

**Materials contained herein are in draft discussion form, and they are subject to board workshop discussion and action, and legal review.**

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

NRS 360.900

**Capital Investment At Least \$3.5 Billion**

**NRS 360.XXX** *((Further review needed...))*

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 may 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(3)(p).

**NRS 360.900 Definitions.** [Effective through June 30, 2036.] As used in NRS 360.900 to 360.980, inclusive, unless the context otherwise requires, the words and terms defined in NRS 360.905 to 360.940, inclusive, have the meanings ascribed to them in those sections.

(Added to NRS by 2014, 28th Special Session, 12)

**NRS 360.905 “Capital investment” defined.** [Effective through June 30, 2036.] “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 2014, 28th Special Session, 12)

**NRS 360.910 “Employer excise taxes” defined.** [Effective through June 30, 2036.] “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 2014, 28th Special Session, 12)

**NRS 360.915 “Lead participant” defined.** [Effective through June 30, 2036.] “Lead participant” means the participant designated by the participants in a project as the lead participant in an application submitted pursuant to NRS 360.945.

(Added to NRS by 2014, 28th Special Session, 12)

**NRS 360.920 “Local sales and use taxes” defined.** [Effective through June 30, 2036.] “Local sales and use taxes” means only the taxes imposed pursuant to chapter 377 of NRS 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 the taxes imposed by the Sales and Use Tax Act.

**Materials contained herein are in draft discussion form, and they are subject to board workshop discussion and action, and legal review.**

(Added to NRS by 2014, 28th Special Session, 12; A 2019, 2254)

**NRS 360.925 “Participant” defined. [Effective through June 30, 2036.]** “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 2014, 28th Special Session, 13)

**NRS 360.930 “Project” defined. [Effective through June 30, 2036.]** “Project” means a project undertaken by a business or group of businesses:

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

(Added to NRS by 2014, 28th Special Session, 13; A 2017, 3802)

**NRS 360.935 “Property taxes” defined. [Effective through June 30, 2036.]** “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 2014, 28th Special Session, 13)

**NRS 360.940 “Qualified project” defined. [Effective through June 30, 2036.]** “Qualified project” means a project which the Office of Economic Development determines meets all the requirements set forth in subsections ~~[2-]~~ 3 , ~~[and]~~ 4 , *and 5* of NRS 360.945.

(Added to NRS by 2014, 28th Special Session, 13)

**NRS 360.945 Submittal of application on behalf of project; contents of application; provision of additional documentation. [Effective through June 30, 2036.]**

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

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

- (1) Any tax imposed by chapters 363A and 363B of NRS;
- (2) **The gaming** license fees imposed by the provisions of NRS 463.370;
- (3) Any tax imposed by chapter 680B of NRS; or
- (4) Any combination of the **fees and taxes described in subparagraphs (1), (2) and (3)**.

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

**2.** Upon 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.

~~[2-]~~ **3.** **For a project to be eligible for the transferable tax credits described** in paragraph (a) of subsection 1 and abatement of the taxes described in paragraph (b) of subsection 1, the lead participant in the project must, on behalf of the project:

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

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

**Materials contained herein are in draft discussion form, and they are subject to board workshop discussion and action, and legal review.**

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

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

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

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

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

(g) Provide documentation satisfactory to the Office of the number of employees engaged 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:

(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

**Materials contained herein are in draft discussion form, and they are subject to board workshop discussion and action, and legal review.**

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

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

(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-]~~ 4. An application submitted pursuant to subsection ~~[2]~~ 3 must include:

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

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

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

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

(e) A copy of a signed agreement with the governing board of the county or city, and with the fire district in which the qualified project is located to negotiate an agreement pursuant to subsection (3)(n), subsection (3)(p), and subsection (3)(q) above before the contract for the qualified project is approved by the Office;

~~[(e)]~~ (f) If the application includes one or more 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 that the project will, after the date on which a certificate of eligibility for the abatement is approved pursuant to NRS 360.965, continue in operation in this State for a period specified by the Office; and

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

~~[(f)]~~ (g) Any other information required by the Office.

