

(Reprinted with amendments adopted on June 2, 2023)

FIRST REPRINT

A.B. 490

ASSEMBLY BILL NO. 490—ASSEMBLYMAN YEAGER

MAY 10, 2023

Referred to Committee on Revenue

SUMMARY—Authorizes the establishment of academic medical districts. (BDR 22-586)

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

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

AN ACT relating to economic development; authorizing the creation of an academic medical district in a contiguous area that meets certain requirements; requiring the governance of an academic medical district by a board of directors; prescribing the conditions and procedure for the dissolution of an academic medical district; authorizing the creation of a tax increment area and the issuance of bonds and other securities for certain projects within an academic medical district; authorizing an academic medical district to engage in certain other activity; requiring an academic medical district to report certain information to a participating governmental entity; prescribing the proper venue for an action against an academic medical district; authorizing a governmental entity to convey certain property rights to an academic medical district; authorizing a business located in an academic medical district to receive a partial abatement of certain taxes under certain conditions; authorizing certain public hospitals and the Board of Regents of the University of Nevada to enter into an agreement to affiliate with a public or private entity for certain purposes; and providing other matters properly relating thereto.



Legislative Counsel's Digest:

1 **Sections 1-25** of this bill enact provisions authorizing the creation of an
2 academic medical district. **Section 2** of this bill provides that the provisions of
3 those sections may be known and cited as the Academic Medical District Act.
4 **Section 10** of this bill sets forth certain legislative findings concerning academic
5 medical districts. **Section 11** of this bill requires the provisions of the Academic
6 Medical District Act to be liberally construed to facilitate economic development
7 and access to quality health care for the residents of this State.

8 **Section 4** of this bill defines "academic medical center" to mean a collaborative
9 venture between an educational institution and a nonprofit or public hospital that
10 includes: (1) the school of medicine at the University of Nevada, Las Vegas, or the
11 University of Nevada, Reno; (2) a teaching hospital that maintains an accredited
12 program of residency training with a certain number of residency positions; and (3)
13 a physician practice plan for teaching students and residents. **Sections 5-9** of this
14 bill define certain other terms. **Section 12** of this bill authorizes the creation of an
15 academic medical district only in a contiguous area that includes an academic
16 medical center, a full-service public hospital with at least 200 inpatient beds and at
17 least 50 acres of land. **Section 13** of this bill authorizes one or more boards of
18 county commissioners or one or more governing bodies of incorporated cities, or
19 both, to create an academic medical district by ordinance. **Section 13** requires such
20 a participating entity to hold at least three public hearings before adopting such an
21 ordinance. **Section 15** of this bill prescribes the procedure: (1) for a participating
22 entity to withdraw from an academic medical district; and (2) to dissolve an
23 academic medical district.

24 **Section 14** of this bill authorizes a participating entity to adopt an ordinance
25 creating a tax increment area consisting of all or part of the academic medical
26 district for the purpose of creating a special account for the payment of bonds or
27 other securities issued to defray the cost of certain infrastructure and capital
28 projects within the academic medical district. If a participating entity designates
29 such a tax increment area, **section 14** provides for the allocation of a portion of
30 the taxes levied upon taxable property in the tax increment area each year to pay the
31 bond requirements of loans, money advanced to, or indebtedness incurred by the
32 municipality to finance or refinance the project. **Section 22** of this bill authorizes
33 the issuance of such bonds or securities by counties or incorporated cities that have
34 created an academic medical district.

35 **Section 16** of this bill: (1) requires an academic medical district to be governed
36 by a board of directors; and (2) prescribes the required qualifications and terms of
37 such directors. **Sections 16-18** of this bill establish certain procedures governing
38 the operations of such a board of directors.

39 **Section 18.5** of this bill authorizes a public hospital within an academic
40 medical district to enter into an agreement to affiliate with a publicly or privately
41 owned entity to undertake any project within the academic medical district and
42 requires certain approval of such an agreement before it becomes effective.

43 **Section 19** of this bill authorizes an academic medical district to: (1) act jointly
44 with other persons and entities; (2) enter into agreements; (3) purchase insurance;
45 and (4) market, advertise and promote the academic medical district. **Section 19**
46 prohibits an academic medical district from taking action related to a public
47 hospital within the academic medical district that is within the authority of the
48 hospital governing board or the board of hospital trustees for the public hospital
49 pursuant to existing law. **Section 20** of this bill authorizes an academic medical
50 district to establish certain compensation for the use of the facilities owned,
51 constructed, operated or maintained by the academic medical district but prohibits
52 the academic medical district from establishing such compensation for services
53 provided at a public hospital within the academic medical district.



54 **Section 23** of this bill requires an academic medical district, upon the request
55 of a participating entity, to report to the participating entity concerning issues and
56 activities necessary for the operation of the district. **Section 24** of this bill requires
57 any action against an academic medical district to be brought in the county where
58 the principal office of the academic medical district is located. **Section 25** of this
59 bill authorizes any governmental entity to convey certain rights in real property to
60 an academic medical district.

61 Existing law authorizes the Office of Economic Development to approve an
62 abatement or partial abatement of certain property taxes, business taxes and sales
63 and use taxes in certain circumstances. (NRS 274.310, 274.320, 274.330, 360.750,
64 360.752, 360.753, 360.754) **Section 31** of this bill authorizes a business located in
65 an academic medical district or a person who intends to locate or expand a business
66 in an academic medical district to apply for a partial abatement of: (1) local sales
67 and use taxes imposed on the purchase of tangible personal property used to
68 provide health care or conduct scientific research; and (2) the excise tax on wages
69 paid to critical medical or scientific employees. **Section 31** requires the Office to
70 grant such an application if: (1) the applicant enters into an agreement authorizing
71 the Office to conduct audits of the applicant and to remain in business in the
72 academic medical district for a certain period of time; and (2) the Office finds that
73 the business meets certain requirements relating to wages and benefits for
74 employees and economic activity in the academic medical district. Additionally, if
75 the applicant is requesting a partial abatement of certain taxes imposed for the
76 benefit of public schools, **section 31** requires the applicant to obtain the approval of
77 a supermajority of the Board of Economic Development. **Sections 35 and 36** of
78 this bill provide for the duration and amount of the abatement of taxes if an
79 application for such an abatement is approved. **Sections 26-29 and 32-34** of this
80 bill make various changes so that a partial abatement granted pursuant to **section 31**
81 is treated in the same manner as other similar abatements authorized by law.

