ASSEMBLY BILL NO. 5–SELECT COMMITTEE ON JOBS AND ECONOMY

PREFILED NOVEMBER 12, 2025

Referred to Select Committee on Jobs and Economy

SUMMARY—Enacts the Nevada Studio Infrastructure Jobs and Workforce Training Act. (BDR S-13)

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

~

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 Studio Infrastructure Jobs and Workforce Training Act; requiring the Office of Economic Development to enter into a development agreement to establish certain criteria for the development of infrastructure for the production of motion pictures and other qualified productions and other new capital investment in this State; establishing certain penalties if the development does not meet certain requirements for new capital investment and expenditures for the production of motion pictures and other qualified productions; establishing requirements for a production company located at such a development to be eligible for film infrastructure transferable tax credits for qualified productions produced at the development; providing for the calculation of the amount of film infrastructure transferable tax credits; requiring the creation of a production studio entertainment district; revising provisions governing noninfrastructure transferable tax credits for motion pictures and other qualified productions produced in this State; authorizing an additional amount of noninfrastructure transferable tax credits; establishing the Account for Nevada Film, Media and Related Technology Education and Vocational Training and a board to approve distributions from the Account; providing for the distribution of money from the Account to certain entities and organizations that provide education and vocational training to develop a workforce for the production of qualified productions in this State; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law establishes a program for the issuance of transferable tax credits by the Office of Economic Development to the production company of a motion picture or other qualified production, based upon qualified direct production expenditures made for the purchase of personal property or services from a Nevada business. (NRS 360.758-360.7598) This bill revises provisions governing these transferable tax credits and enacts the Nevada Studio Infrastructure Jobs and Workforce Training Act to authorize film infrastructure transferable tax credits for qualified productions produced at the site of the Summerlin Production Studios Project.

Sections 1-20 of this bill enact the Nevada Studio Infrastructure Jobs and Workforce Training Act, which provides film infrastructure transferable tax credits for production companies located within the Summerlin Production Studios Project, as defined in **section 9**. **Section 10** requires the Office of Economic Development to enter into a development agreement with the lead participant of the Project to establish: (1) certain criteria that the Project is required to satisfy for film infrastructure transferable tax credits to be authorized for qualified productions at the Project; and (2) certain requirements for new capital investment in this State and the generation of direct production expenditures in this State, which the Project must meet, with certain exceptions, to avoid penalties specified in **section 10**. **Section 11**: (1) authorizes production companies located at the Project to apply, on or after December 1, 2026, to the Office for film infrastructure transferable tax credits for qualified productions produced, in whole or in part, at the Project; and (2) authorizes such credits to be used against the modified business tax, insurance premium tax or gaming license fee, or any combination of these taxes and fees. **Section 12** establishes the qualified direct production expenditures which are the basis for calculating the amount of film infrastructure transferable tax credits, including, without limitation: (1) purchases, rentals or leases of property or services from a Nevada business; (2) wages and fringe benefits paid to employees who are Nevada residents or other personnel for labor or services provided in this State on the qualified production; and (3) amounts paid to service providers for the services of certain persons on the qualified production. **Section 13** establishes requirements for the employment of Nevada residents as below-the-line employees of qualified productions. **Section 14** provides that the base amount of film infrastructure transferable tax credits is 30 percent of the amount of qualified direct production expenditures calculated under **section 12**, with certain reductions if the production company does not satisfy certain criteria for work opportunities to members of traditionally underrepresented groups. **Section 15**: (1) limits the total amount of film infrastructure transferable tax credits issued pursuant to **sections 1-20** to $95,000,000 for each fiscal year beginning on or after July 1, 2029; and (2) prohibits the approval of an application for film infrastructure transferable tax credits if the application is submitted in a fiscal year that begins on or after July 1, 2044. **Section 16** requires a production company to: (1) commence principal photography within a certain period of time after the Office approves an application for a certificate of eligibility for film infrastructure transferable tax credits; (2) complete the qualified production within 18 months after the date of commencement of principal photography, except that the Office may extend this period for not more than 6 months; and (3) submit certain required information within the required period. **Section 17** requires a production company to repay film infrastructure transferable tax credits under certain circumstances. **Section 19** requires the lead participant in the Project to submit certain reports to the Governor, the Legislature and the Office. **Section 20** requires certain reports to be made to the Legislature concerning film infrastructure transferable tax credits.

Sections 23-32 of this bill make various changes to the existing law governing the noninfrastructure transferable tax credits for motion picture and other qualified productions. (NRS 360.758-360.7598) **Section 24** changes references to "extras" in a qualification production to "background actors." **Section 25**: (1) provides that digital media productions are qualified productions for the purposes of eligibility for film infrastructure transferable tax credits and noninfrastructure transferable tax credits; and (2) clarifies that media productions solely produced for social media are not eligible for such transferable tax credits. **Section 26** revises the criteria to be eligible for noninfrastructure transferable tax credits to be the same as the criteria for film infrastructure transferable tax credits by: (1) removing the requirement that a certain percentage of direct production expenditures be incurred in this State and, instead, requiring that at least 50 percent of the total principal photography days of the qualified production take place in this State or a certain amount of qualified direct production expenditures be incurred in this State; and (2) requiring a production company to have a workforce plan that establishes certain goals and provide to the Office a final assessment of whether the production company met or made a good faith effort to meet those goals. **Section 22** of this bill applies to applicants for noninfrastructure transferable tax credits the same requirements for the employment of Nevada residents as below-the-line personnel that apply to applicants for film infrastructure transferable tax credits. **Section 27** revises the expenditures and costs that may serve as a basis for noninfrastructure transferable tax credits. **Section 28**: (1) increases the base amount of transferable tax credits from 15 percent of the qualified direct production expenditures to 30 percent of the qualified direct production expenditures, for an application submitted in each fiscal year beginning on or after July 1, 2029, and ending before July 1, 2044; and (2) provides for certain reductions to that base amount during that period. **Section 29** makes certain provisions of existing law relating to the calculation of noninfrastructure transferable tax credits inapplicable for the period beginning on July 1, 2029, and ending on June 30, 2044. **Section 30** temporarily increases from $10,000,000 to $25,000,000 the total amount of noninfrastructure transferable tax credits for motion picture and other qualified productions that may be issued under the existing program for each fiscal year beginning on or after July 1, 2029, until June 30, 2044. **Sections 31 and 32** make conforming changes so that noninfrastructure transferable tax credits are administered and reported in the same manner as film infrastructure transferable tax credits.

Section 18 requires the Clark County Board of County Commissioners to create a production studio entertainment district for the purpose of enhancing early childhood education opportunities, including prekindergarten, for children in Clark County. Under **section 18**, the boundaries of the district are required to be entirely within the unincorporated areas of Clark County and include only parcels of land that are located within the boundaries of the Summerlin Production Studios Project. **Section 18** requires certain taxes on transient lodging, certain property taxes and certain sales and use taxes imposed in the district to be pledged and distributed to the Clark County School District and used by the Clark County School District solely for the purposes of prekindergarten programs in the Clark County School District. Finally, **section 18** requires the Clark County School District to submit annual reports to the Office concerning the use of money distributed to Clark County School District under **section 18**.

Sections 33-40 of this bill establish a program to provide grants to certain organizations that provide education and vocational training for workforce development for the production of motion pictures and other qualified productions.

Section 38 establishes the Account for Nevada Film, Media and Related Technology Education and Vocational Training for the purpose of allocating money to certain entities and organizations that provide education and vocational training for such workforce development. **Sections 11 and 26** require a production company that is issued transferable tax credits for a qualified production to pay to the Office an amount of money equal to 1 percentage point of the percent of qualified direct production expenditures used to calculate the amount of transferable tax credits issued to the qualified production, and requires the Office to deposit that money with the State Treasurer for credit to the Account. **Section 39** creates and provides for the composition of the Board for Nevada Film, Media and Related Technology Education and Vocational Training within the Office of Economic Development. **Section 40**: (1) requires the Board to establish the procedure for a person or entity to apply for a grant of money from the Account, the criteria to be used to determine whether to approve an application for a grant from the Account to an applicant and the requirements for reports by recipients of such grants concerning the use of the grants; and (2) prohibits the making of a grant from the Account unless the Board approves the application for the grant.

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

Section 1. Sections 1 to 20, inclusive, of this act may be cited as the Nevada Studio Infrastructure Jobs and Workforce Training Act.

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

(a) The Las Vegas Metropolitan Area is the largest metropolitan area in this State and has a site available to be developed to create large-scale facilities for the location of companies that produce motion pictures, television programs and other qualified productions in this State. The establishment of such a studio campus will create jobs in Nevada’s creative industries and diversify the economy of this State.

(b) The Las Vegas Metropolitan Area possesses unique geographic, economic and resource advantages that make it especially suitable for a project of this magnitude. Because of these unique local conditions, it is necessary to enact a law of local and special application to promote and secure the benefits of a large-scale film and media production development in Southern Nevada for the benefit of the entire State.

(c) Because of these special characteristics and circumstances in Southern Nevada, a general law cannot be made applicable to achieve the purposes of this Act and a law of local and special application is necessary to promote and secure the advantages of the local and special characteristics and circumstances within the Las Vegas Metropolitan Area.

2. The Legislature further finds and declares that the content production industry has presented an ambitious and visionary plan

for all of Southern Nevada, which leverages the region's unique geographic assets, economic capabilities and infrastructural advantages. The industry's vision will promote the generation of thousands of high-quality, high-paying jobs, billions of dollars in incremental capital investments and billions more in new economic output and ongoing spending. This plan transcends the development of a mere studio complex, proposing instead a dynamic production campus that is intended to serve as the nucleus for a robust, sustainable industrial cluster. The Legislature recognizes that realizing this vision depends fundamentally upon a collaborative public-private partnership, wherein the State's commitment, provided through transferable tax credits, creates leverage that significantly multiplies the benefits accruing to this State. In entering this partnership, the Legislature affirms its clear and unwavering expectation that if the industry benefits from the State's contribution of transferable tax credits, the industry's promises will be fulfilled, the outcomes articulated by the industry will be met or exceeded, and the anticipated economic, fiscal and social benefits driven by the industry will be fully realized.

