

(Reprinted with amendments adopted on May 30, 2023)

FIRST REPRINT

S.B. 496

SENATE BILL NO. 496—SENATORS LANGE, PAZINA, DALY, SPEARMAN,
KRASNER; DONATE, HAMMOND AND SEEVERS GANSERT

MAY 11, 2023

JOINT SPONSOR: ASSEMBLYMAN C.H. MILLER

Referred to Committee on Revenue and Economic Development

SUMMARY—Revises provisions relating to the film industry.
(BDR S-1039)

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 economic development; enacting the Nevada Film Studio Infrastructure Act; requiring the Office of Economic Development to enter into a development agreement with the Las Vegas Media Campus Project and the Summerlin Production Studios Project to establish certain development and investment criteria for the development of infrastructure for the production of motion picture and other qualified productions; authorizing a production company located at the Las Vegas Media Campus Project or the Summerlin Production Studios Project to apply to the Office of Economic Development for film infrastructure transferable tax credits for qualified productions produced at the sites of the Projects; enacting provisions governing the eligibility for and calculation of film infrastructure transferable tax credits for qualified productions produced at the Projects; revising provisions relating to noninfrastructure transferable tax credits for motion picture and other qualified productions; authorizing an additional amount of noninfrastructure transferable tax credits; establishing the Board for Nevada Film, Media and Related Technology Education and Vocational Training and the Account for Nevada Film, Media and Related Technology Education and Vocational Training; providing for the distribution of money from the Account to certain entities and organizations that provide education and vocational training for workforce development for the production of qualified productions in this State; and providing other matters properly relating thereto.



* S B 4 9 6 R 1 *

Legislative Counsel's Digest:

1 Existing law establishes a program for the issuance of transferable tax credits
2 by the Office of Economic Development to the production company of a motion
3 picture or other qualified production, based upon qualified direct production
4 expenditures made for the purchase of personal property or services from a Nevada
5 business. (NRS 360.758-360.7598) This bill revises provisions governing these
6 transferable tax credits and enacts the Nevada Film Studio Infrastructure Act to
7 authorize film infrastructure transferable tax credits for qualified productions
8 produced at the site of the Las Vegas Media Campus Project and the Summerlin
9 Production Studios Project.

10 **Sections 1-19** of this bill enact the Nevada Film Studio Infrastructure Act,
11 which provides film infrastructure transferable tax credits for production companies
12 located within: (1) the Las Vegas Media Campus Project, which is a proposed
13 development located at the Harry Reid Research and Technology Park on the
14 University of Nevada, Las Vegas campus, and which is also referred to as Zone 1;
15 and (2) the Summerlin Production Studios Project, which is also referred to as Zone

16 **2. Sections 1-19** allocate a specified amount of transferable tax credits for qualified
17 productions produced within each of these Zones. **Section 10** of this bill requires
18 the Office of Economic Development to enter into a development agreement with
19 the lead participant of each Project to establish certain investment and development
20 criteria that the Projects are required to satisfy in exchange for production
21 companies located at the Projects to be eligible for film infrastructure transferable
22 tax credits. **Section 11** of this bill authorizes the lead participant of each Project to:
23 (1) elect, not later than 24 months after the execution of a development agreement
24 with the Office, whether a production company must obtain the approval of the lead
25 participant before applying for film infrastructure transferable tax credits; and (2)
26 change that election at certain intervals. **Section 12** of this bill: (1) authorizes
27 production companies located at each Project to apply to the Office for film
28 infrastructure transferable tax credits for qualified productions produced at the
29 Project; (2) establishes the date on which those production companies are
30 authorized to begin applying for film infrastructure transferable tax credits; and (3)
31 authorizes such credits to be used against the modified business tax, insurance
32 premium tax or gaming license fee, or any combination of these taxes and fees.

33 **Sections 13 and 15** of this bill establish the production expenditures which are the
34 basis for calculating the amount of film infrastructure transferable tax credits.

35 **Section 14** of this bill provides that the base amount of film infrastructure
36 transferable tax credits is 30 percent of the amount of qualified direct production
37 expenditures calculated under **sections 13 and 15**. Under **section 12**, the amount of
38 film infrastructure transferable tax credits issued for a qualified production is
39 reduced by 10 percent of the amount of the credits issued and an amount of money
40 equal to the amount of that reduction must be transferred to the Account for Nevada
41 Film, Media and Related Technology Education and Vocational Training created
42 by **section 30** of this bill. **Section 16** of this bill: (1) limits the total amount of film
43 infrastructure transferable tax credits issued pursuant to **sections 1-19**; (2)
44 authorizes the lead participant of each Project to establish exceptions to certain
45 limits on the amount of film infrastructure transferable tax credits for a single
46 qualified production at that Project; and (3) prohibits the approval of application for
47 film infrastructure transferable tax credits if the application is submitted in a fiscal
48 year that begins at least 20 years after the Las Vegas Media Campus Project
49 becomes eligible to apply for film infrastructure transferable tax credits or June 30,
50 2048, if the Las Vegas Media Campus Project does not become eligible for the film
51 infrastructure transferable tax credits. **Section 17** of this bill requires the Executive
52 Director of the Office to approve applications for film infrastructure transferable
53 tax credits if the production company submitting the application is eligible for such



54 credits. **Section 19** of this bill requires certain reports to be made to the Legislature
55 concerning film infrastructure transferable tax credits.

56 **Sections 20-23** of this bill make various changes to the existing law governing
57 the noninfrastructure transferable tax credits for motion and other productions.
58 (NRS 360.758-360.7598) **Section 20** of this bill: (1) provides that digital media
59 productions are qualified productions for the purposes of eligibility for film
60 infrastructure transferable tax credits and noninfrastructure transferable tax credits;
61 and (2) clarifies that media productions solely produced for social media are not
62 eligible for such transferable tax credits. **Section 21** of this bill: (1) provides for the
63 amount of noninfrastructure transferable tax credits issued for a qualified
64 production to be reduced by 10 percent of the amount of transferable tax credits
65 issued; and (2) requires the transfer of the amount of that reduction to the Account
66 for Nevada Film, Media and Related Technology Education and Vocational
67 Training created by **section 30**. **Section 22** of this bill increases the base amount of
68 transferable tax credits from 15 percent of the qualified direct production
69 expenditures to 30 percent of the qualified direct production expenditures, subject
70 to the transfer of money in an amount equal to 10 percent of any credits issued to a
71 production company to the Account for Nevada Film, Media and Related
72 Technology Education and Vocational Training. **Section 23** of this bill temporarily
73 increases from \$10,000,000 to \$15,000,000 the total amount of noninfrastructure
74 transferable tax credits for motion picture and other qualified productions that may
75 be issued under the existing program for each fiscal year beginning on or after
76 July 1, 2023, until June 30, 2043.

77 **Sections 25-32** of this bill establish a program to provide grants to certain
78 organizations that provide education and vocational training for workforce
79 development in the production of motion pictures and other qualified productions.
80 **Section 30** establishes the Account for Nevada Film, Media and Related
81 Technology Education and Vocational Training for the purpose of allocating
82 money to certain entities and organizations that provide education and vocational
83 training for such workforce development. **Sections 12 and 21** require the transfer
84 of certain money to the Account. Under **section 30**, money in the Account does not
85 revert at the end of a fiscal year and must be carried forward for expenditure in the
86 next fiscal year. **Section 30** requires the allocation of 45 percent of the money
87 transferred to the Account to the Nevada Media Lab established at the Las Vegas
88 Media Campus Project for the operation and overhead costs of the Nevada Media
89 Lab and the allocation of the remaining money transferred to the Account to
90 educational and vocational training organizations for programs for workforce
91 development for the production of qualified productions in this State. **Section 31** of
92 this bill establishes and provides for the composition of the Board for Nevada Film,
93 Media and Related Technology Education and Vocational Training within the
94 Office of Economic Development. **Section 32** of this bill: (1) requires the Board to
95 establish procedures for applying for a grant from the Account and the criteria to be
96 used to determine whether to make a grant to an applicant; and (2) prohibits the
97 making of a grant from the Account unless the Board approves the application for
98 the grant.

99 **Section 36** of this bill provides for the expiration of the provisions of this bill.

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

1 **Section 1.** This act may be cited as the Nevada Film Studio
2 Infrastructure Act.



1 **Sec. 2.** 1. The Legislature hereby finds and declares that:

2 (a) The Las Vegas Metropolitan Area is the largest metropolitan
3 area in this State and has sites available to be developed to create
4 large-scale facilities for the location of companies that produce
5 motion pictures and other qualified production in this State, which
6 will create jobs in that industry in this State and diversity the
7 economy of this State.