**Materials contained herein are in draft discussion form, and they are subject to board workshop discussion and action, and legal review.**

~~[4.]~~ 5. For an employee to be considered a resident of Nevada for the purposes of this section, each participant in the project must maintain the following documents in the personnel file of the employee:

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

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

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

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

~~[5.]~~ 6. For the purpose of obtaining from the Executive Director of the Office any waiver of the requirement set forth in paragraph (k) of subsection ~~[2.]~~ 3, the lead participant in the project must submit to the Executive Director of the Office written documentation of the efforts to meet the requirement and documented proof that an insufficient number of Nevada residents is available and qualified for employment.

~~[6.]~~ 7. The Executive Director of the Office shall make available to the public and post on the Internet website for the Office:

(a) Any request for a waiver of the requirements set forth in paragraph (k) of subsection ~~[2.]~~ 3; and

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

~~[7.]~~ 8. The Executive Director of the Office shall post a request for a waiver of the requirements set forth in paragraph (k) of subsection ~~[2.]~~ 3 on the Internet website of the Office within 3 days after receiving the request and shall keep the request posted on the Internet website for not less than 5 days. The Executive Director of the Office shall ensure that the Internet website allows members of the public to post comments regarding the request.

~~[8.]~~ 9. The Executive Director of the Office shall consider any comments posted on the Internet website concerning any request for a waiver of the requirements set forth in paragraph (k) of subsection ~~[2.]~~ 3 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.

~~[9.]~~ 10. If an applicant for one or more abatements pursuant to this section fails to execute the agreement described in paragraph ~~[(e)]~~ (f) of subsection ~~[3.]~~ 4 within 1 year after the date on which the application was received by the Office, the applicant shall not be approved for an abatement pursuant to this section unless the applicant submits a new application.

(Added to NRS by 2014, 28th Special Session, 13; A 2017, 3802; 2021, 2307)

**NRS 360.950 Consideration of application by Office of Economic Development; public meeting required; requirements for notice of public meeting; approval of application; submission of information to Office; confidentiality of information contained in application. [Effective through June 30, 2036.]**

1. If the Office of Economic Development receives an application pursuant to NRS 360.945, the Office:

**Materials contained herein are in draft discussion form, and they are subject to board workshop discussion and action, and legal review.**

(a) Shall not consider the application unless the Office has ~~requested~~ received a letter of acknowledgment of the request for an abatement from any county, fire district, school district, city or town which the Office determines may experience a direct economic effect as a result of the 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, fire district, 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 360.945 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 360.945 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.

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, and 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. 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

***Materials contained herein are in draft discussion form, and they are subject to board workshop discussion and action, and legal review.***

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 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.

8. 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.

9. 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.

10. 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 city 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.

(Added to NRS by 2014, 28th Special Session, 15)

**NRS 360.955 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, 2036.]**

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 360.945, 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 governing board of the county or city in which project will be located; and
- ~~(e)~~ (d) 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~~ 3 of NRS 360.945 and any other 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

***Materials contained herein are in draft discussion form, and they are subject to board workshop discussion and action, and legal review.***

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 360.945, 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 360.945. 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:

(a) In the amount of \$12,500 for each qualified employee, up to a maximum of 6,000 qualified employees.

(b) In an amount equal to 5 percent of the first \$1 billion of new capital investment in this State made collectively by the participants in the qualified project.

(c) In an amount equal to 2.8 percent of the next \$2.5 billion of new capital investment in this State made collectively by the participants in the qualified project.