82 **Section 36.3** of this bill authorizes the Board of Regents of the University of
83 Nevada to enter into an agreement with a public or private entity, whether for profit
84 or not for profit, to promote and enhance an educational program or student life at
85 an institution within the Nevada System of Higher Education. **Section 36.7** of this
86 bill establishes that any such agreement is subject to the policies established by the
87 Board of Regents governing contracts that faculty members and employees of the
88 System may enter into or from which they may benefit.

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

1 **Section 1.** Title 22 of NRS is hereby amended by adding
2 thereto a new chapter to consist of the provisions set forth as
3 sections 2 to 25, inclusive, of this act.

4 **Sec. 2.** *This chapter may be known and cited as the*
5 *Academic Medical District Act.*

6 **Sec. 3.** *As used in this chapter, unless the context otherwise*
7 *requires, the words and terms defined in sections 4 to 9, inclusive,*
8 *of this act have the meanings ascribed to them in those sections.*

9 **Sec. 4.** *“Academic medical center” means a collaborative*
10 *venture between an educational institution and a nonprofit or*
11 *public hospital that includes:*



1 *1. The school of medicine at the University of Nevada, Las*
2 *Vegas, or the University of Nevada, Reno.*

3 *2. A teaching hospital that maintains a program of residency*
4 *training that is approved by the Accreditation Council for*
5 *Graduate Medical Education, or its successor organization, and*
6 *that maintains at least 100 positions for residents participating in*
7 *the program; and*

8 *3. A physician practice plan which provides for the teaching*
9 *of students and residents and which is organized and maintained*
10 *by the school of medicine described in subsection 1 or the teaching*
11 *hospital described in subsection 2.*

12 **Sec. 5.** *“Academic medical district” means an academic*
13 *medical district created pursuant to this chapter.*

14 **Sec. 6.** *“Board” means the board of directors of an academic*
15 *medical district.*

16 **Sec. 7.** *“Participating entity” means the board of county*
17 *commissioners of a county or the governing body of an*
18 *incorporated city.*

19 **Sec. 8.** *“Project” means:*

20 *1. An undertaking described in subsection 1 or 2 of*
21 *NRS 278C.140.*

22 *2. A project for any infrastructure or capital project*
23 *necessary or desirable to further the purposes of an academic*
24 *medical district.*

25 **Sec. 9.** *“Provider of health care” has the meaning ascribed*
26 *to it in NRS 629.031.*

27 **Sec. 10.** *The Legislature hereby finds and declares that the*
28 *creation of one or more academic medical districts:*

29 *1. Is essential to:*

30 *(a) Improve access to health care and outcomes of health care*
31 *in this State;*

32 *(b) Increase the access of patients to clinical trials and health*
33 *care provided as a result of clinical trials;*

34 *(c) Identify and address gaps in access to health care and*
35 *health outcomes for minority populations and veterans in this*
36 *State;*

37 *(d) Provide employment opportunities for Nevadans; and*

38 *(e) Develop and diversify the economy of the State.*

39 *2. Will facilitate commerce and economic development in this*
40 *State through:*

41 *(a) Strategic investment in facilities of postsecondary*
42 *educational institutions and programs to increase the number of*
43 *providers of health care in this State; and*

44 *(b) Comprehensive and, where feasible, joint planning,*
45 *development, management and operation of health care facilities*



1 *and supporting infrastructure to facilitate the growth of academic*
2 *medical centers.*

3 **Sec. 11.** *This chapter shall be liberally construed in order to*
4 *facilitate economic development in the State of Nevada and to*
5 *improve access to quality health care for residents of this State.*

6 **Sec. 12.** *1. Subject to the requirements set forth in this*
7 *section and section 13 of this act, an academic medical district*
8 *may be created only in a contiguous area that includes:*

9 (a) *An academic medical center;*

10 (b) *A full-service public hospital with not less than 200*
11 *inpatient beds; and*

12 (c) *At least 50 acres of land.*

13 *2. All areas within the boundaries of an academic medical*
14 *district must be within the boundaries of the county or counties*
15 *and incorporated city or cities, as applicable, of one or more of the*
16 *participating entities which create the academic medical district in*
17 *accordance with section 13 of this act.*

18 **Sec. 13.** *1. One or more participating entities may create an*
19 *academic medical district by ordinance. Such an ordinance must*
20 *include, without limitation:*

21 (a) *A description of the boundaries of the academic medical*
22 *district;*

23 (b) *The location of the principal office of the academic*
24 *medical district;*

25 (c) *The name of the academic medical district; and*

26 (d) *The number of directors who will compose the board of the*
27 *academic medical district pursuant to section 16 of this act.*

28 *2. Before adopting an ordinance creating an academic*
29 *medical district pursuant to subsection 1, a participating entity*
30 *must hold at least three public hearings to solicit input from the*
31 *public concerning the creation of the academic medical district.*

32 *3. A participating entity shall give notice of each hearing*
33 *conducted pursuant to subsection 2 by publication in a newspaper*
34 *published in the county not later than 7 days before the hearing.*
35 *The notice must include, without limitation:*

36 (a) *The date, time and place for the hearing;*

37 (b) *The boundaries of the proposed academic medical district,*
38 *including, without limitation, a map of the proposed academic*
39 *medical district; and*

40 (c) *The powers of the proposed academic medical district.*

41 **Sec. 14.** *1. If an academic medical district is created by one*
42 *participating entity, the participating entity, on behalf of the*
43 *county or incorporated city in which the academic medical district*
44 *is located, may adopt an ordinance creating a tax increment area*
45 *within the academic medical district consisting of all or any*



1 *portion of the academic medical district for the purpose of*
2 *creating a special account for the payment of bonds or securities*
3 *issued or loans, money advanced or indebtedness incurred to*
4 *defray the cost of a project, as supplemented by the Local*
5 *Government Securities Law.*

