

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 abatements and partial
abatements of certain taxes. (BDR 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; limiting the total amount of certain
abatements and partial abatements of taxes; and providing
other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law authorizes the Office of Economic Development to approve an
2 abatement or partial abatement of certain property taxes, business taxes and sales
3 and use taxes in certain circumstances. (NRS 274.310, 274.320, 274.330, 360.750,
4 360.753, 360.754) **Sections 1-6** of this bill provide that the total amount of such an
5 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 **Section 1.** NRS 360.750 is hereby amended to read as follows:
2 360.750 1. A person who intends to locate or expand a
3 business in this State may apply to the Office of Economic
4 Development pursuant to this section for a partial abatement of one
5 or more of the taxes imposed on the:
6 (a) New business pursuant to chapter 361, 363B or 374 of NRS.
7 (b) Expanded business pursuant to chapter 361 or 363B of NRS
8 or a partial abatement of the local sales and use taxes imposed on
9 the expanded business. As used in this paragraph, “local sales and
10 use taxes” means the taxes imposed on the gross receipts of any
11 retailer from the sale of tangible personal property sold at retail, or



1 stored, used or otherwise consumed, in the political subdivision in
2 which the business is to be located or expanded, except the taxes
3 imposed by the Sales and Use Tax Act and the Local School
4 Support Tax Law.

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

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

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

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

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

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

18 (2) State the date on which the abatement becomes effective,
19 as agreed to by the applicant and the Office, which must not be
20 earlier than the date on which the Office received the application
21 and not later than 1 year after the date on which the Office approves
22 the application;

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

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

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

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

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

41 (e) The business will, by the eighth calendar quarter following
42 the calendar quarter in which the abatement becomes effective, offer
43 a health insurance plan for all employees that includes an option for
44 health insurance coverage for dependents of the employees, and the
45 health care benefits the business offers to its employees in this State



1 will meet the minimum requirements for health care benefits
2 established by the Office.

3 (f) Except as otherwise provided in this subsection and NRS
4 361.0687, if the business is a new business in a county whose
5 population is 100,000 or more or a city whose population is 60,000
6 or more, the business meets at least one of the following
7 requirements:

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

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

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

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

36 (2) Establishing the business will require the business to
37 make, not later than the date which is 2 years after the date on which
38 the abatement becomes effective, a capital investment of at least
39 \$250,000 in this State in capital assets that will be retained at the
40 location of the business in that county or city until at least the date
41 which is 5 years after the date on which the abatement becomes
42 effective.

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

45 (1) For a business in:



1 (I) Except as otherwise provided in sub-subparagraph (II),
2 a county whose population is 100,000 or more or a city whose
3 population is 60,000 or more, the business will, by the eighth
4 calendar quarter following the calendar quarter in which the
5 abatement becomes effective, increase the number of employees on
6 its payroll in that county or city by 10 percent more than it
7 employed in the fiscal year immediately preceding the fiscal year in
8 which the abatement becomes effective or by twenty-five
9 employees, whichever is greater, who will be employed at the
10 location of the business in that county or city until at least the date
11 which is 5 years after the date on which the abatement becomes
12 effective; or

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

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

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

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

43 (i) The applicant has provided in the application an estimate of
44 the total number of new employees which the business anticipates
45 hiring in this State by the eighth calendar quarter following the



1 calendar quarter in which the abatement becomes effective if the
2 Office approves the application.

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

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

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

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

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

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

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

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

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

31 (b) The applicant intends to locate or expand in a county in
32 which the rate of unemployment is less than 7 percent and the
33 average hourly wage that will be paid by the applicant to its new
34 employees in this State is less than 85 percent of the average
35 statewide hourly wage, as established by the Employment Security
36 Division of the Department of Employment, Training and
37 Rehabilitation on July 1 of each fiscal year.

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

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

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



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

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

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

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

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

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

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

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

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

38 (a) The Department;

39 (b) The Nevada Tax Commission; and

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

42 7. An applicant for a partial abatement pursuant to this section
43 or an existing business whose partial abatement is in effect shall,
44 upon the request of the Executive Director of the Office of
45 Economic Development, furnish the Executive Director with copies



1 of all records necessary to verify that the applicant meets the
2 requirements of subsection 2.