4. For the purpose of computing the amount of transferable tax credits for which a qualified project is eligible pursuant to paragraph (a) of 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 2014, 28th Special Session, 17)

**NRS 360.960 Limitations on amounts of transferable tax credits which may be issued by Office of Economic Development. [Effective through June 30, 2036.]**

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

(a) For Fiscal Year 2015-2016, 2016-2017, 2017-2018, 2018-2019, 2019-2020, 2020-2021 or 2021-2022, if approval of the transferable tax credits would cause the total amount of transferable tax credits issued pursuant to NRS 360.900 to 360.975, inclusive, in that Fiscal Year to exceed \$45,000,000.

(b) For a fiscal year beginning on or after July 1, 2022.

2. The total amount of transferable tax credits issued pursuant to NRS 360.900 to 360.975, inclusive, to all qualified projects in this State must not exceed \$195,000,000.

**Materials contained herein are in draft discussion form, and they are subject to board workshop discussion and action, and legal review.**

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, 2022.

4. Each transferable tax credit issued pursuant to NRS 360.900 to 360.975, 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 360.900 to 360.975, inclusive, may be transferred only once.

(Added to NRS by 2014, 28th Special Session, 18)

**NRS 360.965 Approval of application for abatement of taxes; duration of abatement; issuance of document certifying abatement of sales and use taxes. [Effective through June 30, 2036.]**

1. If the Office of Economic Development approves an application for an abatement of property taxes, employer excise taxes or local sales and use taxes submitted pursuant to paragraph (b) of subsection 1 of NRS 360.945, the Office shall immediately forward a certificate of eligibility for the abatement of the taxes described in that paragraph to:

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

2. The 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 date on which the application is submitted and in an amount that equals 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 date on which the application is submitted and in an amount that equals 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 tax, be for a duration of not more than 20 years after the date on which the application is submitted 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 Office approves an abatement of local sales and use taxes, the Office shall issue to the lead participant in the qualified project a document certifying the 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.

**4. If the Office of Economic Development approves an application for an abatement of property taxes, employer excise taxes or local sales and use taxes submitted pursuant to paragraph (b) of subsection 1 of NRS 360.945, the abatement shall take effect upon the date of the final approval by the Office of Economic Development and may not be applied to any previous fiscal year.**

(Added to NRS by 2014, 28th Special Session, 18)

**NRS 360.970 Duty of lead participant to provide records to verify eligibility for transferable tax credits and abatements 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, 2036.]**

**Materials contained herein are in draft discussion form, and they are subject to board workshop discussion and action, and legal review.**

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 360.955 and the abatement of any taxes pursuant to NRS 360.965.

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 360.900 to 360.975, 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 an abatement has been approved pursuant to NRS 360.965 and is in effect:

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

(b) Ceases operation before the time specified in the agreement described in paragraph (e) of subsection ~~3~~ 4 of NRS 360.945,

↪ the lead participant shall repay to the Department or, if the abatement is from the property tax imposed by chapter 361 of NRS, to the appropriate county treasurer, the amount of the abatement that was allowed to the lead participant pursuant to NRS 360.965 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 abatement required to be repaid by the lead participant pursuant to this subsection, pay interest on the amount due from the lead participant at the rate most recently established pursuant to NRS 99.040 for each month, or portion thereof, from the last day of the month following the period for which the payment would have been made had the abatement not been approved until the date of payment of the tax.

*((Note...Check that this is not for only the first five years of the abatement period. It should be for the entire ten year period for property tax. Discuss other costs and subtractions here... What about bonding, etc.? Checking NRS NAC. Workshop discussion...))*

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 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

***Materials contained herein are in draft discussion form, and they are subject to board workshop discussion and action, and legal review.***

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 2014, 28th Special Session, 19)

**NRS 360.975 Duty of Office of Economic Development to prepare and submit certain reports; content of reports. [Effective through June 30, 2036.]**

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 360.945;
- (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 abatements approved;
- (8) The dollar amount of the 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 abatement from taxation that the Office approved during the fiscal years which are 3 fiscal years, 6 fiscal years,** 10 fiscal years and 20 fiscal years immediately preceding the submission of the report:

- (1) The dollar amount of the 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 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 3, in addition to the annual reports required to be prepared and submitted pursuant to subsection 1, for the period beginning on July 1, 2017, and ending on June 30, 2024, 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:

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

***Materials contained herein are in draft discussion form, and they are subject to board workshop discussion and action, and legal review.***

(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. The Office is not required to prepare and submit the report required by subsection 2 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.

