

ASSEMBLY BILL NO. 261—COMMITTEE ON NATURAL RESOURCES

MARCH 7, 2023

Referred to Committee on Revenue

SUMMARY—Revises provisions relating to water. (BDR 18-470)

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 governmental administration; requiring the State Plan for Economic Development to include a statement regarding the efficient use of water resources; requiring a plan submitted by a regional development authority to include water conservation strategies; requiring the Office of Economic Development to conduct a study relating to consumptive water use and economic development; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Existing law creates the Office of Economic Development within the Office of  
2 the Governor and requires the Executive Director of the Office of Economic  
3 Development to develop and periodically revise a State Plan for Economic  
4 Development. (NRS 231.043, 231.053) **Section 1** of this bill requires the Executive  
5 Director to include a statement in the State Plan regarding the manner in which this  
6 State can maximize the efficient use of the water resources of this State through its  
7 economic development programs.

8 Existing law requires each regional development authority to present a plan to  
9 the Executive Director regarding the development and enhancement of certain  
10 recruiting and marketing efforts. (NRS 231.054) **Section 2** of this bill requires such  
11 a plan to also include strategies on conserving the water resources of this State  
12 through such recruiting and marketing efforts.

13 **Section 3** of this bill requires the Office of Economic Development to conduct  
14 a study of consumptive water use and economic development of businesses  
15 receiving certain related abatements and submit a report of its findings and  
16 recommendations for legislation to the Governor and the Director of the Legislative  
17 Counsel Bureau for transmittal to the 83rd Session of the Nevada Legislature.



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

1       **Section 1.** NRS 231.053 is hereby amended to read as follows:

2       231.053 After considering any advice and recommendations of  
3 the Board, the Executive Director:

4       1. Shall direct and supervise the administrative and technical  
5 activities of the Office.

6       2. Shall develop and may periodically revise a State Plan for  
7 Economic Development, which:

8       (a) Must include a statement of:

9       (1) New industries which have the potential to be developed  
10 in this State;

11       (2) The strengths and weaknesses of this State for business  
12 incubation;

13       (3) The competitive advantages and weaknesses of this State;

14       (4) The manner in which this State can leverage its  
15 competitive advantages and address its competitive weaknesses;

16       (5) *The manner in which this State can maximize the*  
17 *efficient use of the water resources of this State through the*  
18 *programs of economic development in this State;*

19       ~~[(5)]~~ (6) A strategy to encourage the creation and expansion  
20 of businesses in this State and the relocation of businesses to this  
21 State; and

22       ~~[(6)]~~ (7) Potential partners for the implementation of the  
23 strategy, including, without limitation, the Federal Government,  
24 local governments, local and regional organizations for economic  
25 development, chambers of commerce, and private businesses,  
26 investors and nonprofit entities; and

27       (b) Must not include provisions for the granting of any  
28 abatement, partial abatement or exemption from taxes or any other  
29 incentive for economic development to a person who will locate or  
30 expand a business in this State that is subject to the tax imposed  
31 pursuant to NRS 362.130 or the gaming license fees imposed by the  
32 provisions of NRS 463.370.

33       3. Shall develop criteria for the designation of regional  
34 development authorities pursuant to subsection 4.

35       4. Shall designate as many regional development authorities  
36 for each region of this State as the Executive Director determines to  
37 be appropriate to implement the State Plan for Economic  
38 Development. In designating regional development authorities, the  
39 Executive Director must consult with local governmental entities  
40 affected by the designation. The Executive Director may, if he or  
41 she determines that such action would aid in the implementation of  
42 the State Plan for Economic Development, remove the designation



1 of any regional development authority previously designated  
2 pursuant to this section and declare void any contract between the  
3 Office and that regional development authority.

4 5. Shall establish procedures for entering into contracts with  
5 regional development authorities to provide services to aid, promote  
6 and encourage the economic development of this State.

7 6. May apply for and accept any gift, donation, bequest, grant  
8 or other source of money to carry out the provisions of NRS  
9 231.020 to 231.139, inclusive, and 231.1555 to 231.1597, inclusive.

10 7. May adopt such regulations as may be necessary to carry out  
11 the provisions of NRS 231.020 to 231.139, inclusive, and 231.1555  
12 to 231.1597, inclusive.

13 8. In a manner consistent with the laws of this State, may  
14 reorganize the programs of economic development in this State to  
15 further the State Plan for Economic Development. If, in the opinion  
16 of the Executive Director, changes to the laws of this State are  
17 necessary to implement the economic development strategy for this  
18 State, the Executive Director must recommend the changes to the  
19 Governor and the Legislature.

20 **Sec. 2.** NRS 231.054 is hereby amended to read as follows:

21 231.054 Each regional development authority shall present a  
22 plan to the Executive Director ~~[regarding]~~ *that includes* the  
23 development and enhancement of a recruiting and marketing effort  
24 to attract professionals and businesses to the region of this State  
25 served by the regional development authority ~~[ ]~~ *and strategies to*  
26 *encourage the conservation of the water resources of this State*  
27 *through such effort.* The Executive Director shall consider any plan  
28 presented pursuant to this section in carrying out the provisions of  
29 NRS 231.053.

30 **Sec. 3.** 1. The Office of Economic Development shall  
31 conduct a study during the 2023-2024 interim relating to  
32 consumptive water use and economic development of businesses  
33 receiving certain abatements pursuant to NRS 360.750.

34 2. The study must include, without limitation, a review of:

35 (a) The amount of consumptive water use per primary job  
36 created under NRS 360.750 organized by the economic sector in  
37 which the business related to the job operates;

38 (b) Any consumptive water analysis conducted by businesses for  
39 measurement of consumptive water use over the duration for which  
40 the abatement or partial abatement of certain property taxes is  
41 granted;

42 (c) Financial incentives that encourage companies to manage  
43 water efficiently; and



1 (d) Programs that are mutually beneficial for new businesses  
2 and the State that reduce water risks and operating costs related to  
3 economic development.

4 3. In conducting the study, the Office shall consult with and  
5 solicit input from persons and organizations with relevant expertise,  
6 including, without limitation:

- 7 (a) Institutions of higher education;
- 8 (b) Nonprofit organizations;
- 9 (c) Private industry and chambers of commerce;
- 10 (d) Regional development authorities; and
- 11 (e) Water authorities.

12 4. In carrying out its duties pursuant to this section, the Office  
13 may enter into contracts necessary to complete the study conducted  
14 pursuant to subsection 1.

15 5. On or before September 1, 2024, the Office shall submit a  
16 report of the results of the study conducted pursuant to subsection 1  
17 and any recommendations for legislation to the Governor and the  
18 Director of the Legislative Counsel Bureau for transmittal to the  
19 83rd Session of the Nevada Legislature.

20 **Sec. 4.** This act becomes effective on July 1, 2023.