6 2. *If an academic medical district is created by two or more*
7 *participating entities, the participating entities may enter into an*
8 *interlocal or cooperative agreement for the ordering of a project*
9 *whose boundaries encompass all or part of the academic medical*
10 *district and the creation of the tax increment area and the tax*
11 *increment account pertaining thereto. A tax increment area*
12 *created pursuant to this subsection must be administered as*
13 *provided in the interlocal or cooperative agreement,*
14 *notwithstanding any provision of this section to the contrary. If*
15 *the participating entities enter into an interlocal or cooperative*
16 *agreement pursuant to this subsection, the participating entities*
17 *may, in accordance with the procedures set forth in the interlocal*
18 *or cooperative agreement:*

19 (a) *Jointly take any action required to be taken by a*
20 *participating entity for the creation of a tax increment area*
21 *pursuant to this section, except that each governing body must*
22 *adopt an ordinance in order to create the tax increment area;*

23 (b) *Enter into contracts for the undertaking; and*

24 (c) *Issue bonds or otherwise finance the cost of the*
25 *undertaking.*

26 3. *A participating entity may amend an ordinance creating a*
27 *tax increment area pursuant to this section by adopting a*
28 *supplemental ordinance to:*

29 (a) *Modify the project by specifying new projects or removing*
30 *or modifying projects specified in the original ordinance.*

31 (b) *Except as otherwise provided in this paragraph, add areas*
32 *to or remove areas from a tax increment area. An area may be*
33 *added to the tax increment area only if the participating entity*
34 *finds that the addition of the area to the tax increment area:*

35 (1) *Increases access to clinical trials or clinical research*
36 *within the academic medical district;*

37 (2) *Is necessary to accommodate the expansion of the*
38 *medical school within the academic medical district; or*

39 (3) *Otherwise promotes the purposes of the academic*
40 *medical district related to health care.*

41 (c) *Make such other changes, additions or deletions as the*
42 *governing body determines will further its objectives within the tax*
43 *increment area.*



1 ↳ *The amount of taxes to be allocated to a tax increment account*
2 *pursuant to subsection 6 must be computed separately for the*
3 *original tax increment area and each addition of land thereto.*

4 4. *A participating entity shall not adopt an ordinance creating*
5 *a tax increment area pursuant to this section unless:*

6 (a) *The board has determined that the project described in the*
7 *ordinance is necessary or desirable to further the purposes of the*
8 *academic medical district.*

9 (b) *The participating entity makes a finding at a public*
10 *hearing that the project will benefit the academic medical district.*

11 5. *If the participating entity is not the board of county*
12 *commissioners for the county in which the academic medical*
13 *district is or will be located, the participating entity must, at least*
14 *45 days before making the finding required by subsection 4,*
15 *provide to the board of county commissioners in the county in*
16 *which the academic medical district is or will be located:*

17 (a) *Written notice of the time and place of the meeting at*
18 *which the participating entity will consider making that finding;*
19 *and*

20 (b) *Each analysis prepared by or for or presented to the*
21 *participating entity regarding the fiscal effect of the project and*
22 *the use of any money proposed to be pledged pursuant to section*
23 *22 of this act on the provision of local governmental services.*

24 ↳ *After the receipt of the notice required by this subsection and*
25 *before the date of the meeting at which the participating entity will*
26 *consider making the finding required by subsection 4, the board of*
27 *county commissioners may conduct a hearing regarding the fiscal*
28 *effect on local governmental services, if any, of the project and the*
29 *use of any money proposed to be pledged pursuant to section 22 of*
30 *this act, and may submit to the participating entity any comments*
31 *regarding that fiscal effect. The participating entity may consider*
32 *those comments when making any finding pursuant to*
33 *subsection 4.*

34 6. *After the effective date of the ordinance adopted pursuant*
35 *to subsection 1, any taxes levied upon taxable property in the tax*
36 *increment area each year by or for the benefit of the State, the*
37 *municipality and any public body must be divided as follows:*

38 (a) *That portion of the taxes that would be produced by the*
39 *rate upon which the tax is levied each year by or for each of those*
40 *taxing agencies upon the total sum of the assessed value of the*
41 *taxable property in the tax increment area as shown upon the last*
42 *equalized assessment roll used in connection with the taxation of*
43 *the property by the taxing agency, must be allocated to and when*
44 *collected must be paid into the funds of the respective taxing*



1 agencies as taxes by or for the taxing agencies on all other
2 property are paid.

3 (b) Except as otherwise provided in this section, the portion of
4 the taxes levied each year in excess of the amount determined
5 pursuant to paragraph (a) must be allocated to, and when
6 collected must be paid into, the tax increment account pertaining
7 to the undertaking to pay the bond requirements of loans, money
8 advanced to, or indebtedness, whether funded, refunded, assumed
9 or otherwise, incurred by the municipality to finance or refinance,
10 in whole or in part, the undertaking. Unless the total assessed
11 valuation of the taxable property in the tax increment area exceeds
12 the total assessed value of the taxable property in the area as
13 shown by the last equalized assessment roll referred to in this
14 subsection, all of the taxes levied and collected upon the taxable
15 property in the area must be paid into the funds of the respective
16 taxing agencies. When the loans, advances and indebtedness, if
17 any, and interest thereon, have been paid, all money thereafter
18 received from taxes upon the taxable property in the tax increment
19 area must be paid into the funds of the respective taxing agencies
20 as taxes on all other property are paid.

21 7. The portion of the taxes levied each year in excess of the
22 amount determined pursuant to paragraph (a) of subsection 6
23 which is attributable to any tax rate levied by a taxing agency:

24 (a) To produce revenue in an amount sufficient to make
25 annual repayments of the principal of, and the interest on, any
26 bonded indebtedness that was approved by a majority of the
27 registered voters within the area of the taxing agency voting upon
28 the question, must be allocated to, and when collected must be
29 paid into, the debt service fund of that taxing agency.

30 (b) In excess of any tax rate of that taxing agency applicable to
31 the last taxation of the property before the effective date of the
32 ordinance, if that additional rate was approved by a majority of the
33 registered voters within the area of the taxing agency voting upon
34 the question, must be allocated to, and when collected must be
35 paid into, the appropriate fund of that taxing agency.

36 (c) Pursuant to NRS 387.3285 or 387.3287, if that rate was
37 approved by a majority of the registered voters within the area of
38 the taxing agency voting upon the question, must be allocated to,
39 and when collected must be paid into, the appropriate fund of that
40 taxing agency.

