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**DRAFT TALKING PAPER. SUBJECT TO CHANGE, DISCUSSION ONLY.**

## NRS 360.800

### Capital investment At Least \$1.0 Billion

**NRS 360.880 Definitions.** [Effective through June 30, 2032.] As used in NRS 360.880 to 360.896, inclusive, unless the context otherwise requires, the words and terms defined in NRS 360.881 to 360.888, inclusive, have the meanings ascribed to them in those sections.

(Added to NRS by 2015, 29th Special Session, 18)

**NRS 360.881 “Capital investment” defined.** [Effective through June 30, 2032.] “Capital investment” means all costs and expenses incurred by the participants in a qualified project in connection with the acquisition, construction, installation and equipping of the qualified project.

(Added to NRS by 2015, 29th Special Session, 18)

**NRS 360.882 “Employer excise taxes” defined.** [Effective through June 30, 2032.] “Employer excise taxes” means the taxes imposed on the wages paid by an employer pursuant to chapter 363A or 363B of NRS.

(Added to NRS by 2015, 29th Special Session, 18)

**NRS 360.883 “Lead participant” defined.** [Effective through June 30, 2032.] “Lead participant” means the participant designated by the participants in a project as the lead participant in an application submitted pursuant to NRS 360.889.

(Added to NRS by 2015, 29th Special Session, 18)

**NRS 360.884 “Local sales and use taxes” defined.** [Effective through June 30, 2032.] “Local sales and use taxes” means only the taxes imposed pursuant to chapters 377, 377A and 377B of NRS imposed on the gross receipts of any retailer from the sale of tangible personal property sold at retail, or stored, used or otherwise consumed, in the county in which the qualified project is located. The term does not include any taxes imposed by the Sales and Use Tax Act.

(Added to NRS by 2015, 29th Special Session, 18; A 2019, 2254)

**NRS 360.885 “Participant” defined.** [Effective through June 30, 2032.] “Participant” means a business which operates within the geographic boundaries of a project site and which contributes to or participates in the project.

(Added to NRS by 2015, 29th Special Session, 18)

**NRS 360.886 “Project” defined.** [Effective through June 30, 2032.] “Project” means a project undertaken by a business or group of businesses:

1. Located within the geographic boundaries of a single project site or sites in this State; and
2. Engaged in a common business purpose or industry. A business or group of businesses must be deemed to be engaged in a common business purpose or industry if the business or group

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of businesses are in a supply chain related to the common business purpose or industry or provide components or services related to the common business purpose or industry.

(Added to NRS by 2015, 29th Special Session, 18; A 2017, 3795)

**NRS 360.887 “Property taxes” defined. [Effective through June 30, 2032.]** “Property taxes” means any taxes levied by the State or a local government pursuant to the provisions of chapter 361 of NRS.

(Added to NRS by 2015, 29th Special Session, 19)

**NRS 360.888 “Qualified project” defined. [Effective through June 30, 2032.]** “Qualified project” means a project which the Office of Economic Development determines meets all the requirements set forth in subsections 2, 3, 5 and 6 of NRS 360.889.

(Added to NRS by 2015, 29th Special Session, 19; A 2017, 3795; 2019, 2601)

### **NRS 360.XXX**

1. Within 15 calendar days of receipt by the Office of Economic Development of notification submitted pursuant to subsection 2 of NRS 360.945, the county or city, and the fire district in which the qualified project is located require the lead participant to negotiate an agreement to defray costs of local government services necessary to service and respond to the construction, maintenance, and operation of the project. The information related to the negotiations:

(a) Is confidential proprietary information of the business;

(b) Is not a public record; and

(c) Must not be disclosed to any person who is not an officer or employee of the county, city, or fire district unless the lead participant consents to the disclosure.

2. Approval of the lead participant’s contract by the Office is subject to the county, city, or fire district in which the qualified project is located successfully negotiating a cost defrayment agreement pursuant to NRS 360.945(2)(p).

**NRS 360.889 Submittal of application on behalf of project; submission of request for approval of application to Interim Finance Committee; contents of application; provision of additional documentation. [Effective through June 30, 2032.]**

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

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

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

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

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

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

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

2. Within 15 days of receipt of a complete application submitted pursuant to subsection 1, the Office of Economic Development shall notify the governing body of the county, city, and fire district in which project will be located that such an application has been received by the Office.