3. The Legislature further finds and declares that the enactment of this Act will achieve a bona fide public social and economic purpose. The public investment made through the film infrastructure transferable tax credits is intended to yield substantial benefits in employment, workforce development and economic growth, and the overall economic benefits expected to accrue from incremental investment and the ongoing operations of the project will exceed any adverse effect on public revenues from those tax incentives. This Act, therefore, serves the public interest by fostering significant new private investment, creating enduring jobs and educational opportunities, and positioning Nevada as a leader in the content creation industry while ensuring that the long-term gains to the economy more than outweigh the State's investment in the project.

Sec. 3. It is the intent of the Legislature, in enacting this Act, to:

1. Promote the diversification of the economy of this State by cultivating a thriving hub for content creation and production in Nevada, which will establish Nevada as a nationally recognized center for film, television and digital media production, thereby broadening Nevada's economic base beyond its traditional industries and enhancing the State's prominence in the creative economy.

2. Provide an anchor for a new creative sector in Southern Nevada through partnerships with global film and media companies to develop and operate facilities for the production of film, television and digital media productions and the involvement of

studio partners as anchor tenants to bring world-class expertise, innovative technologies and global market access that will accelerate the growth of a robust content creation industry in Southern Nevada.

3. Support and promote workforce development in this State by establishing and supporting education and vocational training programs to prepare Nevada's workforce for high-wage careers in film, television and digital media production, equip Nevada's residents with in-demand skills and create pathways into the industry, thereby generating thousands of new jobs for Nevadans and building a skilled talent pool that sustains the State's creative sector for the long term.

Sec. 4. As used in sections 1 to 20, inclusive, of this act, unless the context otherwise requires, the words and terms defined in NRS 360.7582 and 360.7586, as amended by sections 24 and 25 of this act, have the meanings ascribed to them in those sections, and the words and terms defined in sections 5 to 9, inclusive, of this act have the meanings ascribed to them in those sections.

Sec. 5. "Capital investment" means all costs and expenses incurred by the participants in the Project in connection with the acquisition of the land for the Project and the acquisition, construction, installation and equipping of the facilities, buildings, structures and other infrastructure at the Project for the production of qualified productions at the Project.

Sec. 6. "Lead participant" means the person designated by the participants in the Project as the lead participant for the Project.

Sec. 7. "Nevada Partners Vocational Training Studio" means a facility:

1. To be located by December 31, 2029, at a site owned by Nevada Partners, Inc., or its successor organization, or if Nevada Partners, Inc. ceases to exist and has no successor organization, to be located by December 31, 2030, at a site approved by the Southern Nevada Enterprise Community Board created by section 8 of the Southern Nevada Enterprise Community Infrastructure Improvement Act; and

2. At which vocational training and education is to be provided for the development of a trained workforce for the production in this State of qualified productions that are film and television productions.

Sec. 8. "Office" means the Office of Economic Development within the Office of the Governor.

Sec. 9. "Summerlin Production Studios Project" or "Project" means a project for the construction of a development consisting of facilities, buildings, structures and other infrastructure for the production of qualified productions at the site of real property burdened by the following development agreements and owned by the master developer under such development agreements or such master developer's affiliated entities:

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

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

Sec. 10. 1. Not later than 120 days after the effective date of this act, the Office shall enter into a development agreement with the lead participant of the Summerlin Production Studios Project, unless the Office agrees to extend this period by not more than 60 days. The development agreement entered into pursuant to this section:

(a) Must require the Project to:

(1) Except as otherwise provided in subsections 2 and 3, not later than:

(I) December 31, 2028, make a new capital investment in this State, excluding any hotel and any business required to hold a license issued pursuant to chapter 463 of NRS, of at least $400,000,000.

(II) June 30, 2030, make an aggregate new capital investment in this State, of at least $900,000,000. For the purposes of determining the amount of new capital investment pursuant to this sub-subparagraph, any new capital investment by a third party who purchases property or enters into a ground lease for property within the site of the Project must be credited toward meeting the requirement of this sub-subparagraph. The Office shall credit toward meeting the requirement of this sub-subparagraph 50 percent of the new capital investment made at the Downtown Summerlin site during the period beginning on the date of the execution of the development agreement and ending on June 30, 2030, if the Board of Economic Development determines that the new capital investment is consistent with the State Plan for Economic Development developed by the Executive Director of the Office of Economic Development pursuant to subsection 2 of NRS 231.053 and the intent of the Legislature as expressed in sections 2 and 3 of this act.

(III) June 30, 2033, make an aggregate new capital investment in this State of at least $1,400,000,000. For the purposes of determining the amount of new capital investment pursuant to this sub-subparagraph, any new capital investment by a third party who purchases property or enters into a ground lease for property within the site of the Project must be credited toward meeting the requirement of this sub-subparagraph. The Office shall credit toward meeting the requirement of this sub-subparagraph 50 percent of the new capital investment made at the Downtown Summerlin site during the period beginning on the date of the execution of the development agreement and ending on June 30, 2033, if the Board of Economic Development determines that the new capital investment is consistent with the State Plan for Economic Development developed by the Executive Director of the Office of Economic Development pursuant to subsection 2 of NRS 231.053 and the intent of the Legislature as expressed in sections 2 and 3 of this act.

(IV) June 30, 2039, make an aggregate new capital investment in this State of at least $1,800,000,000. For the purposes of determining the amount of new capital investment pursuant to this sub-subparagraph, any new capital investment by a third party who purchases property or enters into a ground lease for property within the site of the Project must be credited toward meeting the requirement of this sub-subparagraph. The Office shall credit toward meeting the requirement of this sub-subparagraph 50 percent of the new capital investment made at the Downtown Summerlin site during the period beginning on the date of the execution of the development agreement and ending on June 30, 2039, if the Board of Economic Development determines that the new capital investment is consistent with the State Plan for Economic Development developed by the Executive Director of the Office of Economic Development pursuant to subsection 2 of NRS 231.053 and the finding and intent of the Legislature as expressed in sections 2 and 3 of this act.

(2) Not later than December 31, 2028, contribute at least $8,000,000 to Nevada Partners, Inc. to support the construction and operation of the Nevada Partners Vocational Training Studio and to the maximum extent practicable, collaborate with Nevada Partners, Inc. to ensure that not later than December 31, 2030, construction of the Nevada Partners Vocational Training Studio has been completed and the Nevada Partners Vocational Training Studio is operational.

(3) If the Nevada Partners Vocational Training Studio is not completed and operational before January 1, 2031, ensure that an equivalent facility is constructed and operational before that date.

(4) Except as otherwise provided in subparagraph (5) and subsection 6, guarantee that for the period beginning on:

(I) July 1, 2029, and ending on June 30, 2035, the Project will generate, for each period consisting of 2 fiscal years during that time, not less than $600,000,000 of direct production expenditures.

(II) July 1, 2035, and ending on June 30, 2044, the Project will generate, for each period consisting of 3 fiscal years during that time, not less than $900,000,000 of direct production expenditures.

(5) Except as otherwise provided in this subparagraph, require that if, during any period described in subparagraph (4), the amount of direct production expenditures exceeds the amount required by subparagraph (4) for that period, the excess amount must be carried forward and used to offset any shortage in satisfying any requirement set forth in subparagraph (4) in any subsequent period. The total amount of excess direct production expenditures for a period described in subparagraph (4) that may be used to offset a shortfall in the amount of direct production expenditures required for any subsequent period described in subparagraph (4) cannot exceed $200,000,000.

(6) Not later than 5 years after the Office and the lead participant execute the development agreement, make a contribution of at least $6,000,000 to the College of Southern Nevada for its Eastside Education and Training Center to support education and workforce training related to the production of qualified productions that are film or television productions and for child care for participants in such education and workforce training programs.

(7) If the Eastside Education and Training Center described in subparagraph (6) is not completed and operational before January 1, 2031, ensure that an equivalent facility is constructed and operational before that date.

(8) Provide written notice to the Office within 30 days after the applicable deadline for completing a requirement set forth in subparagraphs (1) to (7), inclusive, which must state whether the requirement has been met. Upon receipt of the written notice, the Office shall make a final determination, in writing, of whether the requirement has been met and provide that determination to the lead participant of the Project. If the Office determines that the requirement has been met, the Office shall establish the date on which the requirement was met.

(b) Must establish the minimum amount of square feet of building space at the Project to be used for the various components of the production of qualified productions.

(c) Must establish the minimum number of acres of real property that will be a part of the Project.

(d) May include such other provisions, not inconsistent with law, concerning the development of the Project and the issuance of film infrastructure transferable tax credits pursuant to sections 4 to 20, inclusive, of this act, as agreed to by the Office and the lead participant.

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

3. If the Office determines that the Project has not met a requirement for capital investment included in the development agreement pursuant to subparagraph (1) of paragraph (a) of subsection 1, the Office must document its determination in writing, notify the lead participant, in writing, of its determination and impose a penalty on the Project in an amount not to exceed the amount of the deficiency. The Project may cure the deficiency by making the required capital investment in the element of the Project for which the requirement for capital investment was not met not later than 2 years after the end of the period for which the requirement for capital investment was not met, in an amount necessary to satisfy the requirement for capital investment in an element of the Project that was not met. If the deficiency is:

(a) Cured within the cure period, 100 percent of the amount of the penalty must be discharged.

(b) Not cured within that cure period, the Office must record a lien on any land within the Project that is undeveloped or has not been developed in accordance with the findings and intent of the Legislature as expressed in sections 2 and 3 of this act, to secure payment of such penalty, subject to the limitations set forth in subsection 4. Any penalty, and the lien securing the payment of such penalty, must be discharged as follows:

(1) If the requirement for capital investment which was not met is satisfied not later than 1 year after the expiration of the cure period, 90 percent of the amount of the penalty, and the lien securing the payment of the penalty, must be discharged.