8 (b) Because the Las Vegas Metropolitan Area is the only area in
9 this State that is appropriate and suitable for the development of
10 large-scale projects to develop large-scale facilities for the location
11 of companies that produce motion pictures and other qualified
12 productions and has all the special attributes, conditions and
13 resources that are essential to support such facilities, it is necessary
14 to enact a law of local and special application to promote, develop
15 and secure the advantages of the local and special characteristics
16 and circumstances within the Las Vegas Metropolitan Area, which
17 are found nowhere else in this State, and to benefit the residents of
18 the Las Vegas Metropolitan Area.

19 (c) Therefore, given that a law of local and special application is
20 necessary to promote, develop and secure the advantages of the
21 local and special characteristics and circumstances within the Las
22 Vegas area, which are found nowhere else within this State, and
23 given that such a law is necessary to benefit the residents of that
24 local and special area, a general law cannot be made applicable to
25 the purposes, objects, powers, rights, privileges, immunities,
26 liabilities, duties and disabilities set forth in this act.

27 2. The Legislature further finds and declares that as a result of
28 the construction of large-scale facilities for the production of motion
29 pictures and other qualified productions in this State and the direct,
30 indirect and induced economic benefits of such productions in this
31 State, the enactment of this act will achieve a bona fide social or
32 economic purpose and the economic benefits of the issuance of the
33 transferable tax credits to encourage the location of large-scale
34 facilities for the production of motion picture and other qualified
35 productions are expected to exceed any adverse effect of the
36 transferable tax credits on the revenue raised for the provision of
37 services to the public by the State or a local government.

38 **Sec. 3.** As used in sections 1 to 19, inclusive, of this act,
39 unless the context otherwise requires, the words and terms defined
40 NRS 360.7581 to 360.7586, inclusive, have the meanings ascribed
41 to them in those sections and the words and terms defined in
42 sections 4 to 9, inclusive, of this act have the meanings ascribed to
43 them in those sections.

44 **Sec. 4.** "Capital investment" means all costs and expenses
45 incurred by the participants in the Las Vegas Media Campus Project



1 or the Summerlin Production Studios Project, as applicable, only in
2 connection with the acquisition, construction, installation and
3 equipping of the infrastructure at the Project for the production of
4 qualified productions at the Project.

5 **Sec. 5.** “Las Vegas Media Campus Project” or “Zone 1”
6 means a real estate development project undertaken by a business or
7 group of businesses that is:

8 1. Located at the Harry Reid Research and Technology Park on
9 the University of Nevada, Las Vegas campus and land contiguous
10 to, and including all land within, the Park; and

11 2. A development consisting of a site that integrates at one site
12 various components for the production of qualified productions,
13 including, without limitation, film and television production studios
14 with multiples soundstages and support facilities, sites for the
15 creation of content for qualified productions and the Nevada Media
16 Lab.

17 **Sec. 6.** “Lead participant” means the person designated by the
18 participants in the Las Vegas Media Campus Project or the
19 Summerlin Production Studios Project, as applicable, as the lead
20 participant for that Project.

21 **Sec. 7.** “Nevada Media Lab” means a site within the Las
22 Vegas Media Campus Project that will connect the Project with
23 organizations in this State that provide vocational training and
24 education for the development of a trained workforce for the
25 production of qualified productions in this State. Participants in the
26 Nevada Media Lab may include, without limitation, universities,
27 colleges, community colleges, school districts, private schools,
28 charter schools, secondary schools, elementary schools, media-
29 related vocational school programs, hospitality workers, veterans
30 organizations and other entities, organizations and persons that seek
31 or provide vocational training and education.

32 **Sec. 8.** “Office” means the Office of Economic Development
33 within the Office of the Governor.

34 **Sec. 9.** “Summerlin Production Studios Project” or “Zone 2”
35 means the real property burdened by the following development
36 agreements and owned by the master developer under such
37 development agreements or such master developer’s affiliated
38 entities:

39 1. Development Agreement between the Clark County and
40 Howard Hughes Properties, Limited Partnership dated February 7,
41 1996, as amended, and recorded on September 4, 1996, in Book
42 960904 as Instrument No. 01725 and re-recorded on September 10,
43 1996, in Book 960910 as Instrument No. 01379 in the official
44 records of the Clark County, Nevada Recorder’s Office.



1 2. Development Agreement between the City of Las Vegas and
2 Howard Hughes Properties, Limited Partnership, recorded on
3 November 21, 1997, in book 971121 as Instrument No. 00839, as
4 amended, in the official records of the Clark County, Nevada
5 Recorder's Office.

6 **Sec. 10.** 1. Not later than 120 days after July 1, 2023, the
7 Office of Economic Development shall enter into a development
8 agreement with:

9 (a) The lead participant of the Las Vegas Media Campus
10 Project, which is also known as Zone 1. The development
11 agreement entered into pursuant to this paragraph:

12 (1) Except as otherwise provided in subsection 2, must
13 require the Las Vegas Media Campus Project to make a total new
14 capital investment in this State of:

15 (I) At least \$200,000,000, including the cost of any land
16 acquired for the project and the cost equivalent of land subject to a
17 ground lease, by December 31, 2027; and

18 (II) At least a cumulative total, including the amount
19 described in sub-subparagraph (I) of \$500,000,000 by December 31,
20 2029;

21 (2) Must establish the minimum amount of square feet of
22 building space at the Las Vegas Media Campus Project to be used
23 for the various components of the production of qualified
24 productions and require the Las Vegas Media Campus Project to
25 include within that space the Nevada Media Lab;

26 (3) Must establish the minimum number of acres of
27 contiguous real property that will be a part of the Las Vegas Media
28 Campus Project; and

29 (4) May include such other provisions, not inconsistent with
30 law, concerning the development of the Las Vegas Media Campus
31 Project and the issuance of film infrastructure transferable tax
32 credits pursuant to sections 1 to 19, inclusive, of this act, as agreed
33 to by the Office and the lead participant of the Las Vegas Media
34 Campus Project.

35 (b) The lead participant of the Summerlin Production Studios
36 Project, which is also known as Zone 2. The development
37 agreement entered into pursuant to this paragraph must:

38 (1) Except as otherwise provided in subsection 2, require the
39 Summerlin Production Studios Project to:

40 (I) Complete construction of a development for the
41 production of qualified productions at the site of the Summerlin
42 Production Studios Project, which consists of a new capital
43 investment in this State of at least \$150,000,000, by December 31,
44 2027; and



1 (II) Complete construction of a second phase of a
2 development for the production of qualified productions at the site
3 of the Summerlin Production Studios Project, which consists of a
4 new capital investment in this State of at least \$250,000,000 in
5 addition to the new capital investment described in sub-
6 subparagraph (I), resulting in a cumulative new capital investment
7 in this State of \$400,000,000, by December 31, 2029;

8 (2) Must establish the minimum amount of square feet of
9 building space at the Summerlin Production Studios Project to be
10 used for the various components of the production of qualified
11 productions;

12 (3) Must establish the minimum number of acres of
13 contiguous real property that will be a part of the Summerlin
14 Production Studios Project; and

15 (4) May include such other provisions, not inconsistent with
16 law, concerning the development of the Summerlin Production
17 Studios Project and the issuance of film infrastructure transferable
18 tax credits pursuant to sections 3 to 19, inclusive, of this act, as
19 agreed to by the Office and the lead participant of the Summerlin
20 Production Studios Project.

21 2. As the Executive Director of the Office deems necessary or
22 advisable, the Executive Director may modify any requirement set
23 forth in subparagraph (1) of paragraph (a) of subsection 1 or
24 subparagraph (1) of paragraph (b) of subsection 1 by extending the
25 date by which the capital investment set forth in those provisions
26 must be made.

27 3. The Office shall not approve any abatement, partial
28 abatement or exemption from taxes or any other incentive for
29 economic development, other than film infrastructure transferable
30 tax credits pursuant to sections 1 to 19, inclusive, of this act or
31 noninfrastructure transferable tax credits pursuant to NRS 360.758
32 to 360.7598, inclusive, for a Project if that Project has entered into a
33 development agreement with the Office pursuant to this section.

34 **Sec. 11.** 1. Not later than 24 months after the date on which
35 a development agreement is executed pursuant to section 10 of this
36 act, the lead participant of the Las Vegas Media Campus Project and
37 the lead participant of the Summerlin Production Studios Project
38 shall each make an election for the lead participant's Project of
39 whether a production company located at the site of the lead
40 participant's Project must obtain the approval of the lead participant
41 before applying for film infrastructure transferable tax credits
42 pursuant to section 12 of this act. An election made pursuant to this
43 subsection is binding on the Project for 5 years after the date on
44 which the election is made. Within 30 days after the date which is 5
45 years after the date on which the initial election is made pursuant to



1 this subsection, and every 5 years thereafter, the lead participant of
2 the Las Vegas Media Campus Project or the Summerlin Production
3 Studios Project, as applicable, may change the election made for the
4 Project pursuant to this subsection.