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

- (a) Submit an application that meets the requirements of subsection 5;
- (b) Provide documentation satisfactory to the Office that approval of the application would promote the economic development of this State and aid the implementation of the State Plan for Economic Development developed by the Executive Director of the Office pursuant to subsection 2 of NRS 231.053;
- (c) Provide documentation satisfactory to the Office that the participants in the project collectively will make a total new capital investment of at least \$1 billion in this State within the 10-year period immediately following approval of the application;
- (d) Provide documentation satisfactory to the Office that the participants in the project are engaged in a common business purpose or industry;
- (e) Provide documentation satisfactory to the Office that the place of business of each participant is or will be located within the geographic boundaries of the project site or sites;
- (f) Provide documentation satisfactory to the Office that each participant in the project is registered pursuant to the laws of this State or commits to obtaining a valid business license and all other permits required by the county, city or town in which the project operates;
- (g) Provide documentation satisfactory to the Office of the number of employees engaged in the construction of the project;
- (h) Provide documentation satisfactory to the Office of the number of qualified employees employed or anticipated to be employed at the project by the participants;
- (i) Provide documentation satisfactory to the Office that each employer engaged in the construction of the project provides a plan of health insurance and that each employee engaged in the construction of the project is offered coverage under the plan of health insurance provided by his or her employer;
- (j) Provide documentation satisfactory to the Office that each participant in the project provides a plan of health insurance and that each employee employed at the project by each participant is offered coverage under the plan of health insurance provided by his or her employer;
- (k) Provide documentation satisfactory to the Office that at least 50 percent of the employees engaged in construction of the project and 50 percent of the employees employed at the project are residents of Nevada, unless waived by the Executive Director of the Office upon proof satisfactory to the Executive Director of the Office that there is an insufficient number of Nevada residents available and qualified for such employment;
- (l) Agree to provide the Office with a full compliance audit of the participants in the project at the end of each fiscal year which:
  - (1) Shows the amount of money invested in this State by each participant in the project;
  - (2) Shows the number of employees engaged in the construction of the project and the number of those employees who are residents of Nevada;
  - (3) Shows the number of employees employed at the project by each participant and the number of those employees who are residents of Nevada; and
  - (4) Is certified by an independent certified public accountant in this State who is approved by the Office;
- (m) Pay the cost of the audit required by paragraph (l);
- (n) Enter into an agreement with the governing body of the city or county in which the qualified project is located that:

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

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

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

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

(1) Requires the lead participant to make payments to the county or city in which the qualified project is located to defray, in whole or in part, the cost of local governmental services and infrastructure servicing the project during the term of the use of any money pledged pursuant to NRS 271B.070. The agreement must specify the amount to be paid by the owner of the property interest, which may be stated as a specified amount per year or as an amount based upon any formula upon which the municipality and owner agree.

(q) Enter into an agreement with the governing body of a fire district in which the qualified project is located that:

(1) Requires the lead participant to make payments to the fire district in which the qualified project is located to defray, in whole or in part, for the cost of local governmental services and infrastructure servicing the project during the term of the use of any money pledged pursuant to NRS 271B.070. The agreement must specify the amount to be paid by the owner of the property interest, which may be stated as a specified amount per year or as an amount based upon any formula upon which the municipality and owner agree.

3. In addition to meeting the requirements set forth in subsection 2, for a project located on more than one site in this State to be eligible for the partial abatement of the taxes described in paragraph (b) of subsection 1, the lead participant must, on behalf of the project, submit an application that meets the requirements of subsection 5 on or before June 30, 2019, and provide documentation satisfactory to the Office that:

(a) The initial project will have a total of 500 or more full-time employees employed at the site of the initial project and the average hourly wage that will be paid to employees of the initial project in this State is at least 120 percent of the average statewide hourly wage as established by the Employment Security Division of the Department of Employment, Training and Rehabilitation on July 1 of each fiscal year;

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

(c) Each participant offers primary jobs and:

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

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

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

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4. In addition to meeting the requirements set forth in subsection 2, a project is eligible for the transferable tax credits described in paragraph (a) of subsection 1 only if the Interim Finance Committee approves a written request for the issuance of the transferable tax credits. Such a request may only be submitted by the Office and only after the Office has approved the application submitted for the project pursuant to subsection 2. The Interim Finance Committee may approve a request submitted pursuant to this subsection only if the Interim Finance Committee determines that approval of the request:

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

(b) Will promote the economic development of this State and aid the implementation of the State Plan for Economic Development developed by the Executive Director of the Office pursuant to subsection 2 of NRS 231.053.