(2) If the requirement for capital investment which was not met is satisfied more than 1 year, but not later than 2 years, after the expiration of the cure period, 70 percent of the amount of the penalty, and the lien securing the payment of the penalty, must be discharged.

(3) If the requirement for capital investment which was not met is satisfied more than 2 years, but not later than 3 years, after the expiration of the cure period, 50 percent of the amount of the

penalty, and the lien securing the payment of the penalty, must be discharged.

(4) If the requirement for capital investment which was not met is satisfied more than 3 years, but not later than 4 years, after the expiration of the cure period, 30 percent of the amount of the penalty, and the lien securing the payment of the penalty, must be discharged.

(5) If the requirement for capital investment which was not met is satisfied more than 4 years, but not later than 5 years, after the expiration of the cure period, 10 percent of the amount of the penalty, and the lien securing the payment of the penalty, must be discharged.

4. Only one lien may by recorded pursuant to subsection 3 and such a lien:

(a) Must not, at any time, exceed the lesser of the amount of the deficiency or 100 percent of the appraised value of the remaining land within the Project that is undeveloped or has not been developed in accordance with the findings and intent of the Legislature as expressed in sections 2 and 3 of this act.

(b) May not be recorded on any completed portion of the Project.

(c) May be modified, replaced or reissued to secure payment of the most current amount of any penalty imposed pursuant to subsection 3 but any such lien is subject to the limitations of this subsection.

5. If the Office determines that the amount of direct production expenditures is less than $150,000,000 in any fiscal year commencing on or after July 1, 2029, and before July 1, 2044, the Office must notify the Project, in writing, of its determination and impose a penalty on the Project in an amount equal to the lesser of $10,000,000 or the amount determined by:

(a) Calculating 50 percent of the sum of the film infrastructure transferable tax credits authorized for approval pursuant to section 15 of this act for that fiscal year and the immediately preceding fiscal year;

(b) Calculating a percentage by dividing the difference between the $150,000,000 and the actual amount, as determined by the Office, of direct production expenditures, by $150,000,000; and

(c) Multiplying the percentage calculated pursuant to paragraph (b) by the amount calculated pursuant to paragraph (a).

➥ Any penalty paid pursuant to this subsection must be applied to reduce the amount of any penalty imposed pursuant to subsection 6.

6. If the Office determines that the Project has not met a requirement for direct production expenditures included in the development agreement pursuant to subparagraph (4) of

paragraph (a) of subsection 1, the Project must pay to the Office a penalty in an amount determined as follows:

(a) If the actual amount of direct production expenditures is more than 2 percent and not more than 5 percent less than the applicable requirement for direct production expenditures included in the development agreement pursuant to subparagraph (4) of paragraph (a) of subsection 1, a penalty in the amount of $2,000,000.

(b) If the actual amount of direct production expenditures is more than 5 percent and not more than 10 percent less than the applicable requirement for direct production expenditures included in the development agreement pursuant to subparagraph (4) of paragraph (a) of subsection 1, a penalty in the amount of $5,000,000.

(c) If the actual amount of direct production expenditures is more than 10 percent and not more than 20 percent less than the applicable requirement for direct production expenditures included in the development agreement pursuant to subparagraph (4) of paragraph (a) of subsection 1, a penalty in the amount of $10,000,000.

(d) If the actual amount of direct production expenditures is more than 20 percent and not more than 30 percent less than the applicable requirement for direct production expenditures included in the development agreement pursuant to subparagraph (4) of paragraph (a) of subsection 1, a penalty in the amount of $20,000,000.

(e) If the actual amount of direct production expenditures is more than 30 percent and not more than 40 percent less than the applicable requirement for direct production expenditures included in the development agreement pursuant to subparagraph (4) of paragraph (a) of subsection 1, a penalty in the amount of $30,000,000.

(f) If the actual amount of direct production expenditures is more than 40 percent and not more than 50 percent less than the applicable requirement for direct production expenditures included in the development agreement pursuant to subparagraph (4) of paragraph (a) of subsection 1, a penalty in the amount of $40,000,000.

(g) If the actual amount of direct production expenditures is more than 50 percent less than the applicable requirement for direct production expenditures included in the development agreement pursuant to subparagraph (4) of paragraph (a) of subsection 1, a penalty in the amount of $50,000,000.

7. The Office may reduce, or waive, any penalty imposed pursuant to subsections 3 to 6, inclusive, if, upon written request of

the lead participant, the Office determines that the failure to meet a requirement for which a penalty may be imposed was caused by extraordinary circumstances beyond the control of the Project and reasonable, documented and good-faith efforts were made to satisfy the requirement. For the purposes of this subsection, "extraordinary circumstances":

(a) Means natural disasters, labor strikes, significant disruptions in material supply chains, substantial economic or geopolitical shocks, government-mandated closures, delays in obtaining any approval of a governmental entity needed for the Project that are not caused by the Project or other events in the nature of force majeure that materially impair the ability to carry out development and construction activities.

(b) Does not include ordinary market fluctuations, internal project scheduling decisions or changes in business strategy.

8. Before taking any action or declining any request for an action authorized by subsection 7, the Executive Director of the Office shall:

(a) Consider any documentation submitted by the production company related to the action under consideration; and

(b) Make the following determinations in writing:

(1) That good cause exists to take such action; and

(2) That the action is reasonable based on the circumstances of the underlying incident on which the reduction or withholding of film infrastructure transferable tax credits authorized pursuant to subsection 4 is based.

9. Any penalty paid to the Office pursuant to subsections 3 to 6, inclusive, must be deposited with the State Treasurer for credit to the State General Fund.

10. The Office shall not approve any abatement, partial abatement or exemption from taxes, or any other incentive for economic development, other than film infrastructure transferable tax credits pursuant to sections 4 to 20, inclusive, of this act or noninfrastructure transferable tax credits pursuant to NRS 360.758 to 360.7598, inclusive, for the Summerlin Production Studios Project if the Project has entered into a development agreement with the Office pursuant to this section.

11. As used in this section:

(a) "Direct production expenditures" means expenditures in this State:

(1) By a production company that is affiliated with the lead participant and is producing, in whole or in part, a qualified production at the Project;

(2) That are direct expenditures on a qualified production that is produced, in whole or in part, at the Project; and

(3) That meet the criteria to be a qualified direct production expenditure pursuant to subsection 1 of section 12 of this act, regardless of whether the production company applies for or receives film transferable tax credits for the qualified production.

(b) "Hotel" means a building occupied or intended to be occupied for compensation, as the temporary residence for transient guests, primarily persons who have residence elsewhere. A hotel has an interior hall and lobby with access to each room from the interior hall or lobby.

Sec. 11. 1. A production company that is located at the Summerlin Production Studios Project and that produces, in whole or in part, a qualified production at the Project may, on or after December 1, 2026, apply to the Office for a certificate of eligibility for film infrastructure transferable tax credits for any qualified direct production expenditures. The film infrastructure transferable tax credits may be applied to:

(a) Any tax imposed by chapter 363A or 363B of NRS;

(b) The gaming license fee imposed by the provisions of NRS 463.370;

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

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

2. Except as otherwise provided in section 15 of this act, the Office shall approve an application for a certificate of eligibility for film infrastructure transferable tax credits if the Office finds that the production company is producing the qualified production, in whole or in part, at the Summerlin Production Studios Project and the production company qualifies for the film infrastructure transferable tax credits pursuant to subsection 3. If the Office approves the application, the Office shall:

(a) Calculate the estimated amount of film infrastructure transferable tax credits that may be issued for the qualified production pursuant to sections 12 to 15, inclusive, of this act; and

(b) Immediately forward a copy of the certificate of eligibility which identifies the estimated amount of tax credits to:

(1) The applicant;

(2) The lead participant;

(3) The Department of Taxation; and

(4) The Nevada Gaming Control Board.

3. To be eligible for film infrastructure transferable tax credits pursuant to this section, the production company must:

(a) Before the beginning of principal photography, submit to the Office an application for a certificate of eligibility that meets the requirements of subsection 4;

(b) Submit to the Office with the application for a certificate of eligibility:

(1) Written documentation from the lead participant that affirms that the production company is located at the Summerlin Production Studios Project and is producing, in whole or in part, a qualified production at the Project;

(2) Proof that 70 percent or more of the funding for the qualified production has been obtained; and

(3) Proof that:

(I) At least 50 percent of the total principal photography days of the qualified production will take place in this State; or

(II) The qualified production will incur qualified direct production expenditures in this State of at least $5,000,000;

(c) Satisfy the applicable requirement for the employment of Nevada residents as below-the-line personnel of the qualified production, as set forth in section 13 of this act;

(d) Provide to the Office:

(1) With the application for a certificate of eligibility, proof that the applicant has in place a workforce plan for the qualified production that outlines specific goals for:

(I) Hiring a workforce that reflects the diversity of this State, including, without limitation, the age, gender, gender identity or expression, as defined in NRS 0.034, sexual orientation, ethnic and geographic diversity of this State;

(II) Using vendors that are minority-owned business enterprises or woman-owned business enterprises; and

(III) Achieving the requirements set forth in subsection 2 of section 13 of this act; and

(2) Not later than 365 days after the completion of principal photography of the qualified production, unless the Office agrees to extend this period by not more than 180 days, a final assessment of the workforce plan that includes documentation on whether the production met or made good faith efforts to achieve the goals set forth in the workforce plan;

(e) Not later than 365 days after the completion of principal photography of the qualified production or, if any direct production expenditures for postproduction will be incurred in this State, not later than 365 days after the completion of postproduction, unless the Office agrees to extend this period by not more than 180 days, provide the Office with an audit of the qualified production that includes:

(1) An itemized report of qualified direct production expenditures which:

(I) Shows that the qualified production incurred qualified direct production expenditures of $500,000 or more;

(II) If the production company complied with the requirement of subparagraph (3) of paragraph (b) by providing to the Office with the application for a certificate of eligibility proof that the qualified production would incur qualified direct production expenditures in this State of at least $5,000,000, shows that the qualified production incurred qualified direct production expenditures in this State of at least $5,000,000; and

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

(2) A list of each contractor, vendor, personal service corporation or loan-out company or other business engaged by the production company to provide goods or perform services in an aggregate amount of at least $10,000 or more in this State in connection with the qualified production and the amount paid to each contractor, vendor, personal service corporation or loan-out company or other business for such goods or services; and

(3) Proof that the production company secured all licenses and registrations required to do business in each location in this State at which the qualified production was produced;

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

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

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

(2) If the qualified production does not have end screen credits, another acknowledgment in the final version of the qualified production that indicates that the qualified production was filmed or otherwise produced in Nevada or any alternative marketing promotion acceptable to the Office; and

(h) Enter into a written agreement with the Office that requires the production company to transmit to each contractor, vendor, personal service corporation or loan-out company or other business engaged by the production company to provide goods or perform services in an aggregate amount of at least $10,000 or more in this State in connection with a qualified production, not later than 30 calendar days after the production company pays the contractor, vendor, personal service corporation or loan-out company or other business, a notification that includes:

(1) A statement that Nevada imposes:

(I) A tax on wages paid by certain employers pursuant to chapters 363A and 363B of NRS; and

(II) A commerce tax on certain business entities pursuant to chapter 363C of NRS; and

(2) Instructions for obtaining additional information from the Department of Taxation regarding the collection and remittance of taxes pursuant to chapters 363A, 363B and 363C of NRS.