5 2. If the lead participant of the Las Vegas Media Campus
6 Project or the lead participant of the Summerlin Production Studios
7 Project makes an election pursuant to subsection 1 that a production
8 company located at the site of the lead participant's Project must
9 obtain the approval of the lead participant before applying for film
10 infrastructure transferable tax credits pursuant to section 12 of this
11 act for the lead participant's Project, a production company located
12 at the Project must obtain that approval before applying for film
13 infrastructure transferable tax credits pursuant to section 12 of this
14 act. A production company may apply for film infrastructure
15 transferable tax credits pursuant to section 12 of this act without
16 obtaining the approval of the lead participant for the Project at
17 which the production company is located if the lead participant of
18 that Project has not made an election pursuant to subsection 1 that a
19 production company located at the site of the lead participant's
20 Project must obtain the approval of the lead participant before
21 applying for film infrastructure transferable tax credits pursuant to
22 section 12 of this act.

23 **Sec. 12.** 1. Beginning on the date on which the Las Vegas
24 Media Campus Project satisfies the criteria set forth in sub-
25 subparagraph (I) of subparagraph (1) of paragraph (a) of subsection
26 1 of section 10 of this act, a production company that is located at
27 the Las Vegas Media Campus Project and that produces, in whole or
28 in part, a qualified production at the Las Vegas Media Campus
29 Project, may apply to the Office of Economic Development for a
30 certificate of eligibility for film infrastructure transferable tax
31 credits for any qualified direct production expenditures. The film
32 infrastructure transferable tax credits may be applied to:

- 33 (a) Any tax imposed by chapters 363A and 363B of NRS;
- 34 (b) The gaming license fees imposed by the provisions of
35 NRS 463.370;
- 36 (c) Any tax imposed by chapter 680B of NRS; or
- 37 (d) Any combination of the fees and taxes described in
38 paragraphs (a), (b) and (c).

39 2. Beginning at the time that the Summerlin Production Studios
40 Project executes a development agreement pursuant to section 10 of
41 this act, a production company that is located at the Summerlin
42 Production Studios Project and that produces, in whole or in part, a
43 qualified production at the Summerlin Production Studios Project,
44 may apply to the Office of Economic Development for a certificate
45 of eligibility for film infrastructure transferable tax credits for any



1 qualified direct production expenditures. The film infrastructure
2 transferable tax credits may be applied to:

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

4 (b) The gaming license fees imposed by the provisions of
5 NRS 463.370;

6 (c) Any tax imposed by chapter 680B of NRS; or

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

9 3. Except as otherwise provided in section 16 of this act, the
10 Office shall approve an application for a certificate of eligibility for
11 film infrastructure transferable tax credits if the Office finds that the
12 production company is producing the qualified production, in whole
13 or in part, at the Las Vegas Media Campus Project or the Summerlin
14 Production Studios Project, as applicable, and the production
15 company qualifies for the film infrastructure transferable tax credits
16 pursuant to subsection 4. If the Office approves the application, the
17 Office shall calculate the estimated amount of the film infrastructure
18 transferable tax credits pursuant to sections 14, 15 and 16 of this act.

19 4. To be eligible for film infrastructure transferable tax credits
20 pursuant to this section, the lead participant, on behalf of the
21 production company, must:

22 (a) Submit an application that meets the requirements of
23 subsection 5;

24 (b) If the lead participant of the Project at which the production
25 company is located has made an election pursuant to section 11 of
26 this act that requires approval of the lead participant before a
27 production company may apply for film infrastructure transferable
28 tax credits, provide proof to the Office that the lead participant has
29 approved the production company to be issued film infrastructure
30 transferable tax credits for the qualified production for which the
31 application is submitted;

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

34 (d) Provide proof to the Office that at least 60 percent of the
35 direct production expenditures for:

36 (1) Preproduction;

37 (2) Production; and

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

40 ➤ of the qualified production will be incurred in this State as
41 qualified direct production expenditures;

42 (e) Provide proof to the Office that the applicant:

43 (1) Has in place a diversity plan that outlines specific goals
44 for hiring minority persons and women, and for using vendors that



1 are minority-owned business enterprises or woman-owned business
2 enterprises; and

3 (2) Has met or made good-faith efforts to achieve the goals
4 set forth in the diversity plan;

5 (f) Not later than 270 days after the completion of principal
6 photography of the qualified production or, if any direct production
7 expenditures for postproduction will be incurred in this State, not
8 later than 270 days after the completion of postproduction, unless
9 the Office agrees to extend this period by not more than 90 days,
10 provide the Office with an audit of the qualified production that
11 includes an itemized report of qualified direct production
12 expenditures which:

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

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

17 (g) Pay the cost of the audit required by paragraph (f); and

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

20 (1) In the end screen credits of the qualified production:

21 (I) A logo of this State provided by the Office which
22 indicates that the qualified production was filmed or otherwise
23 produced in Nevada; and

24 (II) An acknowledgment that the qualified production was
25 produced at the Project site; or

26 (2) If the qualified production does not have end screen
27 credits, another acknowledgment in the final version of the qualified
28 production which indicates that the qualified production was:

29 (I) Filmed or otherwise produced in Nevada; and

30 (II) Produced at the Project site.

31 5. An application submitted pursuant to subsection 4 must
32 contain:

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

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

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

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

40 (e) Details regarding the financing of the qualified production,
41 including, without limitation, any information relating to a binding
42 financing commitment, loan application, commitment letter or
43 investment letter;

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



- 1 (g) The business address of the production company;
- 2 (h) The diversity plan of the production company;
- 3 (i) If the lead participant of the Project at which the production
- 4 company is located has made an election pursuant to section 11 of
- 5 this act that requires approval of the lead participant before a
- 6 production company may apply for film infrastructure transferable
- 7 tax credits, the lead participant has approved the production
- 8 company to be issued film infrastructure transferable tax credits for
- 9 the qualified production for which the application is submitted;
- 10 (j) Proof that the qualified production meets any applicable
- 11 requirements relating to workers' compensation insurance; and
- 12 (k) Proof that the production company has secured all licenses
- 13 and registrations required to do business in each location in this
- 14 State at which the qualified production will be produced.

15 6. If the Office approves an application for a certificate of
16 eligibility for film infrastructure transferable tax credits pursuant to
17 this section, the Office shall immediately forward a copy of the
18 certificate of eligibility which identifies the estimated amount of the
19 tax credits available pursuant to section 14 of this act to:

- 20 (a) The applicant;
- 21 (b) The Department of Taxation; and
- 22 (c) The Nevada Gaming Control Board.

23 7. Within 60 business days after receipt of an audit provided by
24 a production company pursuant to paragraph (f) of subsection 4 and
25 any other accountings or other information required by the Office,
26 the Office shall determine whether to certify the audit and make a
27 final determination of whether a certificate of film infrastructure
28 transferable tax credits will be issued. If the Office certifies the
29 audit, determines that all other requirements for the film
30 infrastructure transferable tax credits have been met and determines
31 that a certificate of film infrastructure transferable tax credits will be
32 issued, the Office shall notify the production company that the film
33 infrastructure transferable tax credits will be issued. Within 30 days
34 after the receipt of the notice, the production company shall make an
35 irrevocable declaration of the amount of film infrastructure
36 transferable tax credits that will be applied to each fee or tax set
37 forth in subsection 1 or 2, as applicable, thereby accounting for all
38 of the credits which will be issued. Upon receipt of the declaration,
39 the Office shall issue to the production company a certificate of film
40 infrastructure transferable tax credits in the amount approved by
41 the Office for the fees or taxes included in the declaration of the
42 production company. The production company shall notify the
43 Office upon transferring any of the film infrastructure transferable
44 tax credits. The Office shall notify the Department of Taxation and
45 the Nevada Gaming Control Board of all film infrastructure



1 transferable tax credits issued, segregated by each fee or tax set
2 forth in subsection 1 or 2, as applicable, and the amount of any film
3 infrastructure transferable tax credits transferred.

4 8. Within 30 days after receipt of the notice of the issuance of
5 film infrastructure transferable tax credits, the Department of
6 Taxation or, if the film infrastructure transferable tax credits will be
7 applied to the gaming license fee imposed by the provisions of NRS
8 463.370, the Nevada Gaming Control Board shall notify the State
9 Controller of the issuance of the film infrastructure transferable tax
10 credits and the State Controller shall transfer an amount money
11 equal to 10 percent of the amount of film infrastructure transferable
12 tax credits issued to the production company to the Account for
13 Nevada Film, Media and Related Technology Education and
14 Vocational Training created by section 30 of this act. The amount of
15 any film infrastructure transferable tax credits issued to a production
16 company must be reduced by the amount of money transferred
17 pursuant to this subsection to the Account for Nevada Film, Media
18 and Related Technology Education and Vocational Training created
19 by section 30 of this act.

20 9. An applicant for film infrastructure transferable tax credits
21 pursuant to this section shall, upon the request of the Executive
22 Director of the Office, furnish the Executive Director with copies of
23 all records necessary to verify that the applicant meets the
24 requirements of subsection 4.

