective, as agreed to by the
35 applicant and the Office, which must not be earlier than the date on which the
36 Office received the application and not later than 1 year after the date on which the
37 Office approves the application; and

38 (2) That the business will, after the date on which the abatement becomes
39 effective:

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

42 (II) Continue to meet the eligibility requirements set forth in this
43 subsection.

44 ↳ The agreement must bind successors in interest of the business for the specified
45 period.

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

49 (d) The business:

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

52 (2) Pays such employees a wage of not less than 100 percent of the
53 federally designated level signifying poverty for a family of four persons and

1 provides medical benefits to the employees and their dependents which meet the
2 minimum requirements for medical benefits established by the Office.

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

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

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

9 (1) The Department of Taxation;

10 (2) The Nevada Tax Commission; and

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

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

16 (a) The partial abatement must be for a duration of not less than 1 year but not
17 more than 5 years.

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

21 (c) The total amount of the partial abatement must not exceed \$500,000.

22 6. If an applicant for a partial abatement pursuant to this section fails to
23 execute the agreement described in paragraph (b) of subsection 3 within 1 year after
24 the date on which the application was received by the Office, the applicant shall not
25 be approved for a partial abatement pursuant to this section unless the applicant
26 submits a new request pursuant to subsection 1.

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

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

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

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

44 8. The Office of Economic Development:

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

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

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

53 10. As used in this section, “dislocated worker” means a person who:

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

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

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

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

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

12 *Sec. 7. This act becomes effective on July 1, 2023.*