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

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

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

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

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

28 10. A county treasurer:

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

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

35 11. The Office of Economic Development may adopt such
36 regulations as the Office of Economic Development determines to
37 be necessary to carry out the provisions of this section and
38 NRS 360.755.

39 12. The Nevada Tax Commission:

40 (a) Shall adopt regulations regarding:

41 (1) The capital investment that a new business must make to
42 meet the requirement set forth in paragraph (f) or (g) of subsection
43 2; and

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



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

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

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

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

13 360.753 1. An owner of a business or a person who intends
14 to locate or expand a business in this State may apply to the Office
15 of Economic Development pursuant to this section for a partial
16 abatement of one or more of:

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

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

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

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

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

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

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

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



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

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

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

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

21 (f) If the business is:

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

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

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

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

34 (2) The business will maintain and possess in this State
35 tangible personal property having a value of not less than
36 \$5,000,000 during the period of partial abatement;

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

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

44 3. The Office of Economic Development:



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

4 (b) Must not:

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

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

12 (3) *Approve a partial abatement pursuant to this section*
13 *which exceeds \$500,000.*

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

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

22 (a) The Department;

23 (b) The Nevada Tax Commission; and

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

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

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

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

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

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

44 ↪ the business shall repay to the Department or, if the partial
45 abatement was from personal property taxes, to the appropriate



1 county treasurer, the amount of the partial abatement that was
2 allowed pursuant to this section before the failure of the business to
3 comply unless the Nevada Tax Commission determines that the
4 business has substantially complied with the requirements of this
5 section. Except as otherwise provided in NRS 360.232 and 360.320,
6 the business shall, in addition to the amount of the partial abatement
7 required to be repaid pursuant to this subsection, pay interest on the
8 amount due at the rate most recently established pursuant to NRS
9 99.040 for each month, or portion thereof, from the last day of the
10 month following the period for which the payment would have been
11 made had the partial abatement not been approved until the date of
12 payment of the tax.

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

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

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

23 12. As used in this section:

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

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

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

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

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

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

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



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

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

5 360.754 1. A person who intends to locate or expand a data
6 center in this State may apply to the Office of Economic
7 Development pursuant to this section for a partial abatement, *not to*
8 *exceed \$500,000*, of one or more of the taxes imposed on the new or
9 expanded data center pursuant to chapter 361 or 374 of NRS.

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

13 (a) The application is consistent with the State Plan for
14 Economic Development developed by the Executive Director of the
15 Office of Economic Development pursuant to subsection 2 of NRS
16 231.053 and any guidelines adopted by the Executive Director of the
17 Office to implement the State Plan for Economic Development.

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

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

22 (2) State the date on which the abatement becomes effective,
23 as agreed to by the applicant and the Office of Economic
24 Development, which must not be earlier than the date on which the
25 Office received the application and not later than 1 year after the
26 date on which the Office approves the application;

27 (3) State that the data center will, after the date on which the
28 abatement becomes effective, continue in operation in this State for
29 a period specified by the Office of Economic Development, which
30 must be at least 10 years, and will continue to meet the eligibility
31 requirements set forth in this subsection; and

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

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

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

41 (1) The data center will, by not later than the date that is 5
42 years after the date on which the abatement becomes effective, have
43 or have added 10 or more full-time employees who are residents of
44 Nevada and who will be employed at the data center and will
45 continue to employ 10 or more full-time employees who are



1 residents of Nevada at the data center until at least the date which is
2 10 years after the date on which the abatement becomes effective.

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

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

15 (I) The data center will, by not later than the date which is
16 2 years after the date on which the abatement becomes effective,
17 provide a health insurance plan for all employees employed at the
18 data center that includes an option for health insurance coverage for
19 dependents of the employees; and

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

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

31 (e) If the applicant is seeking a partial abatement for a period of
32 10 years or more but not more than 20 years, the applicant meets the
33 following requirements:

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

41 (2) Establishing or expanding the data center will require the
42 data center or any combination of the data center and one or more
43 colocated businesses to make in each county in this State in which
44 the data center is located, by not later than the date which is 5 years
45 after the date on which the abatement becomes effective, a



1 cumulative capital investment of at least \$100,000,000 in capital
2 assets that will be used or located at the data center.