4. An application for a certificate of eligibility submitted pursuant to subsection 3 must contain:

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

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

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

(d) An estimate of the percentage of principal photography days of the qualified production that will take place in this State and outside this State;

(e) An insurance certificate, binder or quote for general liability insurance of $1,000,000 or more;

(f) The business address of the production company;

(g) The written documentation from the lead participant that is required by subparagraph (1) of paragraph (b) of subsection 3;

(h) The workforce plan of the production company required by subparagraph (1) of paragraph (c) of subsection 3; and

(i) Proof that the qualified production meets any applicable requirements relating to workers' compensation insurance.

5. Within 45 business days after receipt of a final assessment of the workforce plan provided by a production company pursuant to subparagraph (2) of paragraph (d) of subsection 3, an audit provided by a production company pursuant to paragraph (e) of subsection 3 and any other accountings or other information required by the Office, the Office shall determine whether to certify the audit and make a final determination of whether a certificate of film infrastructure transferable tax credits will be issued. If the Office certifies the audit, determines that all other requirements for the film infrastructure transferable tax credits have been met and determines that a certificate of film infrastructure transferable tax credits will be issued, the Office shall notify the production company and the lead participant that the film infrastructure transferable tax credits will be issued.

6. Within 90 days after the receipt of the notice, the production company shall make an irrevocable declaration of the amount of film infrastructure transferable tax credits that will be applied to each fee or tax set forth in subsection 1, thereby accounting for all of the credits that will be issued in relation to the qualified production.

7. Upon receipt of the declaration required by subsection 6, the Office shall issue to the production company a certificate of film infrastructure transferable tax credits in the amount approved by the Office for the fees or taxes included in the declaration of the

production company. The film infrastructure transferable tax credits issued under the certificate may not be used before July 1, 2029. The production company shall notify the Office upon transferring any of the film infrastructure transferable tax credits. The Office shall notify the Department of Taxation and the Nevada Gaming Control Board of all film infrastructure transferable tax credits issued, segregated by each fee or tax set forth in subsection 1, and the amount of any film infrastructure transferable tax credits transferred.

8. Within 60 days after the production company uses any film infrastructure transferable tax credits issued pursuant to subsection 7 or notifies the Office of any transfer of film infrastructure transferable tax credits issued pursuant to subsection 7, the production company shall pay to the Office an amount of money equal to 1 percentage point of the percentage of qualified direct production expenditures used to calculate the amount of film infrastructure transferable tax credits issued to the production company pursuant to subsection 7. The Office shall deposit any money received pursuant to this subsection with the State Treasurer for credit to the Account for Nevada Film, Media and Related Technology Education and Vocational Training created by section 38 of this act. A payment made pursuant to this subsection shall be deemed to be a payment made from film infrastructure transferable tax credits which would have been authorized and approved for the production company if a payment pursuant to this section were not required.

9. An applicant for film infrastructure transferable tax credits pursuant to this section shall, upon the request of the Executive Director of the Office, furnish the Executive Director with copies of all records necessary to verify that the applicant meets the requirements of subsection 3.

10. The Office:

(a) Shall adopt regulations prescribing:

(1) Any additional qualified expenditures or production costs that may serve as the basis for film infrastructure transferable tax credits pursuant to section 12 of this act;

(2) The application review process;

(3) That a production for which records are required by 18 U.S.C. § 2257 to be maintained with respect to any performer in such production is not eligible for film infrastructure transferable tax credits; and

(4) Any necessary provisions to ensure compliance with the requirements of paragraph (d) of subsection 3 relating to workforce plans; and

(b) May adopt any other regulations that are necessary to ensure that the provisions of sections 2 to 20, inclusive, of this act are carried out in a manner that is reasonable and customary in the industry for the production of qualified productions.

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

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

(b) May adopt any other regulations that are necessary for the Department of Taxation and the Nevada Gaming Control Board, as applicable, to carry out the functions performed by each entity pursuant to the provisions of sections 2 to 20, inclusive, of this act.

Sec. 12. 1. Except as otherwise provided in this subsection and subsection 3, qualified direct production expenditures that may serve as a basis for film infrastructure transferable tax credits issued pursuant to section 11 of this act must:

(a) Be expenditures made during the period in which a qualified production is produced;

(b) Be customary and reasonable;

(c) Relate to a category of qualified expenditures and costs listed in subsection 2; and

(d) Be:

(1) Purchases, rentals or leases of tangible personal property or services from a Nevada business.

(2) The payroll, including wages, salaries and fringe benefits, for Nevada residents or other personnel for labor or services provided in this State. The payroll, including wages, salaries and fringe benefits, for Nevada residents or other personnel for labor or services provided outside this State must not be a qualified direct production expenditure.

(3) Compensation, including wages, salaries, fringe benefits and other payments, paid to a bona fide third-party service provider, or to another person receiving the compensation on behalf of the bona fide third-party service provider, for labor or services provided in Nevada. Compensation, including wages, salaries, fringe benefits and other payments, paid to a bona fide third-party service provider, or to another person receiving the compensation on behalf of the bona fide third-party service provider, for labor or services provided outside Nevada must not be a qualified direct production expenditure.

2. Expenditures or costs that may serve as a basis for calculating film infrastructure transferable tax credits must relate to:

(a) Set construction and operation;

(b) Wardrobe and makeup;

(c) Photography, sound and lighting;

(d) Filming, film processing and film editing;

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

(f) Food and lodging;

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

(h) Payment for goods or services provided by a Nevada business;

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

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

(k) Any other transaction, service or activity authorized in regulations adopted by the Office pursuant to section 11 of this act.

3. Expenditures and costs:

(a) Related to:

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

(2) Marketing and distribution;

(3) Financing, depreciation and amortization;

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

(5) The payment of the cost of the audit required by section 11 of this act; or

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

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

(c) Which are paid to a joint venturer or a parent, subsidiary or other affiliate of the production company, unless the amount paid represents the fair market value, which may be represented by a rate sheet, of the purchase, rental or lease of the property or services for which payment is made;

(d) Which have been previously claimed as a basis for film infrastructure transferable tax credits issued pursuant to section 11 of this act or noninfrastructure transferable tax credits issued pursuant to NRS 360.759,

➥ are not qualified direct production expenditures and are not eligible to serve as a basis for film infrastructure transferable tax credits issued pursuant to section 11 of this act.

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

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

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

(c) Not more than 50 percent of the expenditures incurred by the production company to purchase, rent or lease tangible personal property for the qualified production are expenditures incurred for the purchase, rental or lease of tangible personal property in the manner described in this subsection. For the purposes of the calculation required by this paragraph, the cost of any property that remains an asset of the Nevada business after production of the qualified production has concluded must not be included in the calculation as property purchased, rented or leased in the manner described in this subsection.

5. If any tangible personal property is acquired by the production company as an asset, the calculation of the costs of the tangible personal property that constitute a qualified direct production expenditure must be performed in the manner prescribed by the Office by regulation.

6. As used in this section:

(a) "Bona fide third-party service provider" means a qualified entity, a qualified individual or any other person determined by the Office to be providing necessary and appropriate labor or services directly related to the production.

(b) "Fringe benefits" means employee expenses paid by an employer for the use of the employee's services, including, without limitation, payments made to a governmental entity, union dues, health insurance premiums, payments to a pension plan and payments for workers' compensation insurance.

(c) "Qualified entity" means an entity that is:

(1) A personal service corporation, as defined in 26 U.S.C. § 269A(b)(1), a payroll services corporation or any entity receiving payments for services performed in this State by a qualified individual; and

(2) Registered to conduct business pursuant to the laws of this State.

(d) "Qualified individual" means any natural person who performs services during the production period in an activity related to the production of a qualified production. The term does not include:

(1) Any natural person related to the production company or an employee as described in subparagraph (A), (B) or (C) of 26 U.S.C. § 51(i)(1).

(2) Any 5-percent owner, as defined in 26 U.S.C. § 416(i)(1)(B), of the production company.

Sec. 13. 1. Except as otherwise provided in subsections 3, 4 and 5, the Office shall not issue film infrastructure transferable tax credits to a production company pursuant to section 11 of this act unless, in addition to meeting any other requirements for the issuance of film infrastructure transferable tax credits, the production company satisfies the applicable requirement for the employment of Nevada residents as below-the-line personnel of the qualified production as follows:

(a) For a qualified production that submits an application for a certificate of eligibility for film infrastructure transferable tax credits pursuant to section 11 of this act on or after July 1, 2026, and before July 1, 2027, at least 10 percent of the below-the-line personnel of the qualified production are Nevada residents.