41 (d) For the support of the public schools within a county
42 school district pursuant to NRS 387.195, must be allocated to, and
43 when collected must be paid into, the State Education Fund.

44 8. The provisions of paragraph (a) of subsection 7 include,
45 without limitation, a tax rate approved for bonds of a county



1 school district issued pursuant to NRS 350.020, including, without
2 limitation, amounts necessary for a reserve account in the debt
3 service fund.

4 9. A tax increment area must expire not more than 30 years
5 after the date on which the ordinance which creates the area
6 becomes effective.

7 10. As used in this section, the term "last equalized
8 assessment roll" means the assessment roll in existence on the
9 15th day of March immediately preceding the effective date of the
10 ordinance.

11 **Sec. 15. 1.** If a participating entity wishes to withdraw from
12 an academic medical district with regard to which there is more
13 than one participating entity, the participating entity shall, at least
14 6 months before the date on which the withdrawal would be
15 effective:

16 (a) Adopt an ordinance providing for the withdrawal;

17 (b) Obtain approval from the board; and

18 (c) Give notice to the other participating entity or entities of its
19 intent to withdraw.

20 2. Upon the withdrawal of a participating entity from an
21 academic medical district pursuant to subsection 1:

22 (a) The boundaries of the academic medical district must be
23 adjusted by the other participating entity or entities to comply with
24 the provisions of section 12 of this act; or

25 (b) The academic medical district must be dissolved pursuant
26 to subsection 3 as soon as practicable.

27 3. An academic medical district is dissolved if:

28 (a) The dissolution is approved by the board;

29 (b) Each participating entity agrees to the dissolution;

30 (c) All debts and other liabilities of the academic medical
31 district have been paid or discharged, or adequate provision has
32 been made for the payment of all debts and other liabilities;

33 (d) There are no suits pending against the academic medical
34 district, or adequate provision has been made for the satisfaction
35 of any judgment, order or decree that may be entered against the
36 academic medical district in any pending suit; and

37 (e) The academic medical district has a commitment from
38 another governmental entity to assume jurisdiction of all property
39 of the academic medical district.

40 4. If an academic medical district ceases to meet the
41 requirements of section 12 of this act:

42 (a) The academic medical district continues to exist until the
43 requirements for dissolution prescribed by subsection 3 are met;



1 (b) The board and each participating entity shall make all
2 reasonable efforts to meet the requirements of paragraphs (c), (d)
3 and (e) of subsection 3 as soon as practicable; and

4 (c) As soon as possible after the requirements of paragraphs
5 (c), (d) and (e) of subsection 3 are met:

6 (1) The board shall approve the dissolution; and

7 (2) Each participating entity shall agree to the dissolution.

8 **Sec. 16.** 1. An academic medical district must be governed
9 by a board of directors with an odd-numbered membership set by
10 the participating entity or entities. If there is more than one
11 participating entity, the membership of the board of directors must
12 be agreed to by all of the participating entities. The board of
13 directors must be composed of:

14 (a) One director appointed by each county that is a
15 participating entity, if any;

16 (b) One director appointed by each city that is a participating
17 entity, if any;

18 (c) One director who is a member of the board of hospital
19 trustees of a public hospital located in the academic medical
20 district, selected from a nomination made by that board of hospital
21 trustees; and

22 (d) Any other directors appointed in accordance with this
23 section and as provided in an ordinance adopted by a participating
24 entity pursuant to section 13 of this act, which must include,
25 without limitation, at least one but not more than two directors
26 who are members of the participating entity.

27 2. A director of an academic medical district must work or
28 reside within the boundaries of the participating entity that
29 appoints him or her.

30 3. Except as otherwise provided in this section, the directors
31 of an academic medical district must be appointed to terms of 4
32 years. The terms must be staggered in such a manner that, to the
33 extent possible, the terms of one-half of the directors will expire
34 every 2 years. The initial directors of the academic medical district
35 shall, at the first meeting of the board after their appointment,
36 draw lots to determine which directors will initially serve terms of
37 2 years and which will serve terms of 4 years. A director may be
38 reappointed.

39 4. A vacancy occurring during the term of a director must be
40 filled by the appointing participating entity for the unexpired term
41 as soon as is reasonably practicable.

42 **Sec. 17.** 1. The board shall annually elect a chair and vice
43 chair. The vice chair presides in the absence of the chair.

44 2. The board may elect any other officers that it considers
45 appropriate.



1 3. *Each director serves without compensation and, while*
2 *engaged in the business of the board, is entitled to receive the per*
3 *diem allowance and travel expenses provided for state officers and*
4 *employees generally.*

5 **Sec. 18.** 1. *A majority of the board constitutes a quorum for*
6 *the transaction of business. If a vacancy exists on the board, a*
7 *majority of directors serving on the board constitutes a quorum.*

8 2. *All meetings of a board must be conducted in accordance*
9 *with the provisions of chapter 241 of NRS.*

10 **Sec. 18.5.** *A public hospital located within an academic*
11 *medical district may enter into an agreement to affiliate with a*
12 *publicly or privately owned entity, whether for profit or not for*
13 *profit, to undertake any project within the academic medical*
14 *district. Before becoming effective, any such agreement must be*
15 *approved by the hospital governing board and the board of*
16 *hospital trustees for the public hospital.*

17 **Sec. 19.** 1. *An academic medical district may:*

18 (a) *Act jointly with any other person, private or public, inside*
19 *or outside this State or the United States, in the performance of*
20 *any power or duty under this chapter.*

21 (b) *Enter into an agreement with any person, including,*
22 *without limitation, the United States or any other governmental*
23 *entity, for any purpose of the academic medical district.*

24 (c) *Purchase and pay premiums for insurance of any type in*
25 *an amount considered necessary or advisable by the board.*

26 (d) *Market, advertise and promote the use of any real or*
27 *personal property that the academic medical district constructs,*
28 *owns, leases, operates or maintains.*

29 2. *An academic medical district may not:*

30 (a) *Exercise the power of eminent domain.*

31 (b) *Provide retail utility services or duplicate a service or*
32 *facility of a governmental entity.*

33 (c) *Take any action related to a public hospital within the*
34 *academic medical district that is within the authority of the*
35 *hospital governing board or the board of hospital trustees for*
36 *the public hospital pursuant to chapter 450 of NRS.*

