

ASSEMBLY BILL NO. 329—ASSEMBLYMAN C.H. MILLER

MARCH 17, 2023

Referred to Committee on Revenue

SUMMARY—Revises provisions governing workforce development. (BDR 32-632)

FISCAL NOTE: Effect on Local Government: No.  
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 workforce development; revising the eligibility requirements for transferable tax credits for film and other productions; requiring the Director of the Department of Corrections to establish and carry out a program to train and employ offenders in trades related to certain qualified productions relating to stage, film and television; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Existing law requires the Director of the Department of Corrections: (1) to the  
2 greatest extent practicable, approximate the normal conditions of training and  
3 employment in the community; and (2) with certain exceptions, require each  
4 offender to spend 40 hours each week in vocational training or employment. (NRS  
5 209.461) **Section 2** of this bill requires the Director to establish and carry out a  
6 program to train and employ offenders in trades related to certain qualified  
7 productions relating to stage, film and television.

8 Existing law establishes a program for the issuance of transferable tax credits  
9 by the Office of Economic Development to the producer of a qualified production.  
10 (NRS 360.758-360.7598) Existing law sets forth various requirements for a  
11 production company to be eligible for such transferable tax credits. (NRS 360.759)  
12 **Section 1** of this bill requires that a production company also enter into a written  
13 agreement with the Office that requires the production company to: (1) establish  
14 and carry out a program, in cooperation with any union that represents a trade  
15 related to such qualified productions, to train Nevada residents in trades related to  
16 qualified productions; or (2) employ offenders who participate in the program  
17 created by the Director of the Department of Corrections pursuant to **section 2**.



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

1       **Section 1.** NRS 360.759 is hereby amended to read as follows:

2       360.759 1. A production company that produces a qualified  
3 production in this State in whole or in part may apply to the Office  
4 of Economic Development for a certificate of eligibility for  
5 transferable tax credits for any qualified direct production  
6 expenditures. The transferable tax credits may be applied to:

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

8       (b) The gaming license fees imposed by the provisions of  
9 NRS 463.370;

10       (c) Any tax imposed pursuant to chapter 680B of NRS; or

11       (d) Any combination of the fees and taxes described in  
12 paragraphs (a), (b) and (c).

13       2. The Office may approve an application for a certificate of  
14 eligibility for transferable tax credits if the Office finds that the  
15 production company producing the qualified production qualifies for  
16 the transferable tax credits pursuant to subsection 3. If the Office  
17 approves the application, the Office shall calculate the estimated  
18 amount of the transferable tax credits pursuant to NRS 360.7592,  
19 360.7593 and 360.7594.

20       3. To be eligible for transferable tax credits pursuant to this  
21 section, a production company must:

22       (a) Submit an application that meets the requirements of  
23 subsection 4;

24       (b) Provide proof satisfactory to the Office that the qualified  
25 production is in the economic interest of the State;

26       (c) Provide proof satisfactory to the Office that 70 percent or  
27 more of the funding for the qualified production has been obtained;

28       (d) Provide proof satisfactory to the Office that at least 60  
29 percent of the direct production expenditures for:

30           (1) Preproduction;

31           (2) Production; and

32           (3) If any direct production expenditures for postproduction  
33 will be incurred in this State, postproduction,

34       ↪ of the qualified production will be incurred in this State as  
35 qualified direct production expenditures;

36       (e) Not later than 270 days after the completion of principal  
37 photography of the qualified production or, if any direct production  
38 expenditures for postproduction will be incurred in this State, not  
39 later than 270 days after the completion of postproduction, unless  
40 the Office agrees to extend this period by not more than 90 days,  
41 provide the Office with an audit of the qualified production that



1 includes an itemized report of qualified direct production  
2 expenditures which:

3 (1) Shows that the qualified production incurred qualified  
4 direct production expenditures of \$500,000 or more; and

5 (2) Is certified by an independent certified public accountant  
6 in this State who is approved by the Office;

7 (f) Pay the cost of the audit required by paragraph (e);

8 (g) Enter into a written agreement with the Office that requires  
9 the production company to include:

10 (1) In the end screen credits of the qualified production, a  
11 logo of this State provided by the Office which indicates that the  
12 qualified production was filmed or otherwise produced in Nevada;  
13 or

14 (2) If the qualified production does not have end screen  
15 credits, another acknowledgement in the final version of the  
16 qualified production which indicates that the qualified production  
17 was filmed or otherwise produced in Nevada; ~~and~~

18 (h) *Enter into a written agreement with the Office that requires*  
19 *the production company to:*

20 (1) *Establish and carry out a program, in cooperation with*  
21 *any union that represents a trade related to qualified productions,*  
22 *to train Nevada residents in trades related to qualified*  
23 *productions; or*

24 (2) *Employ offenders who participate in the program*  
25 *established pursuant to section 2 of this act on the qualified*  
26 *production; and*

27 (i) Meet any other requirements prescribed by regulation  
28 pursuant to this section.