(b) For a qualified production that submits an application for a certificate of eligibility for film infrastructure transferable tax credits pursuant to section 11 of this act on or after July 1, 2027, and before July 1, 2028, at least 15 percent of the below-the-line personnel of the qualified production are Nevada residents.

(c) For a qualified production that submits an application for a certificate of eligibility for film infrastructure transferable tax credits pursuant to section 11 of this act on or after July 1, 2028, and before July 1, 2029, at least 20 percent of the below-the-line personnel of the qualified production are Nevada residents.

(d) For a qualified production that submits an application for a certificate of eligibility for film infrastructure transferable tax credits pursuant to section 11 of this act on or after July 1, 2029, and before July 1, 2030, at least 25 percent of the below-the-line personnel of the qualified production are Nevada residents.

(e) For a qualified production that submits an application for a certificate of eligibility for film infrastructure transferable tax credits pursuant to section 11 of this act on or after July 1, 2030, and before July 1, 2031, at least 30 percent of the below-the-line personnel of the qualified production are Nevada residents.

(f) For a qualified production that submits an application for a certificate of eligibility for film infrastructure transferable tax credits pursuant to section 11 of this act on or after July 1, 2031, and before July 1, 2032, at least 40 percent of the below-the-line personnel of the qualified production are Nevada residents.

(g) For a qualified production that submits an application for a certificate of eligibility for film infrastructure transferable tax credits pursuant to section 11 of this act on or after July 1, 2032, and before July 1, 2038, at least 50 percent of the below-the-line personnel of the qualified production are Nevada residents.

(h) For a qualified production that submits an application for a certificate of eligibility for film infrastructure transferable tax credits pursuant to section 11 of this act on or after July 1, 2038, and before July 1, 2044, at least 60 percent of the below-the-line personnel of the qualified production are Nevada residents.

2. To satisfy the applicable requirement for the employment of Nevada residents as below-the-line personnel of the qualified production, as set forth in subsection 1, the production company producing the qualified production must satisfy the applicable requirement under both of the following calculations:

(a) The percentage calculated by dividing a numerator consisting of the number of workdays worked by Nevada residents who are below-the-line personnel, excluding background actors, for labor or services provided in this State by a denominator consisting of the number of workdays worked by all below-the-line personnel, excluding background actors, for labor or services provided in this State, must exceed the applicable requirement set forth in subsection 1; and

(b) Except as otherwise provided in subsections 3 and 4, the percentage calculated by dividing a numerator consisting of the wages and salaries paid to Nevada residents who are below-the-line personnel, excluding background actors, for labor or services provided in this State by a denominator consisting of the total wages and salaries paid to all below-the-line personnel, excluding background actors, for labor or services provided in this State, must exceed the applicable requirement set forth in subsection 1.

3. Except as otherwise provided in subsection 4, for the purposes of the calculation required by paragraph (b) of subsection 2, wages and salaries paid to persons employed as one of each of the following below-the-line personnel must not be included in the calculation of the denominator as total wages and salaries paid to all below-the-line personnel for labor or services provided in this State:

(a) Director of photography;

(b) First assistant director;

(c) Editor;

(d) VFX supervisor;

(e) Costume designer;

(f) Costume supervisor;

(g) Production designer;

(h) Unit production manager;

(i) Construction coordinator;

(j) Set decorator;

(k) Supervising art director;

(l) Financial controller;

(m) Special effects supervisor;

(n) Art director;

(o) Stunt coordinator;

(p) Makeup artist;
(q) Key hairstylist;
(r) Propmaster;
(s) Gaffer;
(t) Camera operator or steadicam operator;
(u) Sound mixer;
(v) Choreographer; and
(w) Any other position deemed by the Executive Director to be specialized.

4. A calculation required by paragraph (b) of subsection 2 using a denominator adjusted pursuant to subsection 3 must not result in the applicable requirement set forth in subsection 1 being less than 80 percent of that applicable requirement.

5. A production company that has applied for a certificate of eligibility for film infrastructure tax credits pursuant to section 11 of this act may, at any time, apply to the Executive Director of the Office for a waiver of the applicable requirement for the employment of Nevada residents as below-the-line personnel of the qualified production, as set forth in subsection 1. The Executive Director of the Office shall approve such a waiver if the production company provides evidence satisfactory to the Executive Director that:

(a) A good faith effort was made to identify and hire Nevada residents to satisfy the applicable requirement of paragraph (b) of subsection 2; and

(b) There is an insufficient number of Nevada residents is available and qualified for employment as below-the-line personnel of the qualified production.

Sec. 14. 1. Except as otherwise provided in subsections 2 and 4 and section 15 of this act, the base amount of film infrastructure transferable tax credits issued to an eligible production company pursuant to section 11 of this act must equal 30 percent of the qualified direct production expenditures.

2. Except as otherwise provided in subsection 3 and section 15 of this act, if the production company submitted the application for the certificate of eligibility for film infrastructure transferable tax credits pursuant to section 11 of this act on or after a date that is more than 36 months after the date on which the Office adopts the regulations required by section 11 of this act, the Office shall reduce the cumulative amount of film infrastructure transferable tax credits that are calculated pursuant to this section by 5 percent if the final assessment of the workforce plan submitted by the production company for the qualified production pursuant to paragraph (d) of subsection 3 of section 11 of this act does not include

documentation that at least two of the following requirements were met:

(a) The production company, distribution company or financing company for the qualified production offered training or work opportunities to traditionally underrepresented groups for the development of skills required for employment as below-the-line personnel or above-the-line personnel.

(b) Two or more persons who are members of a traditionally underrepresented group are employed on the qualified production as a casting director, cinematographer, composer, costume designer, director, editor, hairstylist, makeup artist, producer, production designer, set decorator, visual effects supervisor, writer, sound editor, sound effects editor, sound mixer, Foley artist or other similar personnel.

(c) Six or more persons who are members of a traditionally underrepresented group are employed on the qualified production in a technical role, including, without limitation, first assistant director, gaffer, script supervisor, digital imaging technician or other similar role.

(d) Not less than 20 percent of the below-the-line personnel employed on the qualified production, not including background actors, are members of a traditionally underrepresented group.

(e) One or more entities affiliated with the production company or distribution company has a program of substantive, ongoing paid apprenticeships or internships that include members of traditionally underrepresented groups in not less than three of the following departments:

(1) Production and development;

(2) Physical production;

(3) Postproduction;

(4) Music;

(5) Visual effects;

(6) Acquisitions;

(7) Business affairs;

(8) Distribution; or

(9) Marketing and publicity.

3. The Executive Director of the Office shall waive a reduction in the cumulative amount of film infrastructure transferable tax credits required pursuant to subsection 2 upon written proof to the Executive Director that the production company made a good faith effort to meet the requirements of that paragraph and there is an insufficient number of persons available and qualified to meet the requirements.

4. Except as otherwise provided in subsection 5, the Executive Director of the Office may:

(a) Reduce the cumulative amount of film infrastructure 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 film infrastructure 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 knowingly submitted any false statement, representation or certification in any document submitted for the purpose of obtaining film infrastructure transferable tax credits.

5. Before taking any action authorized by subsection 4, the Executive Director of the Office shall:

(a) Consider any documentation submitted by the production company related to the action under consideration;

(b) Make the following determinations in writing:

(1) That good cause exists to take such action;

(2) That the action is reasonable based on the circumstances of the underlying incident on which the reduction or withholding of film infrastructure transferable tax credits authorized pursuant to subsection 4 is based; and

(3) The amount of any reduction or withholding of film infrastructure transferable tax credits authorized pursuant to subsection 4 is commensurate with the severity of the underlying incident on which the reduction or withholding is based; and

(c) Notify the production company, in writing, of the determination made pursuant to paragraph (b).

6. As used in this section:

(a) "Racial or ethnic minority" means persons who are:

(1) Asian;

(2) Hispanic or Latino;

(3) Black or African American;

(4) Indigenous, Native American or Alaskan Native;

(5) Middle Eastern or North African;

(6) Native Hawaiian;

(7) Pacific Islander; or

(8) A member of any other underrepresented racial or ethnic minority group.

(b) "Traditionally underrepresented group" means:

(1) Women;

(2) A racial or ethnic minority group;

(3) A group of persons who identify as LGBTQ, which means lesbian, gay, bisexual, transgender, queer, intersex or any other nonheterosexual or noncisgender orientation or gender identity or expression;

(4) A group of persons with disabilities, as defined in NRS 426.068;

(5) Veterans;

(6) Persons who are currently serving on active duty in the Armed Forces of the United States; or

(7) Persons who were previously incarcerated in a jail or prison.

(c) "Veteran" means a person who has served in the Armed Forces of the United States, a reserve component thereof or the National Guard and was separated from such service under conditions other than dishonorable.

Sec. 15. 1. Except as otherwise provided in this section, the Office shall not approve any application for a certificate of eligibility for film infrastructure transferable tax credits submitted pursuant to section 11 of this act if:

(a) Approval of the application would cause the total amount of film infrastructure transferable tax credits approved pursuant to section 11 of this act to exceed the sum of $95,000,000 for each fiscal year beginning on or after July 1, 2029.

(b) The application is submitted by a production company in a fiscal year that begins on or after July 1, 2044.

2. Except as otherwise provided in paragraph (b) of subsection 1 and subsection 3, the amount of film infrastructure transferable tax credits authorized for a fiscal year that are not approved for that fiscal year may be carried forward and made available for approval only during the next fiscal year, but the amount of film infrastructure transferable tax credits carried forward and made available for approval during the next fiscal year must not exceed $47,500,000. For any fiscal year to which film infrastructure transferable tax credits are carried forward from the immediately preceding fiscal year pursuant to this subsection, the film infrastructure transferable tax credits that have been carried forward must be deemed to be the first film infrastructure transferable tax credits approved until the total amount of film infrastructure transferable tax credits carried forward from the immediately preceding fiscal year have been approved.

