



Bills Dealing With Tax Abatements & Economic Incentives 2013 Nevada Legislative Session

AB 33 Abatements for Green Buildings (Office of Energy)

Requires county approval of any abatement for green buildings (added upon the request of the speaker) – a county can deny an application for abatement but only if they can show that the services provided to the property will cost the local government more than the revenues received after the abatement, or that the financial benefits gained from the building will not exceed the loss in tax revenue. *A county has 30 days to approve the application or it is deemed approved.* Expands the abatement to include renovations to buildings in addition to new buildings, but limits the duration to 5 years. Expands the systems that can be used to measure “green” building improvements, and increases the rating needed to get the abatement; amends the percentages of taxes abated in relation to the levels of LEED certification.

AB 138 Abatements for Investments in Higher Ed

Businesses that invest \$1 million in research or development at UNR/UNLV/DRI, or \$500,000 in NV State College or another institution in NSHE are eligible for property tax abatements (up to 50%) over 5 years. *Requires approval of the abatement by the county.*

AB 239 Speaker Kirkpatrick’s Renewable Energy Bill

Removes abatements for building transmission lines. Gives counties authority over all renewable energy abatements: *A county has 30 days to approve the application or it is deemed approved.* The county can only deny an application if they can show that the services provided to the project will cost the local government more than the revenues received after the abatement, or that the financial benefits gained from the building will not exceed the loss in tax revenue. This bill also returns to counties a portion of local property taxes from renewable energy projects that were going to fund the state Renewable Energy Fund.

SB 165 Tax Credits for Movies

A movie or film producer may be granted credits against the taxes that they would otherwise pay to the state. These credits can then be sold to others to help finance the project and incentivize shooting movies in Nevada. We worked with the bill sponsor to ensure that all of the taxes abated for movies are state taxes and not local; however the bill sponsor did add a provision to give local governments the option to create an ordinance that grants the project exemptions from local permitting and licensing fees.

AB 1 (was **AB 38 became AB 1 in Special Session) Abatements for New and Existing Businesses (Governors Office on Economic Development)**

Existing law authorizes the Office of Economic Development to grant a partial abatement of property taxes, business taxes and sales and use taxes to a business that locates or expands in this State and meets certain qualifications for the abatement. This

bill reduced the number of employees required to receive an abatement but adds language throughout the abatement statute that the investments must be retained in the city/county of origin for 5 years; increases some requirements that existing recipients of abatements have to meet; decreases the required investment amount for industrial or manufacturing businesses that receive investments; changes requirements for abatements in designated "foreign trade zones"; eliminates deferrals of sales tax for all but investments over \$1million and specifies that they cannot be on mining or gaming equipment, equipment used by a medical facility, or a public utility; establishes abatements on gross receipts in designated underutilized business zones, redevelopment areas, or areas eligible for CDBG grants, and for data centers in these areas up to 15 years; establishes abatements for data centers in underutilized business zones or redevelopment areas for property taxes up to 75% with a required investment of \$1 million.

AB 61 Economic Development/Tax Abatements

Adds a requirement that any business seeking a tax abatement over \$250,000 must seek approval of the Board of Economic Development; abatements below \$250,000 are approved by the GOED Executive Director. Changes the makeup of the Board and laws governing regional economic development authorities. Allows only counties and incorporated cities to be able to apply for money from the State's Catalyst Fund.

AB 333 Cost/Benefit Analysis of Abatements

This bill requires GOED and the Office of Energy to periodically assess and report the costs and benefits of abatements that are in place. These should be reported as part of the proposed state budget for each biennium.