25 10. The Office:

26 (a) Shall adopt regulations prescribing:

27 (1) Any additional qualified expenditures or production costs
28 that may serve as the basis for film infrastructure transferable tax
29 credits pursuant to section 13 of this act;

30 (2) The application review process;

31 (3) That a qualified production that receives a rating of NC-
32 17 from the Motion Picture Association of America, or its successor
33 organization, is not eligible for film infrastructure transferable tax
34 credits;

35 (4) That a qualified production, other than a qualified
36 production which receives a rating from the Motion Picture
37 Association of America, or its successor organization, is not eligible
38 for film infrastructure transferable tax credits if it contains any
39 material that is equivalent to material that would cause a qualified
40 production rated by the Motion Picture Association of America, or
41 its successor organization, to be rated NC-17; and

42 (5) The requirements for notice pursuant to section 17 of this
43 act; and

44 (6) Any necessary provisions to ensure compliance with the
45 requirements of paragraph (e) of subsection 4 relating to diversity



1 plans and that are necessary to require that the diversity plan of an
2 applicant reflects the diversity of this State.

3 (b) May adopt any other regulations that are necessary to ensure
4 that the provisions of sections 1 to 19, inclusive, of this act are
5 carried out in a manner that is reasonable and customary within the
6 industry for the production of qualified productions.

7 11. The Nevada Tax Commission and the Nevada Gaming
8 Commission:

9 (a) Shall adopt regulations prescribing the manner in which film
10 infrastructure transferable tax credits will be administered.

11 (b) May adopt any other regulations that are necessary to carry
12 out the provisions of sections 1 to 19, inclusive, of this act.

13 **Sec. 13.** 1. Qualified direct production expenditures must be
14 for purchases, rentals or leases of tangible personal property or
15 services from a Nevada business during the period in which a
16 qualified production is produced, must be customary and reasonable
17 and must relate to:

18 (a) Set construction and operation;

19 (b) Wardrobe and makeup;

20 (c) Photography, sound and lighting;

21 (d) Filming, film processing and film editing;

22 (e) The rental or leasing of facilities, equipment and vehicles;

23 (f) Food and lodging;

24 (g) Editing, sound mixing, special effects, visual effects and
25 other postproduction services;

26 (h) The payroll for Nevada residents or other personnel who
27 provided services in this State;

28 (i) Payment for goods or services provided by a Nevada
29 business;

30 (j) The design, construction, improvement or repair of property,
31 infrastructure, equipment or a production or postproduction facility;

32 (k) State and local government taxes to the extent not included
33 as part of another cost reported pursuant to this section;

34 (l) Fees paid to a producer who is a Nevada resident; and

35 (m) Any other transaction, service or activity authorized in
36 regulations adopted by the Office of Economic Development
37 pursuant to section 12 of this act.

38 2. Expenditures and costs:

39 (a) Related to:

40 (1) The acquisition, transfer or use of film infrastructure
41 transferable tax credits;

42 (2) Marketing and distribution;

43 (3) Financing, depreciation and amortization;

44 (4) The payment of any profits as a result of the qualified
45 production;



1 (5) The payment for the cost of the audit required by section
2 12 of this act; and

3 (6) The payment for any goods or services that are not
4 directly attributable to the qualified production;

5 (b) For which reimbursement is received, or for which
6 reimbursement is reasonably expected to be received;

7 (c) Which are paid to a joint venturer or a parent, subsidiary or
8 other affiliate of the production company, unless the amount paid
9 represents the fair market value of the purchase, rental or lease of
10 the property or services for which payment is made;

11 (d) Which provide a pass-through benefit to a person who is not
12 a Nevada resident; or

13 (e) Which have been previously claimed as a basis for film
14 infrastructure transferable tax credits,

15 ➔ are not qualified direct production expenditures and are not
16 eligible to serve as a basis for film infrastructure transferable tax
17 credits issued pursuant to section 12 of this act.

18 3. If any tangible personal property is acquired by a Nevada
19 business from a vendor outside this State for immediate resale,
20 rental or lease to a production company that produces a qualified
21 production, expenditures incurred by the production company for
22 the purchase, rental or lease of the property are qualified direct
23 production expenditures if:

24 (a) The Nevada business regularly deals in property of that kind;

25 (b) The expenditures are otherwise qualified direct production
26 expenditures under the provisions of this section; and

27 (c) Not more than 50 percent of the property purchased, rented
28 or leased by the production company for the qualified production is
29 acquired and purchased, rented or leased in the manner described in
30 this subsection. In making the calculation required by this
31 paragraph, the cost of any property that remains an asset of the
32 Nevada business after production of the qualified production has
33 ended must not be included in the calculation as property purchased,
34 rented or leased in the manner described in this subsection.

35 4. If any tangible personal property is acquired by the
36 production company as an asset, the calculation of the costs of the
37 tangible personal property that constitute a qualified direct
38 production expenditure must be performed in the manner prescribed
39 by the Office of Economic Development by regulation.

40 **Sec. 14.** 1. Except as otherwise provided in subsection 4 and
41 sections 15 and 16 of this act, the base amount of film infrastructure
42 transferable tax credits issued to an eligible production company
43 pursuant to section 12 of this act must equal 30 percent of the
44 qualified direct production expenditures.



1 2. Except as otherwise provided in subsections 3 and 4 and
2 section 16 of this act, if the eligible production company submitted
3 the application for the certificate of eligibility for film infrastructure
4 transferable tax credits pursuant to section 12 of this act on or after
5 that date that is 36 months after the date on which the applicable
6 development agreement was executed pursuant to section 10 of this
7 act, the base amount of film infrastructure transferable tax credits
8 calculated pursuant to subsection 1 must be reduced by 2 percent of
9 the qualified direct production expenditures if less than 50 percent
10 of the below-the-line personnel of the qualified production are
11 Nevada residents. A reduction in the amount of film infrastructure
12 transferable tax credits pursuant to this subsection must not reduce
13 the amount of money transferred pursuant to subsection 8 of section
14 12 of this act to the Account for Nevada Film, Media and Related
15 Technology Education and Vocational Training created by section
16 30 of this act.

17 3. For the purposes of subsection 2:

18 (a) Except as otherwise provided in paragraph (b) of this
19 subsection, the percentage of the below-the-line personnel who are
20 Nevada residents must be determined by dividing the number of
21 workdays worked by Nevada residents by the number of workdays
22 worked by all below-the-line personnel.

23 (b) Any work performed by an extra must not be considered in
24 determining the percentage of the below-the-line personnel who are
25 Nevada residents.

26 4. The Office may:

27 (a) Reduce the cumulative amount of film infrastructure
28 transferable tax credits that are calculated pursuant to this section by
29 an amount equal to any damages incurred by the State or any
30 political subdivision of the State as a result of a qualified production
31 that is produced in this State; or

32 (b) Withhold the film infrastructure transferable tax credits, in
33 whole or in part:

34 (1) Until any pending legal action in this State against a
35 production company or involving a qualified production is resolved.

36 (2) If a production company violates any state or local law.

37 (3) If a production company is found to have submitted any
38 false statement, representation or certification in any document
39 submitted for the purpose of obtaining film infrastructure
40 transferable tax credits.

41 **Sec. 15.** 1. In calculating the base amount of film
42 infrastructure transferable tax credits pursuant to subsection 1 of
43 section 14 of this act:



1 (a) Wages and salaries, including fringe benefits, paid to above-
2 the-line personnel who are not Nevada residents must be included in
3 the calculation at a rate of 12 percent.

4 (b) Wages and salaries, including fringe benefits, paid to below-
5 the-line personnel who are not Nevada residents must not be
6 included in the calculation.

7 2. As used in this section, "fringe benefits" means employee
8 expenses paid by an employer for the use of a person's services,
9 including, without limitation, payments made to a governmental
10 entity, union dues, health insurance premiums, payments to a
11 pension plan and payments for workers' compensation insurance.

12 **Sec. 16.** 1. Except as otherwise provided in this section, the
13 Executive Director of the Office shall not approve any application
14 for film infrastructure transferable tax credits submitted pursuant to
15 section 12 of this act if:

16 (a) For an application submitted by a production company
17 located at the Las Vegas Media Campus Project:

18 (1) On or after the date on which the Las Vegas Media
19 Campus Project satisfies the criteria set forth in sub-subparagraph
20 (I) of subparagraph (1) of paragraph (a) of subsection 1 of section
21 10 of this act but before the date on which the Las Vegas Media
22 Campus Project satisfies the criteria set forth in sub-subparagraph
23 (II) of subparagraph (1) of paragraph (a) of subsection 1 of section
24 10 of this act, the approval of the application would cause the total
25 amount of film infrastructure transferable tax credits approved
26 pursuant to section 12 of this act for production companies located
27 at the Las Vegas Media Campus Project to exceed the sum of
28 \$55,000,000 for each fiscal year.