3. If the Summerlin Production Studios Project does not satisfy the criteria set forth in sub-subparagraph (I) of subparagraph (1) of paragraph (a) of subsection 1 of section 10 of this act, the Office shall not issue a certificate of film infrastructure transferable tax credits to a production company that produces a qualified

production for which a certificate of eligibility has been issued pursuant to section 11 of this act.

4. Except as otherwise provided in this section, if the Office approves an application for a certificate of eligibility pursuant to section 11 of this act:

(a) Before July 1, 2029, the Office shall assign the amount of film infrastructure transferable tax credits identified under the certificate of eligibility to Fiscal Year 2029-2030.

(b) On or after July 1, 2029, the Office shall assign the amount of film infrastructure transferable tax credits identified under the certificate of eligibility to the fiscal year in which the application for the certificate of eligibility is approved.

5. Except as otherwise provided in subsection 2, an amount of film infrastructure transferable tax credits approved by the Office under a certificate of eligibility issued to a production company pursuant to section 11 of this act that exceeds the amount of film infrastructure transferable tax credits approved by the Office under a certificate of film infrastructure transferable tax credits issued to the production company pursuant to section 11 of this act may be added to the amount made available for approval during subsequent fiscal years.

6. The film infrastructure transferable tax credits issued to any production company for any qualified production pursuant to section 11 of this act expire at the end of the calendar year that is 6 years after the date on which the film infrastructure transferable tax credits are issued to the production company.

Sec. 16. 1. Except as otherwise provided in this subsection, if an application for a certificate of eligibility is approved pursuant to section 11 of this act, 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:

(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, except that in the case of a force majeure, the Office may extend the period for more than 90 days.

2. A production company that produces a qualified production shall submit the final assessment of the workforce plan and audit required by section 11 of this act and all other required information to the Office and the Department of Taxation within the time required by paragraph (d) or (e) of subsection 3 of section 11 of this act, as applicable. Production of the qualified production must be completed within 18 months after the date of commencement of principal photography, except that the Office may extend this period

for completion of the qualified production by not more than 6 months. 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.

Sec. 17. 1. Except as otherwise provided in subsection 3, a production company that is found to have knowingly submitted any false statement, representation or certification in any document submitted for the purpose of obtaining film infrastructure transferable tax credits, or that otherwise becomes ineligible for film infrastructure transferable tax credits after receiving the film infrastructure transferable tax credits pursuant to section 11 of this act, shall repay to the Department of Taxation or the Nevada Gaming Control Board, as applicable, any portion of the film infrastructure transferable tax credits to which the production company is not entitled.

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

3. A production company is not required to forfeit or repay any portion of the film infrastructure transferable tax credits to which the production company is otherwise entitled if the production company demonstrates that the production company became ineligible for the film infrastructure transferable tax credits as a result of unforeseen circumstances beyond the control of the production company, including, without limitation, an event in the nature of force majeure.

Sec. 18. 1. Except as otherwise provided in this subsection, not later than June 30, 2026, the Clark County Board of County Commissioners shall create a production studio entertainment district for the purpose of enhancing early childhood education opportunities, including public prekindergarten, for children in Clark County. The Clark County Board of County Commissioners shall not create a production studio entertainment district pursuant to this section if the Office and the lead participant in the Summerlin Production Studios Project have not entered into a development agreement pursuant to section 10 of this act within the period required by that section or, if a production studio entertainment district has been created, the Clark County Board of County Commissioners shall dissolve the district if the Office and the lead participant in the Project have not entered into a development agreement pursuant to section 10 of this act within the period required by that section. The district must:

(a) Be located entirely within the unincorporated areas of Clark County and outside the boundaries of any incorporated city;

(b) Include all parcels of land that are located within the boundaries of the Summerlin Production Studios Project; and

(c) Not include any parcels of land other than the parcels of land described in paragraph (b).

2. To make payments pursuant to subsection 3, the Clark County Board of County Commissioners shall pledge the proceeds of the following taxes, fees and charges, but excluding any taxes, fees or charges imposed for the purpose of providing services related to public safety or indigent services pursuant to any provision of law:

(a) The tax imposed pursuant to NRS 244.3352 at the rate of 2 percent of the gross receipts from the rental of transient lodging within the production studio entertainment district;

(b) The taxes imposed pursuant to chapter 361 of NRS on property of any kind within the production studio entertainment district for the general operating expenses of Clark County;

(c) The taxes imposed pursuant to chapter 361 of NRS on property of any kind within the production studio entertainment district for the general operating expenses of Summerlin Town; and

(d) The basic city-county relief tax, as defined in NRS 377.020, with regard to tangible personal property sold at retail, or stored, used or otherwise consumed, in the production studio entertainment district.

3. After the creation of the production studio entertainment district, the Department of Taxation, the Clark County Board of County Commissioners and the Board of Trustees of the Clark County School District shall enter into an agreement to transfer money secured by a pledge of, and payable from, any money pledged pursuant to subsection 2 and received with respect to the district. The agreement must provide for a transfer to the Clark County School District of money pledged pursuant to subsection 2 and received by the Department of Taxation or Clark County, including, without limitation, specifying the dates and procedure for the distribution of money pledged pursuant to subsection 2. An agreement entered into pursuant to this section is not subject to the limitations of subsection 1 of NRS 354.626 and may, at the option of the Clark County Board of County Commissioners, be binding on Clark County beyond the fiscal year in which it was made, if the agreement pertains solely to the money pledged pursuant to subsection 2.

4. The Clark County School District shall:

(a) Deposit all money received pursuant to this section in a separate account established and administered by the Board of Trustees of the Clark County School District and use money in such account solely for the purposes of prekindergarten education programs in the Clark County School District, which, at the discretion of the Clark County School District, may include, without limitation, the development and implementation of early childhood education pathways for the Clark County School District in collaboration with the College of Education at the University of Nevada, Las Vegas.

(b) Submit a report on or before July 1 of each year on the use of all money received pursuant to this section to the Office of Economic Development within the Office of the Governor. The Office shall include the report received from the Clark County School District in the report required pursuant to section 20 of this act.

5. The Department of Taxation may adopt regulations regarding procedures for the identification and segmentation with respect to the production studio entertainment district of the taxes, fees and charges described in subsection 2.

6. The Clark County Board of County Commissioners may adopt, by ordinance, procedures for the identification and segmentation with respect to the production studio entertainment district of the taxes, fees and charges described in subsection 2.

7. The Department of Taxation and Clark County, and any other local government or public body to which the taxes, fees and charges described in subsection 2 are paid, shall provide commercially reasonable procedures by which such taxes, fees and charges paid by any business or other person operating in the production studio entertainment district are to be identified and segmented. All such businesses or other persons operating in the production studio entertainment district shall follow the established commercially reasonable procedures.

8. The provisions of this section must not be applied to modify, directly or indirectly, any taxes levied or revenues pledged to impair adversely any outstanding obligations of any local government or the State, including, without limitation, bonds, notes, medium-term financing, letters of credit and any other financial obligation, until all such obligations have been discharged in full or provision for their payment and redemption has been fully made.

Sec. 19. 1. The lead participant shall, on or before August 1 of each even-numbered year, prepare and submit to the Governor, the Director of the Legislative Counsel Bureau for transmittal to the Legislature and the Office a report on the performance of the Project for the immediately preceding fiscal years and cumulatively for the period beginning on the effective date of this act and ending on the last day of the immediately preceding fiscal year. The report must include, without limitation:

(a) The following information concerning the development of the Project:

(1) The cumulative capital investment, by component, including the studio campus, vocational-training studio and supporting uses;

(2) Square footage delivered and acreage improved, by component;

(3) The status of capital investment requirements and requirements for direct production expenditures included in the development agreement pursuant to paragraph (a) of subsection 1 of section 10 of this act and any penalties imposed on the Project pursuant to section 10 of this act;

(4) Any improvements to public infrastructure installed or financed by the Project;

(5) Any capital investment outside of the site of the Project credited toward meeting the capital investment requirements included in the development agreement pursuant to paragraph (a) of subsection 1 of section 10 of this act;

(6) The primary user or tenant of each completed building and space occupied and a brief business description;

(7) The share of total occupied square footage used by firms whose principal business supports motion picture, television, digital media or related content-creation activities;

(8) Total employment related to construction of the Project;

(9) Total employment at the Project that is not related to construction of the Project;

(10) Aggregate wages and salaries paid to employees in industries related to the Project, separately by industry;

(11) An analysis of the employment of Nevada residents in industries related to the Project and plans to increase the percentage of Nevada residents who are employed in industries related to the Project;

(12) Demographic information concerning persons who participate in a program of vocational training and education offered at the Nevada Partners Vocational Training Studio;

(13) Any community investments in workforce training and education; and

(14) Any efforts to develop vendor procurement opportunities for small businesses and businesses owned by women, veterans or other traditionally underrepresented groups.

(b) The following information concerning the production of qualified productions, in whole or in part, at the site of the Project, regardless of whether the production company applies for or is issued film infrastructure transferable tax credits for the qualified production:

(1) The total amount of direct production expenditures, as defined in section 10 of this act;

(2) The aggregate number of persons in Nevada employed by qualified productions, the aggregate amount of wages paid to those persons and aggregated demographic information concerning those persons;

(3) The number of persons employed by each qualified production who were paid compensation of more than $1,000,000 for labor or services provided for the qualified production and the total number of persons employed by qualified productions were paid more than $1,000,000 for labor or services provided for the qualified production;

(4) For each qualified production and cumulatively for all qualified productions, the percentage of below-the-line personnel, by occupation and in aggregate, providing labor or services who were Nevada residents, calculated by dividing the number of workdays worked by Nevada residents who are below-the-line personnel, excluding background actors, by the number of workdays worked by all below-the-line personnel, excluding background actors;

(5) For each qualified production and cumulatively for all qualified productions, the percentage of below-line personnel, by occupation and in aggregate, providing labor or services who were Nevada residents, calculated by dividing the wages and salaries paid to Nevada residents who are below-the-line personnel, excluding background actors, for labor or services provided in this State by the total wages and salaries paid to all below-the-line personnel, excluding background actors;

(6) For each qualified production and cumulatively for all qualified productions, the percentage of above-the-line personnel, by occupation and in aggregate, providing labor or services who were Nevada residents, calculated by dividing the number of workdays worked by Nevada residents who are above-the-line personnel by the number of workdays worked by all above-the-line personnel;

(7) For each qualified production and cumulatively for all qualified productions, the percentage of above-the-line personnel, by occupation and in aggregate, providing labor or services who were Nevada residents, calculated by dividing the wages and salaries paid to Nevada residents who are above-the-line personnel for labor or services provided in this State by the total wages and salaries paid to all above-the-line personnel;

(8) For each qualified production and cumulatively for all qualified productions, the percentage of total compensation paid to above-the-line personnel, by occupation and in aggregate, and the percentage of total compensation paid to below-the-line personnel, by occupation and in aggregate;

(9) The period during which each qualified production was in Nevada and employed persons in Nevada; and

(10) The number of qualified productions that were produced by persons or entities that are affiliated with the Summerlin Production Studios Project and the number of qualified productions that were produced by persons or entities that are not affiliated with the Project.