37 **Sec. 20.** 1. *Except as otherwise provided in this subsection,*
38 *an academic medical district shall establish and maintain rates,*
39 *rentals, fees, charges or other compensation that is commercially*
40 *reasonable and nondiscriminatory for the use of the facilities*
41 *owned, constructed, operated or maintained by the academic*
42 *medical district. An academic medical district may not establish*
43 *and maintain rates, rentals, fees, charges or other compensation*
44 *for services provided at a public hospital within the academic*
45 *medical district.*



1 2. *An academic medical district may accept any public or*
2 *private funding, grant or donation.*

3 **Sec. 21.** *The allowed revenue from taxes ad valorem*
4 *determined pursuant to NRS 354.59811 does not apply to an*
5 *academic medical district.*

6 **Sec. 22. 1.** *To defray in whole or in part the cost of any*
7 *project, a participating entity may issue the following securities:*

- 8 (a) *Notes;*
9 (b) *Warrants;*
10 (c) *Interim debentures;*
11 (d) *Bonds; and*
12 (e) *Temporary bonds.*

13 2. *Any net revenues derived from the operation of a project*
14 *supported by the issuance of securities pursuant to this section*
15 *must be pledged for the payment of the securities. The securities*
16 *must be made payable from any such net pledged revenues as the*
17 *bond requirements become due from time to time by the bond*
18 *ordinance, trust indenture or other proceedings that authorize the*
19 *issuance of the securities or otherwise pertain to their issuance.*

20 3. *Securities issued pursuant to this section:*

21 (a) *Must be made payable from tax proceeds accounted for in*
22 *the account maintained by the participating entity pursuant to*
23 *section 14 of this act; and*

24 (b) *May, at the option of the participating entity and if*
25 *otherwise so authorized by law, be made payable from the taxes*
26 *levied by the participating entity against all taxable property*
27 *within the boundaries of the participating entity.*

28 ↳ *A participating entity may also issue general obligation*
29 *securities other than the ones authorized by this chapter that are*
30 *made payable from taxes without also making the securities*
31 *payable from any net pledged revenues or tax proceeds accounted*
32 *for in the account maintained by the participating entity pursuant*
33 *to section 14 of this act.*

34 4. *Any securities payable only in the manner provided in*
35 *either paragraph (a) of subsection 3 or in both subsection 2 and*
36 *paragraph (a) of subsection 3:*

37 (a) *Are special obligations of the participating entity and are*
38 *not in their issuance subject to any debt limitation imposed by law;*

39 (b) *While they are outstanding, do not exhaust the debt*
40 *incurring power of the participating entity; and*

41 (c) *May be issued under the provisions of the Local*
42 *Government Securities Law without any compliance with the*
43 *provisions of NRS 350.020 to 350.070, inclusive, except as*
44 *otherwise provided in the Local Government Securities Law, only*



1 *after the issuance of municipal bonds is approved under the*
2 *provisions of NRS 350.011 to 350.0165, inclusive.*

3 5. *Any securities payable from taxes in the manner provided*
4 *in paragraph (b) of subsection 3, regardless of whether they are*
5 *also payable in the manner provided in paragraph (a) of*
6 *subsection 3 or in both subsection 2 and paragraph (a) of*
7 *subsection 3:*

8 (a) *Are general obligations of the participating entity and are*
9 *in their issuance subject to such debt limitation;*

10 (b) *While they are outstanding, do exhaust the power of the*
11 *participating entity to incur debt; and*

12 (c) *May be issued under the provisions of the Local*
13 *Government Securities Law only after the issuance of municipal*
14 *bonds is approved under the provisions of:*

15 (1) *NRS 350.011 to 350.0165, inclusive; or*

16 (2) *NRS 350.020 to 350.070, inclusive,*

17 *except for the issuance of notes or warrants under the Local*
18 *Government Securities Law that are payable out of the revenues*
19 *for the current year and are not to be funded with the proceeds of*
20 *interim debentures or bonds in the absence of such bond approval*
21 *under the two acts designated in subparagraphs (1) and (2).*

22 **Sec. 23.** *At the request of a participating entity, an academic*
23 *medical district shall report to the participating entity on all issues*
24 *and activities necessary for the administration of the academic*
25 *medical district.*

26 **Sec. 24.** *An action against an academic medical district must*
27 *be brought in the county in which the principal office of the*
28 *academic medical district is located.*

29 **Sec. 25.** *The governing body of a county, city or other*
30 *governmental entity may convey title or rights and easements to*
31 *any real property to an academic medical district to effect any*
32 *purpose of the academic medical district.*

33 **Sec. 26.** NRS 218D.355 is hereby amended to read as follows:

34 218D.355 1. Except as otherwise provided in NRS 360.753,
35 360.754, 360.893 and 360.965, *and section 31 of this act*, any state
36 legislation enacted on or after July 1, 2012, which authorizes or
37 requires the Office of Economic Development to approve any
38 abatement of taxes or increases the amount of any abatement of
39 taxes which the Office is authorized or required to approve:

40 (a) Expires by limitation 10 years after the effective date of that
41 legislation.

42 (b) Does not apply to:

43 (1) Any taxes imposed pursuant to NRS 374.110 and
44 374.111 or 374.190 and 374.191; or

45 (2) Any entity that receives:



1 (I) Any funding from a governmental entity, other than
2 any private activity bonds as defined in 26 U.S.C. § 141; or

3 (II) Any real or personal property from a governmental
4 entity at no cost or at a reduced cost.

5 (c) Requires each recipient of the abatement to submit to the
6 Department of Taxation, on or before the last day of each even-
7 numbered year, a report on whether the recipient is in compliance
8 with the terms of the abatement. The Department of Taxation shall
9 establish a form for the report and may adopt such regulations as it
10 determines to be appropriate to carry out this paragraph. The report
11 must include, without limitation:

12 (1) The date the recipient commenced operation in this State;

13 (2) The number of employees actually employed by the
14 recipient and the average hourly wage of those employees;

15 (3) An accounting of any fees paid by the recipient to the
16 State and to local governmental entities;

17 (4) An accounting of the property taxes paid by the recipient
18 and the amount of those taxes that would have been due if not for
19 the abatement;

20 (5) An accounting of the sales and use taxes paid by the
21 recipient and the amount of those taxes that would have been due if
22 not for the abatement;

23 (6) An accounting of the total capital investment made in
24 connection with the project to which the abatement applies; and

25 (7) An accounting of the total investment in personal
26 property made in connection with the project to which the
27 abatement applies.