29 (2) On or after the date on which the Las Vegas Media
30 Campus Project satisfies the criteria set forth in sub-subparagraph
31 (II) of subparagraph (1) of paragraph (a) of subsection 1 of section
32 10 of this act, approval of the application would cause the total
33 amount of film infrastructure transferable tax credits approved
34 pursuant to section 12 of this act for production companies located
35 at the Las Vegas Media Campus Project to exceed the sum of
36 \$95,000,000 for each fiscal year.

37 (b) For an application submitted by a production company
38 located at the Summerlin Production Studios Project:

39 (1) Except as otherwise provided in this subparagraph, after
40 the Summerlin Production Studios Project has executed a
41 development agreement pursuant to section 10 of this act but before
42 the date on which the Summerlin Production Studios Project
43 satisfies all of the criteria set forth in subparagraph (1) of paragraph
44 (b) of subsection 1 of section 10 of this act, approval of the

45 application would cause the total amount of film infrastructure



1 transferable tax credits approved pursuant to section 12 of this act
2 for production companies located at the Summerlin Production
3 Studios Project to exceed the sum of \$40,000,000 for each fiscal
4 year. If the Summerlin Production Studios Project does not satisfy
5 the criteria set forth in sub-subparagraph (I) of subparagraph (1) of
6 paragraph (b) of subsection 1 of section 10 of this act, the Office
7 shall not approve any application for film infrastructure transferable
8 tax credits submitted by a production company located at the Project
9 after December 31, 2027. If the Summerlin Production Studios
10 Project does not satisfy the criteria set forth in sub-subparagraph (II)
11 of subparagraph (1) of paragraph (b) of subsection 1 of section 10 of
12 this act, the Office shall not approve any application for film
13 infrastructure transferable tax credits submitted by a production
14 company located at the Project after December 31, 2029.

15 (2) On or after the date on which the Summerlin Production
16 Studios Project satisfies all of the criteria set forth in subparagraph
17 (1) of paragraph (b) of subsection 1 of section 10 of this act,
18 approval of the application would cause the total amount of film
19 infrastructure transferable tax credits approved pursuant to section
20 12 of this act for production companies located at the Summerlin
21 Production Studios Project to exceed the sum of \$80,000,000 for
22 each fiscal year.

23 (c) The application is submitted by a production company
24 located at:

25 (1) The Las Vegas Media Campus Project or the Summerlin
26 Production Studios Project in a fiscal year that begins more than 20
27 years after the Las Vegas Media Campus Project satisfied the
28 criteria set forth in sub-subparagraph (I) of subparagraph (1) of
29 paragraph (a) of subsection 1 of section 10 of this act; or

30 (2) The Summerlin Production Studios Project after June 30,
31 2048, if the Las Vegas Media Campus Project did not satisfy the
32 criteria set forth in sub-subparagraph (I) of subparagraph (1) of
33 paragraph (a) of subsection 1 of section 10 of this act.

34 2. Except as otherwise provided in subsection 1, the amount of
35 film infrastructure transferable tax credits authorized for a Project
36 for a fiscal year that are not approved for that fiscal year may be
37 carried forward for that Project and made available for approval
38 only during the next fiscal year for production companies located at
39 that Project, but the amount of film infrastructure transferable tax
40 credits carried forward and made available for approval during the
41 next fiscal year must not exceed 50 percent of the amount of film
42 transferable tax credits authorized for that Project for the fiscal year
43 from which the film infrastructure transferable tax credits are being
44 carried forward.



1 3. The film infrastructure transferable tax credits issued to any
2 production company for any qualified production pursuant to
3 section 12 of this act:

4 (a) Except as otherwise provided in this paragraph, must not
5 exceed a total amount of \$10,000,000 per episode, if the qualified
6 production is a television, Internet or other media series, or
7 \$30,000,000, if the qualified production is a motion picture. The
8 lead participant of the Las Vegas Media Campus Project and the
9 lead participant of Summerlin Production Studios Project may
10 declare, not later than 24 months after the execution of the
11 development agreement applicable to the Project pursuant to section
12 10 of this act, that a qualified production produced at the Las Vegas
13 Media Campus Project or the Summerlin Production Studios
14 Project, respectively, is not subject to the limitation set forth in this
15 paragraph. A qualified production by a production company located
16 at a Project for which such a declaration is made is not subject to the
17 limitation on the amount of film infrastructure transferable tax
18 credits set forth in this paragraph.

19 (b) Expire at the end of the calendar year that is 6 years after the
20 date on which the film infrastructure transferable tax credits are
21 issued to the production company.

22 4. For the purposes of calculating qualified direct production
23 expenditures:

24 (a) The compensation payable to all producers who are Nevada
25 residents must not exceed 10 percent of the portion of the total
26 budget of the qualified production that was expended in or
27 attributable to any expenses incurred in this State.

28 (b) The compensation payable to all producers who are not
29 Nevada residents must not exceed 5 percent of the portion of the
30 total budget of the qualified production that was expended in or
31 attributable to any expenses incurred in this State.

32 (c) The compensation payable to any employee, independent
33 contractor or any other person who is below-the-line personnel and
34 who is paid a wage or salary as compensation for providing labor
35 services on the production of the qualified production must not
36 exceed \$1,500,000.

37 **Sec. 17.** 1. Except as otherwise provided in sections 3 to 19,
38 inclusive, of this act, the Executive Director of the Office shall
39 approve an application for film infrastructure transferable tax credits
40 submitted pursuant to section 12 of this act if the Executive Director
41 determines that the applicant satisfies the criteria for the issuance of
42 film infrastructure transferable tax credits.

43 2. Except as otherwise provided in this subsection, if the
44 application is approved, principal photography of the qualified



1 production must begin not more than 90 days after the date on
2 which the decision on the application is issued. The Office:

3 (a) Shall prescribe by regulation the procedure for determining
4 the date of commencement of qualified productions that do not
5 include photography for the purposes of this section.

6 (b) May extend by not more than 90 days the period otherwise
7 prescribed by this subsection.

8 3. A production company that produces a qualified production
9 shall submit the audit required by section 12 of this act and all other
10 required information to the Office and the Department of Taxation
11 within the time required by paragraph (f) of subsection 4 of section
12 12 of this act. Production of the qualified production must be
13 completed within 18 months after the date of commencement of
14 principal photography. If the Office or the Department determines
15 that information submitted pursuant to this subsection is incomplete,
16 the production company shall, not later than 30 days after receiving
17 notice that the information is incomplete, provide to the Office or
18 the Department, as applicable, all additional information required by
19 the Office or the Department.

20 **Sec. 18.** 1. A production company that is found to have
21 submitted any false statement, representation or certification in any
22 document submitted for the purpose of obtaining film infrastructure
23 transferable tax credits or who otherwise becomes ineligible for film
24 infrastructure transferable tax credits after receiving the film
25 infrastructure transferable tax credits pursuant to section 12 of this
26 act shall repay to the Department of Taxation or the Nevada Gaming
27 Control Board, as applicable, any portion of the film infrastructure
28 transferable tax credits to which the production company is not
29 entitled.

30 2. Film infrastructure transferable tax credits purchased in
31 good faith are not subject to forfeiture or repayment by the
32 transferee unless the transferee submitted fraudulent information in
33 connection with the purchase.

34 **Sec. 19.** The Office shall, on or before October 1 of each year,
35 prepare and submit to the Governor and to the Director of the
36 Legislative Counsel Bureau for transmittal to the Legislature an
37 annual report which includes, for the immediately preceding fiscal
38 year:

39 1. The number of applications submitted for film infrastructure
40 transferable tax credits pursuant to section 12 of this act;

41 2. The number of qualified productions for which film
42 infrastructure transferable tax credits were approved;

43 3. The amount of film infrastructure transferable tax credits
44 approved;



1 4. The amount of film infrastructure transferable tax credits
2 used;

3 5. The amount of film infrastructure transferable tax credits
4 transferred;

5 6. The amount of film infrastructure transferable tax credits
6 taken against each allowable fee or tax, including the actual amount
7 used and outstanding, in total and for each qualified production;

8 7. The total amount of the qualified direct production
9 expenditures incurred by each qualified production and the portion
10 of those expenditures that were incurred in Nevada;

11 8. The number of persons in Nevada employed by each
12 qualified production and the amount of wages paid to those persons;
13 and

14 9. The period during which each qualified production was in
15 Nevada and employed persons in Nevada.

16 **Sec. 20.** NRS 360.7586 is hereby amended to read as follows:

17 360.7586 1. "Qualified production" includes preproduction,
18 production and postproduction and means:

19 (a) A theatrical, direct-to-video or other media motion picture.

20 (b) A made-for-television motion picture.

21 (c) Visual effects or digital animation sequences.

22 (d) A television pilot program.

23 (e) A television, Internet or other media series, including,
24 without limitation, a comedy, drama, miniseries, soap opera, talk
25 show, game show or telenovela, or an episode of such a series.

26 (f) A reality show.