2. The Office shall include a copy of the report received from the Project in the report required by section 20 of this act.

Sec. 20. The Office shall include in the report prepared and submitted pursuant to NRS 360.7598, on or before December 1 of each even-numbered year, to the Governor and to the Director of the Legislative Counsel Bureau for transmittal to the Legislature, a report for the two immediately preceding fiscal years and cumulatively for the period beginning on the effective date of this act and ending on the last day of the immediately preceding fiscal year:

1. The information provided to the Office pursuant to section 19 of this act;

2. The status of capital investment requirements and requirements for direct production expenditures included in the development agreement pursuant to paragraph (a) of subsection 1 of section 10 of this act and any penalties imposed on the Project pursuant to section 10 of this act;

3. The following information related to applications for film infrastructure transferable tax credits and qualified productions:

(a) The number of applications submitted for a certificate of eligibility for film infrastructure transferable tax credits pursuant to section 11 of this act;

(b) The number of qualified productions for which film infrastructure transferable tax credits were approved;

(c) The amount of film infrastructure transferable tax credits approved;

(d) The amount of film infrastructure transferable tax credits used;

(e) The amount of film infrastructure transferable tax credits transferred; and

(f) The amount of film infrastructure transferable tax credits taken against each allowable fee or tax, including the actual amount used and outstanding, in total and for each qualified production;

4. Recommendations for strengthening the overall operation of the program for the issuance of film infrastructure transferable tax credits, including, without limitation, methods to promote and encourage the development and establishment of production companies in Nevada, including, without limitation, production companies that are not affiliated with the Summerlin Production Studios Project;

5. An overview of the motion picture and television industry in this State, including, without limitation, the total number of qualified productions in this State for which film infrastructure transferable tax credits or noninfrastructure transferable tax credits have not been approved, data concerning employment in the motion picture and television industry in this State and production revenue generated in this State;

6. Demographic information concerning persons who participate in a program of vocational training and education offered at the Nevada Partners Vocational Training Studio, or if the Nevada Partners Vocational Training Studio is not completed and operational, the equivalent facility that is completed and operational;

7. Demographic information concerning persons who participate in a program of vocational training and education offered at the Eastside Education and Training Center at the College of Southern Nevada, or if the Eastside Education and Training Center is not completed and operational, the equivalent facility that is completed and operational;

8. The report received from the Clark County School District pursuant to subsection 4 of section 18 of this act;

9. The report received from the Summerlin Production Studios Project pursuant to subsection 2 of section 19 of this act; and

10. The compilation of information provided in reports made by recipients of grants from the Account for Nevada Film, Media and Related Technology Education and Vocational Training created by section 38 of this act, which is provided to the Office pursuant to section 40 of this act.

Sec. 21. Chapter 353 of NRS is hereby amended by adding thereto a new section to read as follows:

1. The Director of the Office of Finance in the Office of the Governor shall submit a request to the State Board of Examiners to suspend the authority of taxpayers to redeem film infrastructure transferable tax credits issued pursuant to section 11 of this act or noninfrastructure transferable tax credits issued pursuant to NRS 360.759, or both, if, at any time during a fiscal year, the Economic Forum projects that the anticipated revenue of the State for that fiscal year will fall short by 10 percent or more of the total anticipated revenue for the fiscal year, as projected by the

Economic Forum for that fiscal year pursuant to paragraph (e) of subsection 1 of NRS 353.228 and as adjusted by any legislation enacted by the Legislature that affects state revenue for that fiscal year.

2. The State Board of Examiners shall consider a request made pursuant to subsection 1 and shall, if it finds that a suspension is warranted based on the magnitude of the shortfall in revenue, recommend to the Interim Finance Committee for its independent evaluation and action that the suspension be imposed for a period of time not to exceed 18 months after the date on which the suspension is imposed. The Interim Finance Committee is not bound to follow the recommendation of the State Board of Examiners.

3. If the Interim Finance Committee finds that a suspension recommended by the State Board of Examiners should and may lawfully be made, the Committee shall by resolution direct the Department of Taxation and the Nevada Gaming Control Board to suspend the redemption of any film infrastructure transferable tax credits issued pursuant to section 11 of this act or any noninfrastructure transferable tax credits issued pursuant to NRS 360.759, or both, for a period of time not to exceed 18 months after the date on which the suspension is imposed.

4. If a resolution is issued pursuant to subsection 3:

(a) The expiration date for film infrastructure transferable tax credits set forth pursuant to section 15 of this act and noninfrastructure transferable tax credits set forth pursuant to NRS 360.7594, for which the suspension is imposed, must be extended by the number of days that such transferable tax credits may not be redeemed pursuant to the resolution.

(b) The total amount of film infrastructure transferable tax credits set forth pursuant to section 15 of this act and noninfrastructure transferable tax credits set forth pursuant to NRS 360.7594 used by all taxpayers must not exceed 133 percent of the total amount of film infrastructure transferable tax credits pursuant to section 15 of this act and noninfrastructure transferable tax credits pursuant to NRS 360.7594 authorized for a fiscal year beginning on or after July 1, 2029, and before June 30, 2044.

(c) For the purposes of paragraph (b), film infrastructure transferable tax credits set forth pursuant to section 15 of this act and noninfrastructure transferable tax credits set forth pursuant to NRS 360.7594 must be accepted based on the date on which they were issued, with the credits issued earliest in time accepted until the limit set forth in paragraph (b) is met.

Sec. 22. Chapter 360 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Except as otherwise provided in subsections 3, 4 and 5, the Office shall not issue noninfrastructure transferable tax credits to a production company pursuant to NRS 360.759 unless, in addition to meeting any other requirements for the issuance of film infrastructure transferable tax credits, the production company satisfies the applicable requirement for the employment of Nevada residents as below-the-line personnel of the qualified production as follows:

(a) For a qualified production that submits an application for a certificate of eligibility for noninfrastructure transferable tax credits pursuant to NRS 360.759 on or after July 1, 2026, and before July 1, 2027, at least 10 percent of the below-the-line personnel of the qualified production are Nevada residents.

(b) For a qualified production that submits an application for a certificate of eligibility for noninfrastructure transferable tax credits pursuant to NRS 360.759 on or after July 1, 2027, and before July 1, 2028, at least 15 percent of the below-the-line personnel of the qualified production are Nevada residents.

(c) For a qualified production that submits an application for a certificate of eligibility for noninfrastructure transferable tax credits pursuant to NRS 360.759 on or after July 1, 2028, and before July 1, 2029, at least 20 percent of the below-the-line personnel of the qualified production are Nevada residents.

(d) For a qualified production that submits an application for a certificate of eligibility for noninfrastructure transferable tax credits pursuant to NRS 360.759 on or after July 1, 2029, and before July 1, 2030, at least 25 percent of the below-the-line personnel of the qualified production are Nevada residents.

(e) For a qualified production that submits an application for a certificate of eligibility for noninfrastructure transferable tax credits pursuant to NRS 360.759 on or after July 1, 2030, and before July 1, 2031, at least 30 percent of the below-the-line personnel of the qualified production are Nevada residents.

(f) For a qualified production that submits an application for a certificate of eligibility for noninfrastructure transferable tax credits pursuant to NRS 360.759 on or after July 1, 2031, and before July 1, 2032, at least 40 percent of the below-the-line personnel of the qualified production are Nevada residents.

(g) For a qualified production that submits an application for a certificate of eligibility for noninfrastructure transferable tax credits pursuant to NRS 360.759 on or after July 1, 2032, and before July 1, 2038, at least 50 percent of the below-the-line personnel of the qualified production are Nevada residents.

(h) For a qualified production that submits an application for a certificate of eligibility for noninfrastructure transferable tax credits pursuant to NRS 360.759 on or after July 1, 2038, and before July 1, 2044, at least 60 percent of the below-the-line personnel of the qualified production are Nevada residents.

2. To satisfy the applicable requirement for the employment of Nevada residents as below-the-line personnel of the qualified production, as set forth in subsection 1, the production company producing the qualified production must satisfy the applicable requirement under both of the following calculations:

(a) The percentage calculated by dividing a numerator consisting of the number of workdays worked by Nevada residents who are below-the-line personnel, excluding background actors, for labor or services provided in this State by a denominator consisting of the number of workdays worked by all below-the-line personnel, excluding background actors, for labor or services provided in this State, must exceed the applicable requirement set forth in subsection 1; and

(b) Except as otherwise provided in subsections 3 and 4, the percentage calculated by dividing a numerator consisting of the wages and salaries paid to Nevada residents who are below-the-line personnel, excluding background actors, for labor or services provided in this State by a denominator consisting of the total wages and salaries paid to all below-the-line personnel, excluding background actors, for labor or services provided in this State, must exceed the applicable requirement set forth in subsection 1.