28 2. On or before January 15 of each odd-numbered year, the
29 Department of Taxation shall:

30 (a) Based upon the information submitted to the Department of
31 Taxation pursuant to paragraph (c) of subsection 1, prepare a written
32 report of its findings regarding whether the costs of the abatement
33 exceed the benefits of the abatement; and

34 (b) Submit the report to the Director for transmittal to the
35 Legislature.

36 **Sec. 27.** NRS 231.0685 is hereby amended to read as follows:

37 231.0685 The Office shall, on or before January 15 of each
38 odd-numbered year, prepare and submit to the Director of the
39 Legislative Counsel Bureau for transmission to the Legislature a
40 report concerning the abatements from taxation that the Office
41 approved pursuant to NRS 274.310, 274.320, 274.330, 360.750,
42 360.752, 360.753 or 360.754 ~~or~~ *or section 31 of this act*. The report
43 must set forth, for each abatement from taxation that the Office
44 approved during the fiscal years which are 3 fiscal years and 6 fiscal
45 years immediately preceding the submission of the report:



- 1 1. The dollar amount of the abatement;
- 2 2. The location of the business for which the abatement was
- 3 approved;
- 4 3. The value of infrastructure included as an incentive for the
- 5 business;
- 6 4. If applicable, the number of employees that the business for
- 7 which the abatement was approved employs or will employ;
- 8 5. Whether the business for which the abatement was approved
- 9 is a new business or an existing business;
- 10 6. The economic sector in which the business operates, the
- 11 number of primary jobs related to the business, the average wage
- 12 paid to employees of the business and the assessed values of
- 13 personal property and real property of the business;
- 14 7. Any information concerning whether the business for which
- 15 the abatement was approved participates or has participated in a
- 16 program of workforce development, as defined in NRS 231.146,
- 17 implemented by the Executive Director; and
- 18 8. Any other information that the Office determines to be
- 19 useful.

20 **Sec. 28.** NRS 231A.170 is hereby amended to read as follows:

21 231A.170 1. For the purpose of NRS 231A.110, a qualified
22 active low-income community business is limited to those
23 businesses meeting the Small Business Administration size
24 eligibility standards established in 13 C.F.R. §§ 121.101 to 201,
25 inclusive, at the time the qualified low-income community
26 investment is made. A business must be considered a qualified
27 active low-income community business for the duration of the
28 qualified community development entity's investment in, or loan to,
29 the business if the entity reasonably expects, at the time it makes the
30 investment or loan, that the business will continue to satisfy the
31 requirements for being a qualified active low-income community
32 business, other than the Small Business Administration size
33 standards, throughout the entire period of the investment or loan.

34 2. Except as otherwise provided in this subsection, the
35 businesses limited by this section do not include any business that
36 derives or projects to derive 15 percent or more of its annual
37 revenue from the rental or sale of real estate. This exclusion does
38 not apply to a business that is controlled by, or under common
39 control with, another business if the second business:

40 (a) Does not derive or project to derive 15 percent or more of its
41 annual revenue from the rental or sale of real estate; and

42 (b) Is the primary tenant of the real estate leased from the first
43 business.



1 3. Except as otherwise provided in subsection 4, the following
2 businesses are not qualified active low-income community
3 businesses:

4 (a) A business that has received an abatement from taxation
5 pursuant to NRS 274.310, 274.320, 274.330, 360.750, 360.753 or
6 360.754 ~~H~~ *or section 31 of this act.*

7 (b) An entity that has liability for insurance premium tax on a
8 premium tax report filed pursuant to NRS 680B.030.

9 (c) A business engaged in banking or lending.

10 (d) A massage parlor.

11 (e) A bath house.

12 (f) A tanning salon.

13 (g) A country club.

14 (h) A business operating under a nonrestricted license for
15 gaming issued pursuant to NRS 463.170.

16 (i) A liquor store.

17 (j) A golf course.

18 4. A business that has received an abatement from taxation
19 pursuant to NRS 274.310, 274.320, 274.330, 360.750, 360.753 or
20 360.754 *or section 31 of this act* is a qualified active low-income
21 community business if the business elects to waive the abatement
22 and provides written notice of the waiver of the abatement to the
23 Office of Economic Development not later than the due date of the
24 first payment of any tax which would be abated if the abatement
25 became effective. If the business provides the written notice to the
26 Office of Economic Development:

27 (a) Within the period required by this subsection:

28 (1) Any agreement entered into by the business and the
29 Office of Economic Development pursuant to NRS 274.310,
30 274.320, 274.330, 360.750, 360.753 or 360.754 *or section 31 of this*
31 *act* is void; and

32 (2) The Office of Economic Development must forward a
33 copy of the written notice to the Department and each governmental
34 entity or official to whom a copy of the certificate of eligibility for
35 the abatement was forwarded.

36 (b) After the period required by this subsection has expired, the
37 Office of Economic Development must provide written notice to the
38 Department and the business that the abatement has not been waived
39 and the business is not a qualified active low-income community
40 business.

41 **Sec. 29.** NRS 353.207 is hereby amended to read as follows:

42 353.207 1. The Chief shall:

43 (a) Require the Office of Economic Development and the Office
44 of Energy each periodically to conduct an analysis of the relative
45 costs and benefits of each incentive for economic development



1 previously approved by the respective office and in effect during the
2 immediately preceding 2 fiscal years, including, without limitation,
3 any abatement of taxes approved by the Office of Economic
4 Development pursuant to NRS 274.310, 274.320, 274.330, 360.750,
5 360.752, 360.753, 360.754, 360.890, 360.950, 361.0687, 374.357 or
6 701A.210, *or section 31 of this act*, to assist the Governor and the
7 Legislature in determining whether the economic benefits of the
8 incentive have accomplished the purposes of the statute pursuant to
9 which the incentive was approved and warrant additional incentives
10 of that kind;

11 (b) Require each office to report in writing to the Chief the
12 results of the analysis conducted by the office pursuant to paragraph
13 (a); and

14 (c) Establish a schedule for performing and reporting the results
15 of the analysis required by paragraph (a) which ensures that the
16 results of the analysis reported by each office are included in the
17 proposed budget prepared pursuant to NRS 353.205, as required by
18 that section.