27 (g) A national or regional commercial or series of commercials.

28 (h) An infomercial.

29 (i) A music video.

30 (j) A documentary film or series.

31 (k) Other visual media productions, including, without
32 limitation, *digital media*, video games and mobile applications.

33 2. The term does not include:

34 (a) A news, weather or current events program.

35 (b) A production that is primarily produced for industrial,
36 corporate or institutional use.

37 (c) A telethon or any production that solicits money, other than a
38 production which is produced for national distribution.

39 (d) A political advertisement.

40 (e) A sporting event, including, without limitation, a sportscast,
41 preshow, postshow or sports newscast related to a sporting event. A
42 qualified production described by subsection 1 shall not be deemed
43 a sporting event for the purposes of this paragraph for the sole
44 reason that it features athletes or relates to sports.

45 (f) A gala, pageant or awards show.



1 (g) *Any type of media production created solely for the purpose*
2 *of posting the production on social media.*

3 (h) Any other type of production that is excluded by regulations
4 adopted by the Office of Economic Development pursuant to
5 NRS 360.759.

6 **Sec. 21.** NRS 360.759 is hereby amended to read as follows:

7 360.759 1. A production company that produces a qualified
8 production in this State in whole or in part may apply to the Office
9 of Economic Development for a certificate of eligibility for
10 *noninfrastructure* transferable tax credits for any qualified direct
11 production expenditures. The *noninfrastructure* transferable tax
12 credits may be applied to:

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

14 (b) The gaming license fees imposed by the provisions of
15 NRS 463.370;

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

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

19 2. The Office may approve an application for a certificate of
20 eligibility for *noninfrastructure* transferable tax credits if the Office
21 finds that the production company producing the qualified
22 production qualifies for the *noninfrastructure* transferable tax
23 credits pursuant to subsection 3. If the Office approves the
24 application, the Office shall calculate the estimated amount of the
25 *noninfrastructure* transferable tax credits pursuant to NRS
26 360.7592, 360.7593 and 360.7594.

27 3. To be eligible for *noninfrastructure* transferable tax credits
28 pursuant to this section, a production company must:

29 (a) Submit an application that meets the requirements of
30 subsection 4;

31 (b) Provide ~~[proof satisfactory to the Office that the qualified~~
32 ~~production is in the economic interest of the State;~~

33 ~~—(c) Provide]~~ proof [satisfactory] to the Office that 70 percent or
34 more of the funding for the qualified production has been obtained;

35 ~~[(d)]~~ (c) Provide proof [satisfactory] to the Office that at least
36 60 percent of the direct production expenditures for:

37 (1) Preproduction;

38 (2) Production; and

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

41 ➔ of the qualified production will be incurred in this State as
42 qualified direct production expenditures;

43 ~~[(e)]~~ (d) Not later than 270 days after the completion of
44 principal photography of the qualified production or, if any direct
45 production expenditures for postproduction will be incurred in this



1 State, not later than 270 days after the completion of postproduction,
2 unless the Office agrees to extend this period by not more than 90
3 days, provide the Office with an audit of the qualified production
4 that includes an itemized report of qualified direct production
5 expenditures which:

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

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

10 ~~[(f)]~~ (e) Pay the cost of the audit required by paragraph ~~[(e)];~~
11 (d); and

12 ~~[(g)]~~ (f) Enter into a written agreement with the Office that
13 requires the production company to include:

14 (1) In the end screen credits of the qualified production ~~[(a)]~~ :
15 (I) A logo of this State provided by the Office which
16 indicates that the qualified production was filmed or otherwise
17 produced in Nevada; and

18 (II) *If the qualified production was produced at the Las*
19 *Vegas Media Campus Project or the Summerlin Production*
20 *Studios Project, an acknowledgment of the Project at which the*
21 *qualified production was produced; or*

22 (2) If the qualified production does not have end screen
23 credits, another acknowledgment in the final version of the qualified
24 production which indicates that the qualified production was
25 ~~filmed~~ :

26 (I) *Filmed* or otherwise produced in Nevada; and
27 ~~[(h) Meet any other requirements prescribed by regulation~~
28 ~~pursuant to this section.]~~

29 (II) *Produced at the Las Vegas Media Campus Project*
30 *or the Summerlin Production Studios Project, if applicable.*

31 4. An application submitted pursuant to subsection 3 must
32 contain:

33 (a) A script, storyboard or synopsis of the qualified production;
34 (b) The names of the production company, producer, director
35 and proposed cast;

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

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

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

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



- 1 (g) The business address of the production company;
- 2 (h) Proof that the qualified production meets any applicable
- 3 requirements relating to workers' compensation insurance; *and*
- 4 (i) Proof that the production company has secured all licenses
- 5 and registrations required to do business in each location in this
- 6 State at which the qualified production will be produced. ~~}; and~~
- 7 ~~—(j) Any other information required by regulations adopted by the~~
- 8 ~~Office pursuant to subsection 8.]~~

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

- 14 (a) The applicant;
- 15 (b) The Department; and
- 16 (c) The Nevada Gaming Control Board.

17 6. Within 60 business days after receipt of an audit provided by
18 a production company pursuant to paragraph ~~(e)}~~ (d) of subsection
19 3 and any other accountings or other information required by the
20 Office, the Office shall determine whether to certify the audit and
21 make a final determination of whether a certificate of
22 *noninfrastructure* transferable tax credits will be issued. If the
23 Office certifies the audit, determines that all other requirements for
24 the *noninfrastructure* transferable tax credits have been met and
25 determines that a certificate of *noninfrastructure* transferable tax
26 credits will be issued, the Office shall notify the production
27 company that the *noninfrastructure* transferable tax credits will be
28 issued. Within 30 days after the receipt of the notice, the production
29 company shall make an irrevocable declaration of the amount of
30 *noninfrastructure* transferable tax credits that will be applied to
31 each fee or tax set forth in subsection 1, thereby accounting for all
32 of the credits which will be issued. Upon receipt of the declaration,
33 the Office shall issue to the production company a certificate of
34 *noninfrastructure* transferable tax credits in the amount approved
35 by the Office for the fees or taxes included in the declaration of the
36 production company. The production company shall notify the
37 Office upon transferring any of the *noninfrastructure* transferable
38 tax credits. The Office shall notify the Department and the Nevada
39 Gaming Control Board of all *noninfrastructure* transferable tax
40 credits issued, segregated by each fee or tax set forth in subsection
41 1, and the amount of any *noninfrastructure* transferable tax credits
42 transferred.

43 7. *Within 30 days after receipt of the notice of the issuance of*
44 *noninfrastructure transferable tax credits to a production*
45 *company that submitted an application for noninfrastructure*



1 *transferable tax credits on or after July 1, 2023, and before July 1,*
2 *2043, the Department or, if the noninfrastructure transferable tax*
3 *credits will be applied to the gaming license fee imposed by the*
4 *provisions of NRS 463.370, the Nevada Gaming Control Board*
5 *shall notify the State Controller of the issuance of the*
6 *noninfrastructure transferable tax credits and the State Controller*
7 *shall transfer an amount of money equal to 10 percent of the*
8 *amount of noninfrastructure transferable tax credits issued to the*
9 *production company to the Account for Nevada Film, Media and*
10 *Related Technology Education and Vocational Training created*
11 *by section 30 of this act. Any noninfrastructure transferable tax*
12 *credits issued to a production company must be reduced by the*
13 *amount of money transferred pursuant to this subsection to the*
14 *Account for Nevada Film, Media and Related Technology*
15 *Education and Vocational Training created by section 30 of this*
16 *act.*

17 8. An applicant for *noninfrastructure* transferable tax credits
18 pursuant to this section shall, upon the request of the Executive
19 Director of the Office, furnish the Executive Director with copies of
20 all records necessary to verify that the applicant meets the
21 requirements of subsection 3.