4. 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.

5. 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.

6. 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 2014, 28th Special Session, 20; A 2017, 191)

**NRS 360.980 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, 2036.]**

1. For the purpose of encouraging local economic development, the governing body of a city, ~~for~~ county, or fire district 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, ~~for~~ county, or fire district must provide by ordinance for a pilot project for granting abatements to participants in a qualified project.

3. A governing body of a city, ~~for~~ county, or fire district 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:

***Materials contained herein are in draft discussion form, and they are subject to board workshop discussion and action, and legal review.***

(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.

(Added to NRS by 2014, 28th Special Session, 22)

...

## INFRASTRUCTURE FOR QUALIFIED PROJECTS

**NRS 360.981 Definitions.** As used in NRS 360.981 to 360.992, inclusive, unless the context otherwise requires, the words and terms defined in NRS 360.982 to 360.988, inclusive, have the meanings ascribed to them in those sections.

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

**NRS 360.982 “Economic development financing agreement” defined.** “Economic development financing agreement” means an economic development financing proposal that is approved by the Executive Director of the Office pursuant to NRS 360.990.

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

**NRS 360.983 “Economic development financing proposal” defined.** “Economic development financing proposal” means an economic development financing proposal submitted to the Office by the governing body of a local government pursuant to NRS 360.989.

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

**NRS 360.984 “Infrastructure project” defined.** “Infrastructure project” includes, without limitation, a drainage project, an electrical project, a rail project, a sanitary sewer project, a transportation project, a fire protection project, a wastewater project and a water project.

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

**NRS 360.985 “Lead participant” defined.** “Lead participant” means a lead participant as that term is defined in NRS 360.883 or 360.915.

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

**NRS 360.986 “Local government” defined.** “Local government” means a city or a county.

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

**NRS 360.987 “Office” defined.** “Office” means the Office of Economic Development created by NRS 231.043.

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

**NRS 360.988 “Qualified project” defined.** “Qualified project” means a qualified project as that term is defined in NRS 360.888 or 360.940.

**Materials contained herein are in draft discussion form, and they are subject to board workshop discussion and action, and legal review.**

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

**NRS 360.989 Submittal and contents of economic development financing proposal.**

1. If the governing body of a local government:
  - (a) Receives notice that a qualified project is or will be located within the jurisdiction of the local government; and
  - (b) Determines that there is a need to finance infrastructure projects within the jurisdiction of the local government to support the development of the qualified project,  
↳ the governing body may prepare and submit to the Office for approval an economic development financing proposal pursuant to which the infrastructure projects identified in the proposal would be financed from the proceeds of bonds, securities or other indebtedness issued by the State of Nevada.
2. An economic development financing proposal submitted pursuant to subsection 1:
  - (a) May include, without limitation, provisions for the financing of one or more infrastructure projects;
  - (b) Must include the creation of one or more districts or areas by the local government pursuant to chapters 271, 271A and 278C of NRS and the pledge of revenue from such districts or areas for the repayment of any bonds, securities or other indebtedness issued by the State of Nevada to finance the projects; and
  - (c) Must include such other provisions and information as may be required by the Office.