29 4. An application submitted pursuant to subsection 3 must  
30 contain:

31 (a) A script, storyboard or synopsis of the qualified production;

32 (b) The names of the production company, producer, director  
33 and proposed cast;

34 (c) An estimated timeline to complete the qualified production;

35 (d) A summary of the budgeted expenditures for the entire  
36 production, including projected expenditures to be incurred outside  
37 of Nevada;

38 (e) Details regarding the financing of the project, including,  
39 without limitation, any information relating to a binding financing  
40 commitment, loan application, commitment letter or investment  
41 letter;

42 (f) An insurance certificate, binder or quote for general liability  
43 insurance of \$1,000,000 or more;

44 (g) The business address of the production company;



1 (h) Proof that the qualified production meets any applicable  
2 requirements relating to workers' compensation insurance;

3 (i) Proof that the production company has secured all licenses  
4 and registrations required to do business in each location in this  
5 State at which the qualified production will be produced; and

6 (j) Any other information required by regulations adopted by the  
7 Office pursuant to subsection 8.

8 5. If the Office approves an application for a certificate of  
9 eligibility for transferable tax credits pursuant to this section, the  
10 Office shall immediately forward a copy of the certificate of  
11 eligibility which identifies the estimated amount of the tax credits  
12 available pursuant to NRS 360.7592 to:

13 (a) The applicant;

14 (b) The Department; and

15 (c) The Nevada Gaming Control Board.

16 6. Within 60 business days after receipt of an audit provided by  
17 a production company pursuant to paragraph (e) of subsection 3 and  
18 any other accountings or other information required by the Office,  
19 the Office shall determine whether to certify the audit and make a  
20 final determination of whether a certificate of transferable tax  
21 credits will be issued. If the Office certifies the audit, determines  
22 that all other requirements for the transferable tax credits have been  
23 met and determines that a certificate of transferable tax credits will  
24 be issued, the Office shall notify the production company that the  
25 transferable tax credits will be issued. Within 30 days after the  
26 receipt of the notice, the production company shall make an  
27 irrevocable declaration of the amount of transferable tax credits that  
28 will be applied to each fee or tax set forth in subsection 1, thereby  
29 accounting for all of the credits which will be issued. Upon receipt  
30 of the declaration, the Office shall issue to the production company  
31 a certificate of transferable tax credits in the amount approved by  
32 the Office for the fees or taxes included in the declaration of the  
33 production company. The production company shall notify the  
34 Office upon transferring any of the transferable tax credits. The  
35 Office shall notify the Department and the Nevada Gaming Control  
36 Board of all transferable tax credits issued, segregated by each fee  
37 or tax set forth in subsection 1, and the amount of any transferable  
38 tax credits transferred.

39 7. An applicant for transferable tax credits pursuant to this  
40 section shall, upon the request of the Executive Director of the  
41 Office, furnish the Executive Director with copies of all records  
42 necessary to verify that the applicant meets the requirements of  
43 subsection 3.

44 8. The Office:

45 (a) Shall adopt regulations prescribing:



1 (1) Any additional requirements to receive transferable tax  
2 credits;

3 (2) Any additional qualified expenditures or production costs  
4 that may serve as the basis for transferable tax credits pursuant to  
5 NRS 360.7591;

6 (3) Any additional information that must be included with an  
7 application pursuant to subsection 4;

8 (4) The application review process;

9 (5) Any type of qualified production which, due to obscene  
10 or sexually explicit material, is not eligible for transferable tax  
11 credits; and

12 (6) The requirements for notice pursuant to NRS 360.7595;  
13 and

14 (b) May adopt any other regulations that are necessary to carry  
15 out the provisions of NRS 360.758 to 360.7598, inclusive.

16 9. The Nevada Tax Commission and the Nevada Gaming  
17 Commission:

18 (a) Shall adopt regulations prescribing the manner in which  
19 transferable tax credits will be administered.

20 (b) May adopt any other regulations that are necessary to carry  
21 out the provisions of NRS 360.758 to 360.7598, inclusive.

22 **Sec. 2.** Chapter 209 of NRS is hereby amended by adding  
23 thereto a new section to read as follows:

24 *1. The Director shall establish and carry out a program to*  
25 *train and employ offenders in trades related to qualified*  
26 *productions.*

27 *2. In establishing the program pursuant to subsection 1 the*  
28 *Director may request the cooperation of:*

29 *(a) Any union that represents a trade related to qualified*  
30 *productions; and*

31 *(b) The Office of Economic Development within the Office of*  
32 *the Governor.*

33 *3. As used in this section, "qualified production" has the*  
34 *meaning ascribed to it in NRS 360.7586.*

35 **Sec. 3.** This act becomes effective on July 1, 2023.