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

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

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

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

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

(e) If the application includes one or more partial abatements, an agreement executed by the Office with the lead participant in the project not later than 1 year after the date on which the application was received by the Office which:

(1) Complies with the requirements of NRS 360.755;

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

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

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

(f) Any other information required by the Office.

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

(a) A copy of the:

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

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

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

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

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

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

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

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

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

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

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

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

(Added to NRS by 2015, 29th Special Session, 19; A 2017, 3795; 2019, 2601; 2021, 2303)

**NRS 360.890 Consideration of application by Office of Economic Development; public meeting required; requirements for notice of public meeting; approval of application; submission of request for approval of application to Interim Finance Committee; submission of information to Office; confidentiality of information contained in application. [Effective through June 30, 2032.]**

1. If the Office of Economic Development receives an application pursuant to NRS 360.889, the Office:

(a) Shall not consider the application unless the Office has requested a letter of acknowledgment of the request for a partial abatement from any county, school district, city or

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town which the Office determines may experience a direct economic effect as a result of the partial abatement.

(b) Shall not take any action on the application unless the Office takes that action at a public meeting conducted for that purpose.

(c) Shall, at least 30 days before any public meeting conducted for the purpose of taking any action on the application, provide notice of the application and the date, time and location of the public meeting at which the Office will consider the application to:

- (1) Each participant in the project;
- (2) The Department;
- (3) The Nevada Gaming Control Board;
- (4) The governing body of the county, the board of trustees of the school district and the governing body of the city or town, if any, in which the project will be located;
- (5) The governing body of any other political subdivision that the Office determines could experience a direct economic effect as a result of the abatement; and
- (6) The general public.

2. The date of the public meeting to consider an application submitted pursuant to NRS 360.889 must be not later than 60 days after the date on which the Office receives the completed application.

3. The Office shall approve an application submitted pursuant to NRS 360.889 if the Office finds that the project is a qualified project. The Office shall issue a decision on the application not later than 30 days after the conclusion of the public meeting on the application. Not later than 30 days after the Office issues a decision approving an application submitted pursuant to NRS 360.889 in which the lead participant applies for a certificate of eligibility for the transferable tax credits described in paragraph (a) of subsection 1 of NRS 360.889, the Office must submit a written request to the Interim Finance Committee for approval of the issuance of the transferable tax credits.

4. The lead participant in a qualified project shall submit all accountings and other required information to the Office and the Department not later than 30 days after a date specified in the decision issued by the Office. If the Office or the Department determines that information submitted pursuant to this subsection is incomplete, the lead participant shall, not later than 30 days after receiving notice that the information is incomplete, provide to the Office or the Department, as applicable, all additional information required by the Office or the Department.

5. Until the Office of Economic Development provides notice of the application and the public meeting pursuant to paragraph (c) of subsection 1, the information contained in the application provided to the Office of Economic Development:

- (a) Is confidential proprietary information of the business;
- (b) Is not a public record; and
- (c) Must not be disclosed to any person who is not an officer or employee of the Office of Economic Development and who is not an officer of the county, city, or fire district in which the qualified project is located and who has signed and is subject to a non-disclosure agreement, unless the lead participant consents to the disclosure.

6. No less than 15 calendar days prior to approval of the application, the Office shall allow a representative from the governing board of the county or city and a representative of the governing board of the fire district in which the project is located to provide written comment and engage directly with the Office regarding the application.

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7. The county, city, or fire district in which the qualified project is located shall designate one or more officials, and those officials shall be permitted to comment and engage directly with the GOED Board of Directors throughout the entire discussion about the application for the qualified project.

8. The county, city, or fire district in which the qualified project is located shall each be given one vote on the GOED Board of Directors on the matter involving the application. The voting designee for the county or county shall be a member of the governing board of the county or city, and the voting designee for the fire district shall be a member of the governing board of the fire district in which the qualified project will be located.