19 2. Each report prepared for the Chief pursuant to this section is
20 a public record and is open to inspection pursuant to the provisions
21 of NRS 239.010.

22 **Sec. 30.** NRS 354.59811 is hereby amended to read as
23 follows:

24 354.59811 1. Except as otherwise provided in NRS 244.377,
25 278C.260, 354.59813, 354.59815, 354.59818, 354.5982, 354.5987,
26 354.705, 354.723, 450.425, 450.760, 540A.265 and 543.600, *and*
27 *section 20 of this act*, for each fiscal year beginning on or after
28 July 1, 1989, the maximum amount of money that a local
29 government, except a school district, a district to provide a
30 telephone number for emergencies or a redevelopment agency, may
31 receive from taxes ad valorem, other than those attributable to the
32 net proceeds of minerals or those levied for the payment of bonded
33 indebtedness and interest thereon incurred as general long-term debt
34 of the issuer, or for the payment of obligations issued to pay the cost
35 of a water project pursuant to NRS 349.950, or for the payment of
36 obligations under a capital lease executed before April 30, 1981,
37 must be calculated as follows:

38 (a) The rate must be set so that when applied to the current fiscal
39 year's assessed valuation of all property which was on the preceding
40 fiscal year's assessment roll, together with the assessed valuation of
41 property on the central assessment roll which was allocated to the
42 local government, but excluding any assessed valuation attributable
43 to the net proceeds of minerals, assessed valuation attributable to a
44 redevelopment area and assessed valuation of a fire protection
45 district attributable to real property which is transferred from private



1 ownership to public ownership for the purpose of conservation, it
2 will produce 106 percent of the maximum revenue allowable from
3 taxes ad valorem for the preceding fiscal year, except that the rate so
4 determined must not be less than the rate allowed for the previous
5 fiscal year, except for any decrease attributable to the imposition of
6 a tax pursuant to NRS 354.59813 in the previous year.

7 (b) This rate must then be applied to the total assessed valuation,
8 excluding the assessed valuation attributable to the net proceeds of
9 minerals and the assessed valuation of a fire protection district
10 attributable to real property which is transferred from private
11 ownership to public ownership for the purpose of conservation, but
12 including new real property, possessory interests and mobile homes,
13 for the current fiscal year to determine the allowed revenue from
14 taxes ad valorem for the local government.

15 2. As used in this section, "general long-term debt" does not
16 include debt created for medium-term obligations pursuant to NRS
17 350.087 to 350.095, inclusive.

18 **Sec. 31.** Chapter 360 of NRS is hereby amended by adding
19 thereto a new section to read as follows:

20 *1. An owner of a business that provides health care or*
21 *conducts scientific research and is located within the boundaries*
22 *of an academic medical district or a person who intends to locate*
23 *or expand such a business within the boundaries of an academic*
24 *medical district may apply to the Office of Economic Development*
25 *pursuant to this section for a partial abatement of one or more of:*

26 (a) *The local sales and use taxes imposed on the purchase or*
27 *use of tangible personal property described in section 36 of this*
28 *act.*

29 (b) *The taxes imposed pursuant to chapter 363B of NRS on the*
30 *wages paid by the business to critical medical or scientific*
31 *employees, as defined by regulation of the Office of Economic*
32 *Development.*

33 2. *Notwithstanding the provisions of any law to the contrary*
34 *and except as otherwise provided in subsection 3, the Office of*
35 *Economic Development shall approve an application for a partial*
36 *abatement if the Office makes the following determinations:*

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

40 (1) *Complies with the requirements of NRS 360.755;*

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



1 (3) States that the business will, after the date on which a
2 certificate of eligibility for the partial abatement is issued pursuant
3 to subsection 4, continue in operation within the boundaries of the
4 academic medical district for a period specified by the Office,
5 which must be not less than 5 years, and will continue to meet the
6 eligibility requirements set forth in this subsection; and

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

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

13 (c) The average hourly wage that will be paid by the business
14 to its employees in this State during the period of partial
15 abatement is not less than 125 percent of the average statewide
16 hourly wage as established by the Employment Security Division
17 of the Department of Employment, Training and Rehabilitation on
18 July 1 of each fiscal year;

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

26 (e) If the business is:

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

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

34 (f) The business meets at least one of the following
35 requirements:

36 (1) The business will make a new capital investment of at
37 least \$250,000 within the boundaries of the academic medical
38 district where the business is located within 1 year after receiving
39 a certificate of eligibility for a partial abatement;

40 (2) The business will maintain and possess within the
41 boundaries of the academic medical district where the business is
42 located tangible personal property having a value of not less than
43 \$5,000,000 during the period of partial abatement; or

44 (3) The business develops, refines or owns a patent or other
45 intellectual property; and



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

5 3. *The Office of Economic Development:*

6 (a) *Shall approve or deny an application submitted pursuant to*
7 *this section and notify the applicant of its decision not later than*
8 *45 days after receiving the application.*

9 (b) *Must not:*

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

15 (2) *Approve a partial abatement for any applicant for a*
16 *period of more than 10 years.*

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

21 (a) *The Department; and*

22 (b) *The Nevada Tax Commission.*

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

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

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

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

39 (b) *Operation before the time specified in the agreement*
40 *described in paragraph (a) of subsection 2,*

41 *↳ the business shall repay to the Department the amount of the*
42 *partial abatement that was allowed pursuant to this section before*
43 *the failure of the business to comply unless the Nevada Tax*
44 *Commission determines that the business has substantially*
45 *complied with the requirements of this section. Except as*



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

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

12 *9. The Nevada Tax Commission may adopt such regulations*
13 *as the Commission determines are necessary to carry out the*
14 *provisions of this section.*

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

19 *11. As used in this section:*

20 *(a) "Academic medical district" has the meaning ascribed to it*
21 *in section 5 of this act.*

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

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

31 **Sec. 32.** NRS 360.755 is hereby amended to read as follows:

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

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

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

42 2. If the Department conducts an audit of the business to
43 determine whether the business is in full compliance with the
44 requirements for the abatement or partial abatement, the Department



1 shall, upon request, provide the audit report to the Office of
2 Economic Development.