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

**NRS 360.990 Approval of economic development financing proposal.**

1. Upon receipt of an economic development financing proposal, the Office shall:
  - (a) Request from the State Treasurer a determination of the capacity available under the State's debt limit; and
  - (b) In consultation with any person or entity the Office determines is appropriate, review the proposal. The Office may request any additional information from the governing body as it determines is necessary to evaluate the proposal.
2. Except as otherwise provided in paragraph (c) of subsection 3, the Office shall approve, approve and modify, or reject any economic development financing proposal within 45 days after receiving the completed proposal.
3. The Executive Director of the Office may approve an economic development financing proposal only if:
  - (a) The proposal includes such provisions as the Executive Director of the Office determines are necessary to ensure that:
    - (1) The Office will enter into one or more agreements with the local government pursuant to which the Office will administer any districts or areas which are or may be created for the purpose of carrying out the infrastructure projects identified in the proposal, including, without limitation, any district or area created pursuant to chapters 271, 271A and 278C of NRS;
    - (2) The proceeds of any bonds, securities or other indebtedness issued pursuant to NRS 360.991 will be allocated to the Office for the purpose of providing financing for the infrastructure projects identified in the proposal;
    - (3) The revenues from any districts or areas created for the purpose of financing the infrastructure projects identified in the proposal will be pledged for the repayment of any bonds, securities or other indebtedness issued pursuant to NRS 360.991; and

**Materials contained herein are in draft discussion form, and they are subject to board workshop discussion and action, and legal review.**

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

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

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

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

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

(Added to NRS by 2015, 29th Special Session, 30; A 2017, 3805)

**NRS 360.991 Issuance of general obligation bonds of State of Nevada to finance infrastructure projects identified in economic development financing agreement; limitation on amount of bonds; proceeds allocated to Office of Economic Development.**

1. As soon as practicable after receiving notice from the Office that it has approved an economic development financing agreement, **the State Board of Finance shall issue general obligation bonds of the State of Nevada to finance the infrastructure projects identified in the economic development financing agreement.** The provisions of the State Securities Law contained in chapter 349 of NRS apply to the issuance of bonds pursuant to this section. The State Board of Finance shall issue the bonds in the amount set forth in the economic development financing agreement but shall not issue bonds in an amount that exceeds \$175,000,000 for each economic development financing agreement or have outstanding at any time bonds issued pursuant to this section in an amount that exceeds \$200,000,000. Before any bonds may be issued pursuant to this section, the lead participant in the qualified project must provide adequate security that the lead

***Materials contained herein are in draft discussion form, and they are subject to board workshop discussion and action, and legal review.***

participant will carry out the qualified project. The security may consist of one or more performance bonds or similar documents, actual expenditures on the qualified project, commitments to make such expenditures, a lien for special assessments pursuant to chapter 271 of NRS or other security deemed appropriate by the Executive Director of the Office in consultation with the Office of the State Treasurer. A commitment to make an expenditure may be conditioned upon the issuance of bonds pursuant to this section but may not be subject to any other conditions.

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

(Added to NRS by 2015, 29th Special Session, 31; A 2017, 3806)

**NRS 360.992 Expedited determination of water rights in area of qualified project.  
[Effective through June 30, 2036.]**

1. If the Executive Director of the Office determines that a qualified project is an economic development priority of the State and that an expedited determination of water rights in the area in which the qualified project is located is necessary, the Executive Director of the Office may provide notice of his or her determinations to the State Engineer.

2. Upon receipt of the notice described in subsection 1, the State Engineer may expedite action on any application for a permit to change the point of diversion, place of use or manner of use of an existing water right to which the notice pertains.

3. Notwithstanding any other provision of law to the contrary, if an application for a permit which is subject to the expedited process authorized by subsection 2 involves a change of the point of diversion, place of use or manner of use of an existing water right which lies within a basin that shares a unique and close hydrological connection to another basin or basins and is managed jointly as a single source and supply of water with the other basin or basins pursuant to a ruling of the State Engineer made before December 19, 2015, any action taken by the State Engineer with regard to the application or any permit issued as a result of the approval of the application is subject to protest and appeal only by a person who holds a water right in such a basin or basins or the owner of a domestic well in such a basin or basins.

(Added to NRS by 2015, 29th Special Session, 55; A 2015, 29th Special Session, 56)