6. After the Office provides notice of the application and the public meeting pursuant to paragraph (c) of subsection 1:

(a) The application is a public record; and

(b) Upon request by any person, the Executive Director of the Office shall disclose the application to the person who made the request, except for any information in the application that is protected from disclosure pursuant to subsection 7.

7. Before the Executive Director of the Office discloses the application to the public, the lead participant may submit a request to the Executive Director of the Office to protect from disclosure any information in the application which, under generally accepted business practices, would be considered a trade secret or other confidential proprietary information of the business. After consulting with the business, the Executive Director of the Office shall determine whether to protect the information from disclosure. The decision of the Executive Director of the Office is final and is not subject to judicial review. If the Executive Director of the Office determines to protect the information from disclosure, the protected information:

(a) Is confidential proprietary information of the business;

(b) Is not a public record;

(c) Must be redacted by the Executive Director of the Office from any copy of the application that is disclosed to the public; and

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

(Added to NRS by 2015, 29th Special Session, 22; A 2019, 2605)

**NRS 360.891 Approval of application for certificate of eligibility for transferable tax credits; issuance of certificate; computation of amount of transferable tax credits which may be approved for qualified project. [Effective through June 30, 2032.]**

1. If the Office of Economic Development approves an application for a certificate of eligibility for transferable tax credits submitted pursuant to paragraph (a) of subsection 1 of NRS 360.889 and the Interim Finance Committee approves a written request for the issuance of transferable tax credits pursuant to subsection 4 of NRS 360.889, the Office shall immediately forward a copy of the certificate of eligibility which identifies the estimated amount of the tax credits available pursuant to this section to:

(a) The lead participant in the qualified project;

(b) The Department; and

(c) The Nevada Gaming Control Board.

2. Within 14 business days after receipt of an audit provided by the lead participant in the qualified project pursuant to paragraph (l) of subsection 2 of NRS 360.889 and any other

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accountings or other information required by the Office, the Office shall determine whether to certify the audit and make a final determination of whether a certificate of transferable tax credits will be issued. If the Office certifies the audit and determines that all other requirements for the transferable tax credits have been met, the Office shall notify the lead participant in the qualified project that the transferable tax credits will be issued. Within 30 days after the receipt of the notice, the lead participant in the qualified project shall make an irrevocable declaration of the amount of transferable tax credits that will be applied to each fee or tax set forth in subparagraphs (1), (2) and (3) of paragraph (a) of subsection 1 of NRS 360.889, thereby accounting for all of the credits which will be issued. Upon receipt of the declaration, the Office shall issue to the lead participant a certificate of transferable tax credits in the amount approved by the Office for the fees or taxes included in the declaration. The lead participant shall notify the Department upon transferring any of the transferable tax credits. The Office shall notify the Department and the Nevada Gaming Control Board of all transferable tax credits issued, segregated by each fee or tax set forth in subparagraphs (1), (2) and (3) of paragraph (a) of subsection 1 of NRS 360.889. The Department shall notify the Office and the Nevada Gaming Control Board of the amount of any transferable tax credits transferred.

3. A qualified project may be approved for a certificate of eligibility for transferable tax credits in the amount of \$9,500 for each qualified employee, up to a maximum of 4,000 qualified employees.

4. For the purpose of computing the amount of transferable tax credits for which a qualified project is eligible pursuant to subsection 3:

(a) Each qualified employee must be:

(1) Employed by a participant at the site of the qualified project.

(2) Employed full-time and scheduled to work for an average minimum of 30 hours per week.

(3) Employed for at least the last 3 consecutive months of the fiscal year.

(4) Offered coverage under a plan of health insurance provided by his or her employer.

(b) The wages for federal income tax purposes reported or required to be reported on Form W-2 of the qualified employees of the qualified project must be paid at an average rate of \$22 per hour.

(c) An employee engaged solely in the construction of the qualified project is deemed not to be a qualified employee.

(Added to NRS by 2015, 29th Special Session, 23; A 2019, 2607)

**NRS 360.892 Limitations on amounts of transferable tax credits which may be issued by Office of Economic Development. [Effective through June 30, 2032.]**

1. Except as otherwise provided in this section, the Office of Economic Development shall not approve transferable tax credits:

(a) For Fiscal Year 2017-2018, 2018-2019, 2019-2020, 2020-2021, 2021-2022, 2022-2023, 2023-2024 or 2024-2025, if approval of the transferable tax credits would cause the total amount of transferable tax credits issued pursuant to NRS 360.880 to 360.896, inclusive, in that Fiscal Year to exceed \$7,600,000.