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

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

8 (b) Is not a public record; and

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

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

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

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

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

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

33 (b) Is not a public record;

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

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

39 **Sec. 33.** NRS 360.757 is hereby amended to read as follows:

40 360.757 1. The Office of Economic Development shall not
41 take any action on an application for any abatement of taxes
42 pursuant to NRS 274.310, 274.320, 274.330, 360.750, 360.753 or
43 360.754 *or section 31 of this act* or any other specific statute unless
44 the Office:



1 (a) Takes that action at a public meeting conducted for that
2 purpose; and

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

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

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

10 (3) The general public.

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

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

16 **Sec. 34.** NRS 360.7575 is hereby amended to read as follows:

17 360.7575 1. If the Office of Economic Development
18 approves an application for an abatement of sales and use taxes
19 pursuant to NRS 360.950 or a partial abatement of any sales and use
20 taxes pursuant to NRS 274.310, 274.320, 274.330, 360.750,
21 360.753, 360.754 or 360.890, *or section 31 of this act*, the
22 Department shall issue to the business a document certifying the
23 abatement or partial abatement which can be presented to retailers at
24 the time of purchase. The document must clearly state that the
25 business is not required to pay sales and use taxes or the rate of sales
26 and use tax that the business is required to pay.

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

44 3. If, after submitting an application for an abatement of sales
45 and use taxes pursuant to NRS 360.950 or a partial abatement of any



1 sales and use taxes pursuant to NRS 360.750, 360.753, 360.754 or
2 360.890 *or section 31 of this act* and before receiving the document
3 issued pursuant to subsection 1, a business pays an amount of sales
4 and use tax for which the business is entitled to an abatement, the
5 business may apply to the Department for a refund of the amount of
6 sales and use tax which the applicant paid for which the business is
7 entitled to an abatement.

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

10 **Sec. 35.** Chapter 363B of NRS is hereby amended by adding
11 thereto a new section to read as follows:

12 *1. An employer that qualifies pursuant to the provisions of*
13 *section 31 of this act is entitled to an abatement of the amount of*
14 *tax otherwise due pursuant to NRS 363B.110.*

15 *2. The abatement must:*

16 *(a) Be for a duration of 10 years; and*

17 *(b) Equal the amount of tax otherwise due pursuant to NRS*
18 *363B.110 on the wages of employees of the business who perform*
19 *services directly related to addressing a critical medical or*
20 *scientific need, as defined by regulations adopted by the Office of*
21 *Economic Development pursuant to section 31 of this act.*

22 *3. If a partial abatement from the taxes otherwise due*
23 *pursuant to NRS 363B.110 is approved by the Office of Economic*
24 *Development pursuant to section 31 of this act, the partial*
25 *abatement must be administered and carried out in the manner set*
26 *forth in that section.*

27 **Sec. 36.** Chapter 374 of NRS is hereby amended by adding
28 thereto a new section to read as follows:

29 *1. A business that provides health care or conducts scientific*
30 *research and is located within the boundaries of an academic*
31 *medical district may, pursuant to section 31 of this act, apply to the*
32 *Office of Economic Development for a partial abatement from the*
33 *taxes imposed by this chapter on the gross receipts from the sale,*
34 *and the storage, use or other consumption, of eligible machinery,*
35 *equipment and supplies for use at the business which has been*
36 *approved for a partial abatement pursuant to section 31 of this act.*

37 *2. If an application for a partial abatement is approved:*

38 *(a) The business is eligible for an abatement from the tax*
39 *imposed by this chapter for a period of 10 years.*

40 *(b) The abatement must be administered and carried out in the*
41 *manner set forth in section 31 of this act.*

42 *3. As used in this section:*

43 *(a) "Academic medical district" has the meaning ascribed to it*
44 *in section 5 of this act.*



1 **(b) “Eligible machinery, equipment and supplies” means**
2 **machinery, equipment and supplies necessary to and specifically**
3 **related to qualified research. The term does not include vehicles,**
4 **buildings or the structural components of buildings.**

5 **(c) “Qualified research” has the meaning ascribed to it in 26**
6 **U.S.C. § 41(d)(1).**

7 **Sec. 36.3.** Chapter 396 of NRS is hereby amended by adding
8 thereto a new section to read as follows:

9 **1. The Board of Regents may enter into an agreement to**
10 **affiliate with a publicly or privately owned entity, whether for**
11 **profit or not for profit, to further promote and enhance an**
12 **educational program or student life at an institution within the**
13 **System.**

14 **2. An agreement entered into pursuant to this section must**
15 **include, without limitation:**

16 **(a) Standards that must be met by the entity;**

17 **(b) An allocation of any costs or profits that must be shared**
18 **between the entity and the institution;**

19 **(c) Identification of shared goals and responsibilities;**

20 **(d) Provisions governing the joint employment and supervision**
21 **of employees, if applicable;**

22 **(e) Provisions governing the shared review and allocation of**
23 **the use of facilities, resources and employees, if applicable; and**

24 **(f) A provision stating that the requirements of NRS 338.020 to**
25 **338.090, inclusive, apply to any construction work performed**
26 **under the agreement even if the construction work does not**
27 **qualify as a public work, as defined in NRS 338.010.**

28 **Sec. 36.7.** NRS 396.255 is hereby amended to read as follows:

29 396.255 The Board of Regents shall, to carry out the purposes
30 of subsection 3 of NRS 281.221, subsection 3 of NRS 281.230,
31 subsection 3 of NRS 281A.430 and NRS 396.1215, **and section**
32 **36.3 of this act**, establish policies governing the contracts that
33 faculty members and employees of the System may enter into or
34 benefit from.

35 **Sec. 37.** The provisions of subsection 1 of NRS 218D.380 do
36 not apply to any provision of this act which adds or revises a
37 requirement to submit a report to the Legislature.

38 **Sec. 38.** Notwithstanding the provisions of NRS 218D.430 and
39 218D.435, a committee may vote on this act before the expiration of
40 the period prescribed for the return of a fiscal note in NRS
41 218D.475. This section applies retroactively from and after May 8,
42 2023.



1 **Sec. 39.** This act becomes effective on July 1, 2023.

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