22 ~~{8.}~~ 9. The Office:

23 (a) Shall adopt regulations prescribing:

24 (1) ~~{Any additional requirements to receive transferable tax~~
25 ~~credits;~~

26 ~~—(2)}~~ Any additional qualified expenditures or production
27 costs that may serve as the basis for *noninfrastructure* transferable
28 tax credits pursuant to NRS 360.7591;

29 ~~{(3) Any additional information that must be included with~~
30 ~~an application pursuant to subsection 4;~~

31 ~~—(4)}~~ (2) The application review process;

32 ~~{(5) Any type of}~~

33 (3) *That a qualified production that receives a rating of*
34 *NC-17 from the Motion Picture Association of America, or its*
35 *successor organization, is not eligible for noninfrastructure*
36 *transferable tax credits;*

37 (4) *That a qualified production ~~{which, due to obscene or~~*
38 *sexually explicit material,}* is not eligible for *noninfrastructure*
39 transferable tax credits ~~{}~~ *if it contains any material that is*
40 *equivalent to material that would cause a qualified production*
41 *rated by the Motion Picture Association of America, or its*
42 *successor organization, to be rated NC-17; and*

43 ~~{(6)}~~ (5) The requirements for notice pursuant to NRS
44 360.7595; and



(b) May adopt any other regulations that are necessary to ~~carry out~~ *ensure that* the provisions of NRS 360.758 to 360.7598, inclusive ~~;~~ *are carried out in a manner that is reasonable and customary within the industry for the production of qualified productions.*

10. The Nevada Tax Commission and the Nevada Gaming Commission:

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

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

11. As used in this section:

(a) *“Las Vegas Media Campus Project” has the meaning ascribed to it in section 5 of this act.*

(b) *“Summerlin Production Studios Project” has the meaning ascribed to it in section 9 of this act.*

Sec. 22. NRS 360.7592 is hereby amended to read as follows:

360.7592 1. Except as otherwise provided in subsection ~~[4] 5~~ and NRS 360.7593 and 360.7594, the base amount of *noninfrastructure* transferable tax credits issued to an eligible production company pursuant to NRS 360.759 :

(a) *For an eligible production company that submitted the application for the certificate of eligibility for the noninfrastructure transferable tax credits before July 1, 2023, or on or after July 1, 2043,* must equal 15 percent of the qualified direct production expenditures.

(b) *For an eligible production company that submitted the application for the certificate of eligibility for the noninfrastructure transferable tax credits on or after July 1, 2023, and before July 1, 2043,* must equal 30 percent of the qualified direct production expenditures.

2. Except as otherwise provided in subsections ~~[3] 4~~ and ~~[4] 5~~ and NRS 360.7594, *if the eligible production company submitted the application for the certificate of eligibility for noninfrastructure transferable tax credits pursuant to NRS 360.759 before July 1, 2023, or on or after July 1, 2043,* in addition to the base amount calculated pursuant to *paragraph (a) of subsection 1,* *noninfrastructure* transferable tax credits issued to an eligible production company ~~[pursuant to NRS 360.759]~~ must include credits in an amount equal to:

(a) An additional 5 percent of the qualified direct production expenditures if more than 50 percent of the below-the-line personnel of the qualified production are Nevada residents; and



(b) An additional 5 percent of the qualified direct production expenditures if more than 50 percent of the filming days of the qualified production occurred in a county in this State in which, in each of the 2 years immediately preceding the date of application, qualified productions incurred less than \$10,000,000 of qualified direct production expenditures.

3. *Except as otherwise provided in subsections 4 and 5 and NRS 360.7594, if the eligible production company submitted the application for the certificate of eligibility for noninfrastructure transferable tax credits pursuant to NRS 360.759 on or after July 1, 2023, and before July 1, 2043, the base amount of noninfrastructure transferable tax credits calculated pursuant to paragraph (b) of subsection 1 must be reduced by 2 percent of the qualified direct production expenditures if less than 50 percent of the below-the-line personnel of the qualified production are Nevada residents. A reduction in the amount of film infrastructure transferable tax credits pursuant to this subsection must not reduce the amount of money transferred pursuant to subsection 8 of section 12 of this act to the Account for Nevada Film, Media and Related Technology Education and Vocational Training created by section 30 of this act.*

4. For the purposes of paragraph (a) of subsection 2 ~~4~~ and subsection 3:

(a) Except as otherwise provided in paragraph (b) of this subsection, the percentage of the below-the-line personnel who are Nevada residents must be determined by dividing the number of workdays worked by Nevada residents by the number of workdays worked by all below-the-line personnel.

(b) Any work performed by an extra must not be considered in determining the percentage of the below-the-line personnel who are Nevada residents.

~~4~~ 5. The Office may:

(a) Reduce the cumulative amount of *noninfrastructure* transferable tax credits that are calculated pursuant to this section by an amount equal to any damages incurred by the State or any political subdivision of the State as a result of a qualified production that is produced in this State; or

(b) Withhold the *noninfrastructure* transferable tax credits, in whole or in part:

(1) Until any pending legal action in this State against a production company or involving a qualified production is resolved.

(2) If a production company violates any state or local law.

(3) If a production company is found to have submitted any false statement, representation or certification in any document



1 submitted for the purpose of obtaining *noninfrastructure*
2 transferable tax credits.

3 **Sec. 23.** NRS 360.7594 is hereby amended to read as follows:

4 360.7594 1. Except as otherwise provided in this subsection,
5 the Office of Economic Development shall not approve any
6 application for *noninfrastructure* transferable tax credits submitted
7 pursuant to NRS 360.759 if approval of the application would cause
8 the total amount of *noninfrastructure* transferable tax credits
9 approved pursuant to NRS 360.759 for each ~~fiscal~~ :

10 (a) *Fiscal year commencing before July 1, 2023, and on or*
11 *after July 1, 2043*, to exceed the sum of \$10,000,000. Any portion
12 of the \$10,000,000 per fiscal year for which *noninfrastructure*
13 transferable tax credits have not previously been approved may be
14 carried forward and made available for approval during the next or
15 any future fiscal year.

16 (b) *Fiscal year commencing on or after July 1, 2023, and*
17 *before July 1, 2043, to exceed the sum of \$15,000,000. Any portion*
18 *of the \$15,000,000 per fiscal year for which noninfrastructure*
19 *transferable tax credits have not previously been approved may be*
20 *carried forward and made available for approval during the next*
21 *or any future fiscal year.*

22 2. The *noninfrastructure* transferable tax credits issued to any
23 production company for any qualified production pursuant to
24 NRS 360.759:

25 (a) Must not exceed a total amount of \$6,000,000; and

26 (b) Expire ~~4~~ *at the end of the calendar year that is 6* years
27 after the date on which the *noninfrastructure* transferable tax
28 credits are issued to the production company.

29 3. For the purposes of calculating qualified direct production
30 expenditures:

31 (a) The compensation payable to all producers who are Nevada
32 residents must not exceed 10 percent of the portion of the total
33 budget of the qualified production that was expended in or
34 attributable to any expenses incurred in this State.

35 (b) The compensation payable to all producers who are not
36 Nevada residents must not exceed 5 percent of the portion of the
37 total budget of the qualified production that was expended in or
38 attributable to any expenses incurred in this State.

39 (c) The compensation payable to any employee, independent
40 contractor or any other person *who is below-the-line personnel and*
41 *who is* paid a wage or salary as compensation for providing labor
42 services on the production of the qualified production must not
43 exceed \$750,000.



Sec. 24. NRS 360.7595 is hereby amended to read as follows:

360.7595 1. If the Office of Economic Development receives an application for transferable tax credits pursuant to NRS 360.759, the Office shall, not later than 10 days before a hearing on the application, provide notice of the hearing to:

- (a) The applicant;
- (b) The Department; and
- (c) The Nevada Gaming Control Board.

2. The notice required by this section must set forth the date, time and location of the hearing on the application. The date of the hearing must be not later than 60 days after the Office receives the completed application.

3. The Office shall issue a decision on the application not later than 30 days after the conclusion of the hearing on the application.

4. Except as otherwise provided in this subsection, if the application is approved, principal photography of the qualified production must begin not more than 90 days after the date on which the decision on the application is issued. The Office of Economic Development:

(a) Shall prescribe by regulation the procedure for determining the date of commencement of qualified productions that do not include photography for the purposes of this section.

(b) May extend by not more than 90 days the period otherwise prescribed by this subsection.

5. A production company that produces a qualified production shall submit the audit required by NRS 360.759 and all other required information to the Office and the Department within the time required by paragraph ~~(e)~~ (d) of subsection 3 of NRS 360.759. Production of the qualified production must be completed within 18 months after the date of commencement of principal photography. If the Office or the Department determines that information submitted pursuant to this subsection is incomplete, the production company shall, not later than 30 days after receiving notice that the information is incomplete, provide to the Office or the Department, as applicable, all additional information required by the Office or the Department.

6. The Office shall give priority to the approval and processing of an application relating to a qualified production that promotes tourism in the State of Nevada.

Sec. 25. Chapter 231 of NRS is hereby amended by adding thereto the provisions set forth as sections 26 to 32, inclusive, of this act.