(b) For a fiscal year beginning on or after July 1, 2025.

2. The total amount of transferable tax credits issued pursuant to NRS 360.880 to 360.896, inclusive, to all qualified projects in this State must not exceed \$38,000,000.

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3. If in any fiscal year the Office does not approve an amount of transferable tax credits equal to the total amount authorized by paragraph (a) or (b) of subsection 1, the remaining amount of transferable tax credits must be carried forward and made available for approval during subsequent fiscal years ending on or before June 30, 2025.

4. Each transferable tax credit issued pursuant to NRS 360.880 to 360.896, inclusive, expires 4 years after the date on which the transferable tax credit is issued to the lead participant. A transferable tax credit issued pursuant to NRS 360.880 to 360.896, inclusive, may be transferred only once.

(Added to NRS by 2015, 29th Special Session, 24)

**NRS 360.893 Approval of application for partial abatement of taxes; duration and amount of partial abatement; payment of portion of abated taxes into trust fund in State Treasury; use of money in trust fund; issuance of document certifying abatement of sales and use taxes. [Effective through June 30, 2032.]**

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

- (a) The Department;
- (b) The Nevada Tax Commission; and
- (c) The county treasurer of the county in which the qualified project will be located.

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

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

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

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

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

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

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

(c) For local sales and use taxes, be for a duration of not more than 15 years after the effective date of the partial abatement and in an amount that equals that portion of the combined rate of all the local sales and use taxes payable by each participant in the qualified project each year which exceeds 0.6 percent. The Department of Taxation shall issue to the lead participant a document

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certifying the abatement which can be presented to retailers at the time of sale. The document must clearly state that the purchaser is only required to pay sales and use taxes imposed in this State at the rate of 2.6 percent. As used in this paragraph, “local sales and use taxes” means the taxes imposed on the gross receipts of any retailer from the sale of tangible personal property sold at retail, or stored, used or otherwise consumed, in the political subdivision in which the new or expanded business is located, except the taxes imposed by the Sales and Use Tax Act.

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

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

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

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

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

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

(a) Except as otherwise provided in this subsection:

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

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

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

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proportion that the money distributed to the entity pursuant to that paragraph bears to the total money distributed pursuant to that paragraph.

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

(Added to NRS by 2015, 29th Special Session, 24; A 2017, 3798)

**NRS 360.894 Duty of lead participant to provide records to verify eligibility for transferable tax credits and partial abatement of taxes; repayment of tax credits to which lead participant is not entitled; repayment of amount of taxes abated if qualified project becomes ineligible or ceases operation. [Effective through June 30, 2032.]**

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

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

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

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

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

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

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

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

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

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

↪ the lead participant shall repay to the Department or, if the partial abatement is from the property tax imposed by chapter 361 of NRS, to the appropriate county treasurer, the amount of the partial abatement that was allowed to the lead participant pursuant to NRS 360.893 before the failure of the lead participant to meet the requirements for eligibility. Except as otherwise provided in NRS 360.232 and 360.320, the lead participant shall, in addition to the amount of the partial abatement required to be repaid by the lead participant pursuant to this subsection, pay interest on the amount due from the lead participant at the rate most recently established pursuant to NRS 99.040 for each month, or portion thereof, from the last day of the month following the period for which the

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payment would have been made had the partial abatement not been approved until the date of payment of the tax.

5. The Secretary of State may, upon application by the Executive Director of the Office, revoke or suspend the state business license of the lead participant in a qualified project which is required to repay any portion of transferable tax credits pursuant to subsection 2 or the amount of any partial abatement pursuant to subsection 4 and which the Office determines is not in compliance with the provisions of this section governing repayment. If the state business license of the lead participant in a qualified project is suspended or revoked pursuant to this subsection, the Secretary of State shall provide written notice of the action to the lead participant. The Secretary of State shall not reinstate a state business license suspended pursuant to this subsection or issue a new state business license to the lead participant whose state business license has been revoked pursuant to this subsection unless the Executive Director of the Office provides proof satisfactory to the Secretary of State that the lead participant is in compliance with the requirements of this section governing repayment.