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

8 (I) The data center will, by not later than the date which is
9 2 years after the date on which the abatement becomes effective,
10 provide a health insurance plan for all employees employed at the
11 data center that includes an option for health insurance coverage for
12 dependents of the employees; and

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

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

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

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

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

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

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

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



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

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

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

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

12 (a) The Department;

13 (b) The Nevada Tax Commission; and

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

17 5. If the Office of Economic Development approves an
18 application for a partial abatement pursuant to this section, the
19 Office may also approve a partial abatement of taxes for each
20 colocated business that enters into a contract to use or occupy, for a
21 period of at least 2 years, all or a portion of the new or expanded
22 data center. Each such colocated business shall obtain a state
23 business license issued by the Secretary of State. The percentage
24 amount of a partial abatement approved for a colocated business
25 pursuant to this subsection must not exceed the percentage amount
26 of the partial abatement approved for the data center. *The total*

27 *amount of a partial abatement approved for a colocated business*
28 *pursuant to this subsection must not exceed \$500,000.* The

29 duration of a partial abatement approved for a colocated business
30 pursuant to this subsection must not exceed the duration of the
31 contract or contracts entered into between the colocated business
32 and the data center, including the duration of any contract or
33 contracts extended or renewed by the parties. If a colocated business
34 ceases to meet the requirements set forth in this subsection, the
35 colocated business shall repay the amount of the abatement that was
36 allowed in the same manner in which a data center is required by
37 subsection 8 to repay the Department or a county treasurer. If a data
38 center ceases to meet the requirements of subsection 2 or ceases
39 operation before the time specified in the agreement described in
40 paragraph (b) of subsection 2, any partial abatement approved for a
41 colocated business ceases to be in effect, but the colocated business
42 is not required to repay the amount of the abatement that was
43 allowed before the date on which the abatement ceases to be in
44 effect. A data center shall provide the Executive Director of the
45 Office and the Department with a list of the colocated businesses



1 that are qualified to receive a partial abatement pursuant to this
2 subsection and shall notify the Executive Director within 30 days
3 after any change to the list. The Executive Director shall provide the
4 list and any updates to the list to the Department and the county
5 treasurer of each affected county.

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

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

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

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

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

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

38 9. A county treasurer:

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

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



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

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

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

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

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

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

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

29 13. The Office of Economic Development:

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

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

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

39 14. The Nevada Tax Commission:

40 (a) Shall adopt regulations regarding:

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

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



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

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

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

10 (b) "Data center" means one or more buildings located at one or
11 more physical locations in this State which house a group of
12 networked server computers for the purpose of centralizing the
13 storage, management and dissemination of data and information
14 pertaining to one or more businesses and includes any modular or
15 preassembled components, associated telecommunications and
16 storage systems and, if the data center includes more than one
17 building or physical location, any network or connection between
18 such buildings or physical locations.

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

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

24 274.310 1. A person who intends to locate a business in this
25 State within:

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

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

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

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

34 ↪ may submit a request to the governing body of the county, city or
35 town in which the business would operate for an endorsement of an
36 application by the person to the Office of Economic Development
37 for a partial abatement of one or more of the taxes imposed pursuant
38 to chapter 361 of NRS or the local sales and use taxes. The
39 governing body of the county, city or town shall provide notice of
40 the request to the board of trustees of the school district in which the
41 business would operate. The notice must set forth the date, time and
42 location of the hearing at which the governing body will consider
43 whether to endorse the application. As used in this subsection,
44 "local sales and use taxes" means the taxes imposed on the gross
45 receipts of any retailer from the sale of tangible personal property



1 sold at retail, or stored, used or otherwise consumed, in the political
2 subdivision in which the business is located, except the taxes
3 imposed by the Sales and Use Tax Act and the Local School
4 Support Tax Law.

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

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

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

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

17 (a) The business is consistent with:

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

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

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

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

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

32 (I) Commence operation and continue in operation in the
33 historically underutilized business zone, as defined in 15 U.S.C. §
34 632, redevelopment area created pursuant to chapter 279 of NRS,
35 area eligible for a community development block grant pursuant to
36 24 C.F.R. Part 570 or enterprise community established pursuant to
37 24 C.F.R. Part 597 for a period specified by the Office, which must
38 be at least 5 years; and

39 (II) Continue to meet the eligibility requirements set forth
40 in this subsection.

41 ➔ The agreement must bind successors in interest of the business
42 for the specified period.