1 **Sec. 26.** *As used in sections 26 to 32, inclusive, of this act,*
2 *unless the context otherwise requires, the words and terms defined*
3 *in sections 27, 28 and 29 of this act have the meanings ascribed to*
4 *them in those sections.*

5 **Sec. 27.** *“Account” means the Account for Nevada Film,*
6 *Media and Related Technology Education and Vocational*
7 *Training created by section 30 of this act.*

8 **Sec. 28.** *“Board” means the Board for Nevada Film, Media*
9 *and Related Technology Education and Vocational Training*
10 *created by section 31 of this act.*

11 **Sec. 29.** *“Las Vegas Media Campus Project” has the*
12 *meaning ascribed to it in section 5 of this act.*

13 **Sec. 30.** 1. *The Account for Nevada Film, Media and*
14 *Related Technology Education and Vocational Training is hereby*
15 *created in the State General Fund. The Executive Director of the*
16 *Office of Economic Development, at the direction of the Board,*
17 *shall administer the Account.*

18 2. *The Executive Director may apply for and accept gifts,*
19 *grants, bequests and donations from any source for deposit in the*
20 *Account.*

21 3. *The Account consists of:*

22 (a) *Money transferred to the Account pursuant to NRS*
23 *360.759 and section 12 of this act.*

24 (b) *Any direct legislative appropriations to the Account.*

25 (c) *Any gifts, grants, bequests and donations made to the*
26 *Account.*

27 (d) *Interest and income earned on money in the Account.*

28 4. *The interest and income earned on the money in the*
29 *Account, after deducting any applicable charges, must be credited*
30 *to the Account.*

31 5. *Any money remaining in the Account at the end of the*
32 *fiscal year does not revert to the State General Fund, and the*
33 *balance in the Account must be carried forward to the next fiscal*
34 *year.*

35 6. *Money in the Account must be used by the Office to make*
36 *grants to any institution within the Nevada System of Higher*
37 *Education, a state or local agency, a school district, a charter*
38 *school, a vocational trade school, a nonprofit organization, a labor*
39 *organization or a private postsecondary educational institution*
40 *that provides a program of workforce development for the*
41 *production of qualified productions in this State. Forty-five*
42 *percent of the money which is distributed from the Account in the*
43 *form of grants must be allocated to the Nevada Media Lab for the*
44 *operation and overhead costs of the Nevada Media Lab. Fifty-five*
45 *percent of the money which is distributed from the Account in the*



1 *form of grants must be allocated to educational and vocational*
2 *training organizations pursuant to section 32 of this act for the*
3 *purpose of providing programs of workforce development for the*
4 *production of qualified productions in this State.*

5 7. *As used in this section:*

6 (a) *“Nevada Media Lab” has the meaning ascribed to it in*
7 *section 7 of this act.*

8 (b) *“Qualified production” has the meaning ascribed to it in*
9 *NRS 360.7586.*

10 **Sec. 31.** 1. *There is hereby created the Board for Nevada*
11 *Film, Media and Related Technology Education and Vocational*
12 *Training within the Office of Economic Development in the Office*
13 *of the Governor, consisting of the following voting members:*

14 (a) *One member appointed by the Governor;*

15 (b) *One member, who must not be a Legislator, appointed by*
16 *the Majority Leader of the Senate;*

17 (c) *One member, who must not be a Legislator, appointed by*
18 *the Speaker of the Assembly;*

19 (d) *One member, who must not be a Legislator, appointed by*
20 *the Minority Leader of the Senate;*

21 (e) *One member, who must not be a Legislator, appointed by*
22 *the Minority Leader of the Assembly;*

23 (f) *Two members appointed by the Governor, one from a*
24 *nominee selected by the lead participant in the Las Vegas Media*
25 *Campus Project and one from a nominee selected by the lead*
26 *participant in the Summerlin Production Studios Project.*

27 2. *In appointing members to the Board pursuant to*
28 *subsection 1, the appointing authorities set forth in that subsection*
29 *shall coordinate to ensure that both the public and private sectors*
30 *are represented on the Board.*

31 3. *The members appointed pursuant to paragraphs (a), (c)*
32 *and (e) of subsection 1 must be appointed to an initial term of 2*
33 *years commencing on January 1, 2024, and the members*
34 *appointed pursuant to paragraphs (b) and (d) of subsection 1 must*
35 *be appointed to an initial term of 4 years commencing on*
36 *January 1, 2024. The Governor shall appoint the member*
37 *appointed pursuant to paragraph (f) of subsection 1 who was*
38 *nominated by the lead participant of the Las Vegas Media Campus*
39 *Project to an initial term of 4 years commencing on January 1,*
40 *2024, and the initial term of member appointed pursuant to*
41 *paragraph (f) of subsection 1 who was nominated by the*
42 *Summerlin Production Studios Project must be 2 years*
43 *commencing on January 1, 2024. After the initial terms, each*
44 *member shall serve a term of 4 years. Each member serves at the*
45 *pleasure of the person appointing that member pursuant to*



1 *subsection 1. If, for any reason, a vacancy occurs during the term*
2 *of an appointed member, the person who is responsible for making*
3 *the appointment pursuant to subsection 1 shall appoint a*
4 *replacement qualified pursuant to that subsection to serve for the*
5 *remainder of the unexpired term. Each member may serve not*
6 *more than two consecutive full terms.*

7 *4. At the first meeting of each fiscal year, the Board shall*
8 *elect from among its members a Chair and a Vice Chair. The*
9 *Executive Director of the Office of Economic Development shall*
10 *serve as the nonvoting Secretary of the Board.*

11 *5. A majority of the voting members of the Board constitutes*
12 *a quorum, and the affirmative vote of a majority of the voting*
13 *members of the Board is required to exercise any power conferred*
14 *on the Board.*

15 *6. The Board shall meet at least twice each calendar year but*
16 *may meet more often at the call of the Chair or a majority of the*
17 *voting members of the Board.*

18 *7. The members of the Board serve without compensation but*
19 *are entitled to receive the per diem allowance and travel expenses*
20 *provided for state officers and employees generally while engaged*
21 *in the official business of the Board.*

22 *8. A member of the Board who is an officer or employee of*
23 *this State or a political subdivision of this State must be relieved*
24 *from duties without loss of regular compensation so that the*
25 *officer or employee may prepare for and attend meetings of the*
26 *Board and perform any work necessary to carry out the duties of*
27 *the Board in the most timely manner practicable. A state agency or*
28 *political subdivision of this State shall not require an officer or*
29 *employee who is a member of the Board to make up the time the*
30 *officer or employee is absent from work to carry out duties as a*
31 *member of the Board or use annual vacation or compensatory*
32 *time for the absence.*

33 *9. As used in this section, "Summerlin Production Studios*
34 *Project" has the meaning ascribed to it in section 9 of this act.*

35 **Sec. 32. 1. The Board shall establish:**

36 *(a) The procedures for a person or entity to apply for a grant*
37 *of money from the Account;*

38 *(b) The criteria to be used to determine whether to approve an*
39 *application for a grant from the Account to an applicant; and*

40 *(c) The requirements for reports by recipients of grants from*
41 *the Account concerning the expenditures made from the grant, the*
42 *outcomes of the programs supported by the grant and any other*
43 *information deemed necessary by the Board.*

44 *2. The Executive Director of the Office of Economic*
45 *Development may provide advice and recommendations regarding*



1 *the procedures, criteria and requirements established by the Board*
2 *pursuant to subsection 1.*

3 3. *The Office shall not make a grant of money from the*
4 *Account unless the Board has approved the application for the*
5 *grant.*

6 4. *A recipient of a grant must adopt and implement a*
7 *community benefits program, which must include, without*
8 *limitation:*

9 (a) *A commitment to workforce diversity, inclusiveness, access*
10 *and equality, including, without limitation, for underserved*
11 *communities, minority groups and veterans;*

12 (b) *An explanation of the actions that will be taken and*
13 *strategies that will be implemented to promote workforce diversity;*
14 *and*

15 (c) *The goals and performance measures which will be used to*
16 *measure the success of the program in achieving those goals.*

17 **Sec. 33.** The provisions of subsection 1 of NRS 218D.380 do
18 not apply to any provision of this act which adds or revises a
19 requirement to submit a report to the Legislature.

20 **Sec. 34.** The Legislative Counsel shall:

21 1. In preparing the Nevada Revised Statutes, use the authority
22 set forth in subsection 10 of NRS 220.120 to substitute
23 appropriately the term “noninfrastructure transferable tax credits” in
24 NRS 360.758 to 360.7598, inclusive, for the term “transferable tax
25 credits” as previously used in those sections.

26 2. In preparing supplements to the Nevada Administrative
27 Code, substitute appropriately the term “noninfrastructure
28 transferable tax credits” in NAC 360.800 to 360.865, inclusive, for
29 the term “transferable tax credits” as previously used in those
30 sections.

31 **Sec. 35.** Notwithstanding the provisions of NRS 218D.430 and
32 218D.435, a committee may vote on this act before the expiration of
33 the period prescribed for the return of a fiscal note in NRS
34 218D.475. This section applies retroactively from and after May 10,
35 2023.

36 **Sec. 36.** This act becomes effective on July 1, 2023, and
37 expires by limitation on:

38 1. June 30 of the year that is at least 30 years after the date on
39 which the Las Vegas Media Campus Project, as defined in section 5
40 of this act, satisfies the criteria set forth in sub-subparagraph (I) of
41 subparagraph (1) of paragraph (a) of subsection 1 of section 10 of
42 this act; or

43 2. June 30, 2058, if the Las Vegas Media Campus Project did
44 not satisfy the criteria set forth in sub-subparagraph (I) of



1 subparagraph (1) of paragraph (a) of subsection 1 of section 10 of
2 this act.

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