(Added to NRS by 2015, 29th Special Session, 26; A 2017, 3800)

**NRS 360.895 Duty of Office of Economic Development to prepare and submit certain reports; contents of reports. [Effective through June 30, 2032.]**

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

(a) For the immediately preceding fiscal year:

- (1) The number of applications submitted pursuant to NRS 360.889;
- (2) The number of qualified projects for which an application was approved;
- (3) The amount of transferable tax credits approved;
- (4) The amount of transferable tax credits used;
- (5) The amount of transferable tax credits transferred;
- (6) The amount of transferable tax credits taken against each allowable fee or tax, including the actual amount used and outstanding, in total and for each qualified project;
- (7) The number of partial abatements approved;
- (8) The dollar amount of the partial abatements;
- (9) The number of employees engaged in construction of each qualified project who are residents of Nevada and the number of employees employed by each participant in a qualified project who are residents of Nevada;
- (10) The number of qualified employees employed by each participant in a qualified project and the total amount of wages paid to those persons; and
- (11) For each qualified project, an assessment of whether the participants in the qualified project are making satisfactory progress towards meeting the investment requirements necessary to support the determination by the Office that the project is a qualified project.

(b) For each partial abatement from taxation that the Office approved during the fiscal years which are 3 fiscal years, 6 fiscal years, 10 fiscal years and 15 fiscal years immediately preceding the submission of the report:

- (1) The dollar amount of the partial abatement;
- (2) The value of infrastructure included as an incentive for the qualified project;
- (3) The economic sector in which each participant in the qualified project operates, the number of primary jobs related to the qualified project, the average wage paid to employees

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employed by the participants in the qualified project and the assessed values of personal property and real property of the qualified project; and

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

2. Except as otherwise provided in subsection 4, in addition to the annual reports required to be prepared and submitted pursuant to subsection 1, for the period beginning on December 19, 2015, and ending on June 30, 2020, the Office shall, not less frequently than every calendar quarter, prepare and submit to the Governor and the Director of the Legislative Counsel Bureau for transmittal to the Legislature a report which includes, for the immediately preceding calendar quarter:

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

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

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

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

(e) Any other information requested by the Legislature.

3. Except as otherwise provided in subsection 4, in addition to the annual reports required to be prepared and submitted pursuant to subsection 1, for the period beginning on July 1, 2020, and ending on June 30, 2025, the Office shall, not less frequently than every 6 months, prepare and submit to the Governor and the Director of the Legislative Counsel Bureau for transmittal to the Legislature a report which includes, for the immediately preceding 6 months, the information required to be included in a report prepared and submitted pursuant to subsection 2.

4. The Office is not required to prepare and submit the report required by subsection 2 or 3 if, within 75 days after the end of the period covered by the report:

(a) The Office receives an audit of the participants in the project for the period that would have been covered by the report; and

(b) That audit contains the information required to be included in the report pursuant to paragraphs (a) to (d), inclusive, of subsection 2.

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

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

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

(Added to NRS by 2015, 29th Special Session, 27; A 2017, 189)

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**NRS 360.896 Governing body of county or city authorized to grant abatements of permitting fees or licensing fees to participants in qualified project located in county or city. [Effective through June 30, 2032.]**

1. For the purpose of encouraging local economic development, the governing body of a city or county in which a qualified project is located may grant to any participant in a qualified project an abatement of all or any percentage of the amount of any permitting fee or licensing fee which the local government is authorized to impose or charge pursuant to chapter 244 or 268 of NRS.

2. Before granting any abatement pursuant to subsection 1, the governing body of the city or county must provide by ordinance for a pilot project for granting abatements to participants in a qualified project.

3. A governing body of a city or county that grants an abatement pursuant to subsection 1 shall, on or before October 1 of each year in which such an abatement is granted, prepare and submit to the Governor and to the Director of the Legislative Counsel Bureau for transmittal to the Legislature an annual report which includes, for the immediately preceding fiscal year:

(a) The number of qualified projects located within the jurisdiction of the governing body for which a certificate of eligibility for transferable tax credits was approved;

(b) If applicable, the number and dollar amount of the abatements granted by the governing body pursuant to subsection 1; and

(c) The number of persons within the jurisdiction of the governing body that were employed by each participant in a qualified project and the amount of wages paid to those persons.