43 (c) The business is registered pursuant to the laws of this State
44 or the applicant commits to obtain a valid business license and all



1 other permits required by the county, city or town in which the
2 business will operate.

3 (d) The applicant invested or commits to invest a minimum of
4 \$500,000 in capital assets that will be retained at the location of the
5 business in the historically underutilized business zone, as defined
6 in 15 U.S.C. § 632, redevelopment area created pursuant to chapter
7 279 of NRS, area eligible for a community development block grant
8 pursuant to 24 C.F.R. Part 570 or enterprise community established
9 pursuant to 24 C.F.R. Part 597 until at least the date which is 5 years
10 after the date on which the abatement becomes effective.

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

14 (a) The Department of Taxation;

15 (b) The Nevada Tax Commission; and

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

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

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

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

27 *(c) The amount of the partial abatement must not exceed*
28 *\$500,000.*

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

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

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

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

41 ➔ the business shall repay to the Department of Taxation or, if the
42 partial abatement was from the property tax imposed pursuant to
43 chapter 361 of NRS, to the county treasurer, the amount of the
44 partial abatement that was allowed pursuant to this section before
45 the failure of the business to comply unless the Nevada Tax



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

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

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

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

17 274.320 1. A person who intends to expand a business in this
18 State within:

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

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

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

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

27 ↪ may submit a request to the governing body of the county, city or
28 town in which the business operates for an endorsement of an
29 application by the person to the Office of Economic Development
30 for a partial abatement of the local sales and use taxes imposed on
31 capital equipment. The governing body of the county, city or town
32 shall provide notice of the request to the board of trustees of the
33 school district in which the business operates. The notice must set
34 forth the date, time and location of the hearing at which the
35 governing body will consider whether to endorse the application. As
36 used in this subsection, "local sales and use taxes" means the taxes
37 imposed on the gross receipts of any retailer from the sale of
38 tangible personal property sold at retail, or stored, used or otherwise
39 consumed, in the political subdivision in which the business is
40 located, except the taxes imposed by the Sales and Use Tax Act and
41 the Local School Support Tax Law.

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

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



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

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

9 (a) The business is consistent with:

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

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

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

17 (1) The date on which the abatement becomes effective, as
18 agreed to by the applicant and the Office, which must not be earlier
19 than the date on which the Office received the application and not
20 later than 1 year after the date on which the Office approves the
21 application; and

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

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

31 (II) Continue to meet the eligibility requirements set forth
32 in this subsection.

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

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

39 (d) The applicant invested or commits to invest a minimum of
40 \$250,000 in capital equipment that will be retained at the location of
41 the business in the historically underutilized business zone, as
42 defined in 15 U.S.C. § 632, redevelopment area created pursuant to
43 chapter 279 of NRS, area eligible for a community development
44 block grant pursuant to 24 C.F.R. Part 570 or enterprise community
45 established pursuant to 24 C.F.R. Part 597 until at least the date



1 which is 5 years after the date on which the abatement becomes
2 effective.

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

6 (a) The Department of Taxation; and

7 (b) The Nevada Tax Commission.

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

10 (a) The partial abatement must be for a duration of not less than
11 1 year but not more than 5 years.

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

16 (c) *The total amount of the partial abatement must not exceed*
17 *\$500,000.*

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

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

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

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

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

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



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

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

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

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

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

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

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

35 (a) The business is consistent with:

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

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

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

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



1 later than 1 year after the date on which the Office approves the
2 application; and

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

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

7 (II) Continue to meet the eligibility requirements set forth
8 in this subsection.

9 ➤ The agreement must bind successors in interest of the business
10 for the specified period.

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

15 (d) The business:

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

18 (2) Pays such employees a wage of not less than 100 percent
19 of the federally designated level signifying poverty for a family of
20 four persons and provides medical benefits to the employees and
21 their dependents which meet the minimum requirements for medical
22 benefits established by the Office.

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

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

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

30 (1) The Department of Taxation;

31 (2) The Nevada Tax Commission; and

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

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

37 (a) The partial abatement must be for a duration of not less than
38 1 year but not more than 5 years.

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

43 (c) *The total amount of the partial abatement must not exceed*
44 *\$500,000.*



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

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

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

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

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

27 8. The Office of Economic Development:

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

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

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

36 10. As used in this section, "dislocated worker" means a person
37 who:

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

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

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



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

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

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