3. Except as otherwise provided in subsection 4, for the purposes of the calculation required by paragraph (b) of subsection 2, wages and salaries paid to persons employed as one of each of the following below-the-line personnel must not be included in the calculation of the denominator as total wages and salaries paid to all below-the-line personnel for labor or services provided in this State:

(a) Director of photography;

(b) First assistant director;

(c) Editor;

(d) VFX supervisor;

(e) Costume designer;

(f) Costume supervisor;

(g) Production designer;

(h) Unit production manager;

(i) Construction coordinator;

(j) Set decorator;

(k) Supervising art director;

(l) Financial controller;

(m) Special effects supervisor;

(n) Art director;

(o) Stunt coordinator;

(p) Makeup artist;

(q) Key hairstylist;

(r) Propmaster;

(s) Gaffer;

(t) Camera operator or steadicam operator;

(u) Sound mixer;

(v) Choreographer; and

(w) Any other position deemed by the Executive Director to be specialized.

4. A calculation required by paragraph (b) of subsection 2 using a denominator adjusted pursuant to subsection 3 must not result in the applicable requirement set forth in subsection 1 being less than 80 percent of that applicable requirement.

5. A production company that has applied for a certificate of eligibility for noninfrastructure transferable tax credits pursuant to NRS 360.759 may, at any time, apply to the Executive Director of the Office for a waiver of the applicable requirement for the employment of Nevada residents as below-the-line personnel of the qualified production, as set forth in subsection 1. The Executive Director of the Office shall approve such a waiver if the production company provides evidence satisfactory to the Executive Director that:

(a) A good faith effort was made to identify and hire Nevada residents to satisfy the applicable requirement of paragraph (d) of subsection 3; and

(b) There is an insufficient number of Nevada residents is available and qualified for employment as below-the-line personnel of the qualified production.

Sec. 23. NRS 360.758 is hereby amended to read as follows:

360.758 As used in NRS 360.758 to 360.7598, inclusive, ***and section 22 of this act,*** unless the context otherwise requires, the words and terms defined in NRS 360.7581 to 360.7586, inclusive, have the meanings ascribed to them in those sections.

Sec. 24. NRS 360.7582 is hereby amended to read as follows:

360.7582 "Below-the-line personnel" means a person employed to work on a qualified production after production begins and before production is completed, including, without limitation, ~~[an extra,]~~ ***a background actor,*** best boy, boom operator, camera loader, camera operator, assistant camera operator, compositor, dialogue editor, film editor, assistant film editor, focus puller, Foley operator, Foley editor, gaffer, grip, key grip, lighting crew, lighting board operator, lighting technician, music editor, sound editor, sound effects editor, sound mixer, steadicam operator, first assistant camera operator, second assistant camera operator, digital imaging technician, camera operator working with a director of photography, electric best boy, grip best boy, dolly grip, rigging grip, assistant key for makeup, assistant key for hair, assistant script supervisor, set construction foreperson, lead set dresser, assistant key for wardrobe, scenic foreperson, assistant propmaster, assistant audio mixer, assistant boom person, assistant key for special effects and other similar personnel. The term does not include above-the-line personnel.

Sec. 25. NRS 360.7586 is hereby amended to read as follows:

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

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

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

(c) Visual effects or digital animation sequences.

(d) A television pilot program.

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

(f) A reality show.

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

(h) An infomercial.

(i) A music video.

(j) A documentary film or series.

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

2. The term does not include:

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

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

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

(d) A political advertisement.

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

(f) A gala, pageant or awards show.

(g) ***Any type of media production created solely for the purpose of posting the production on social media, as defined by regulations adopted by the Office pursuant to NRS 360.759.***

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

Sec. 26. NRS 360.759 is hereby amended to read as follows:

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

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

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

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

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

2. ~~[The]~~ ***Except as otherwise provided in NRS 360.7594, the*** Office ~~[may]~~ ***shall*** approve an application for a certificate of eligibility for ***noninfrastructure*** transferable tax credits if the Office finds that the production company producing the qualified production qualifies for the ***noninfrastructure*** transferable tax credits pursuant to subsection 3. If the Office approves the application, the Office shall ~~[calculate]~~ ***:***

(a) Calculate the estimated amount of the ***noninfrastructure*** transferable tax credits pursuant to NRS 360.7592, 360.7593 and 360.7594 ~~[.]~~ ***; and***

(b) Immediately forward a copy of the certificate of eligibility that identifies the estimated amount of the noninfrastructure transferable tax credits to:

(1) The applicant;

(2) The Department of Taxation; and

(3) The Nevada Gaming Control Board.

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

(a) ~~[Submit]~~ ***Before the beginning of principal photography, submit to the Office*** an application ***for a certificate of eligibility*** that meets the requirements of subsection 4;

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

~~(c) Provide proof satisfactory to the Office]~~ ***with the application for a certificate of eligibility:***

(1) Proof that 70 percent or more of the funding for the qualified production has been obtained;

~~[(d) Provide proof satisfactory to the Office]~~ ***and***

(2) Proof that ~~[at]~~ ***:***

(I) At least ~~[60]~~ ***50*** percent of the ~~[direct production expenditures for:~~

~~(1) Preproduction;~~

~~(2) Production; and~~

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

~~➥]~~ ***total principal photography days*** of the qualified production will ~~[be incurred]~~ ***take place*** in this State ~~[as qualified direct production expenditures;~~

~~(c)]~~ ***; or***

(II) The qualified production will incur qualified direct production expenditures in this State of at least $5,000,000;

(c) Satisfy the applicable requirement for the employment of Nevada residents as below-the-line personnel of the qualified production, as set forth in section 22 of this act;

(d) Provide to the Office:

(1) With the application for a certificate of eligibility, proof that the applicant has in place a workforce plan for the qualified production that outlines specific goals for:

(I) Hiring a workforce that reflects the diversity of this State, including, without limitation, the age, gender, gender identity or expression, as defined in NRS 0.034, sexual orientation, ethnic and geographic diversity of this State;

(II) Using vendors that are minority-owned business enterprises or woman-owned business enterprises; and

(III) Achieving the requirements set forth in subsection 3 of 360.7592; and

(2) Not later than 365 days after the completion of principal photography of the qualified production, unless the Office agrees to extend this period by not more than 180 days, a final assessment of the workforce plan that includes documentation on whether the production met or made good faith efforts to achieve the goals set forth in the workforce plan;

(e) Not later than ~~[270]~~ ***365*** days after the completion of principal photography of the qualified production or, if any direct production expenditures for postproduction will be incurred in this State, not later than ~~[270]~~ ***365*** days after the completion of postproduction, unless the Office agrees to extend this period by not more than ~~[90]~~ ***180*** days, provide the Office with an audit of the qualified production that includes ~~[an]~~ ***:***

(1) An itemized report of qualified direct production expenditures which:

~~[(1)]~~ ***(I)*** Shows that the qualified production incurred qualified direct production expenditures of $500,000 or more; ~~[and~~

~~[(2)]~~ ***(II) If the production company complied with the requirement of subparagraph (2) of paragraph (b) by providing to the Office with the application for a certificate of eligibility proof that the qualified production would incur qualified direct production expenditures in this State of at least $5,000,000, shows that the qualified production incurred qualified direct production expenditures in this State of at least $5,000,000; and***

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

(2) A list of each contractor, vendor, personal service corporation or loan-out company or other business engaged by the production company to provide goods or perform services in an aggregate amount of at least $10,000 or more in this State in connection with the qualified production and the amount paid to each contractor, vendor, personal service corporation or loan-out company or other business for such goods or services; and

(3) Proof that the production company secured all licenses and registrations required to do business in each location in this State at which the qualified production was produced;

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

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

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

(2) If the qualified production does not have end screen credits, another acknowledgment in the final version of the qualified production which indicates that the qualified production was filmed or otherwise produced in Nevada ~~[;]~~ ***or any alternative marketing promotion acceptable to the Office;*** and

(h) ~~[Meet any other requirements prescribed by regulation pursuant to this section.]~~ ***Enter into a written agreement with the Office that requires the production company to transmit to each contractor, vendor, personal service corporation or loan-out company or other business engaged by the production company to provide goods or perform services in an aggregate amount of at least $10,000 or more in this State in connection with a qualified production, not later than 30 calendar days after the production company pays the contractor, vendor, personal service corporation or loan-out company or other business, a notification that includes:***

(1) A statement that Nevada imposes:

(I) A tax on wages paid by certain employers pursuant to chapters 363A and 363B of NRS; and

(II) A commerce tax on certain business entities pursuant to chapter 363C of NRS; and

(2) Instructions for obtaining additional information from the Department of Taxation regarding the collection and remittance of taxes pursuant to chapters 363A, 363B and 363C of NRS.

4. An application ***for a certificate of eligibility*** submitted pursuant to subsection 3 must contain:

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

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

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

(d) ~~[A summary of the budgeted expenditures for the entire production, including projected expenditures to be incurred outside of Nevada;]~~ ***An estimate of the percentage of principal photography days of the qualified production that will take place in this State and outside this State;***

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

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

(g) The business address of the production company;

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

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

~~(j) Any other information required by regulations adopted by the Office pursuant to subsection 8.]~~ ***The workforce plan of the production company that is required by paragraph (d) of subsection 3.***

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

~~(a) The applicant;~~

~~(b) The Department; and~~

~~(c) The Nevada Gaming Control Board.~~

~~6.]~~ Within ~~[60]~~ ***45*** business days after receipt of ***a final assessment of the workforce plan provided by a production company pursuant to subparagraph (2) of paragraph (d) of subsection 3,*** an audit provided by a production company pursuant to paragraph (e) of subsection 3 and any other accountings or other information required by the Office, the Office shall determine whether to certify the audit and make a final determination of whether a certificate of ***noninfrastructure*** transferable tax credits will be issued. If the Office certifies the audit, determines that all other requirements for the ***noninfrastructure*** transferable tax credits have been met and determines that a certificate of ***noninfrastructure*** transferable tax credits will be issued, the Office shall notify the production company that the ***noninfrastructure*** transferable tax credits will be issued.

6. Within ~~[30]~~ ***90*** days after the receipt of the notice, the production company shall make an irrevocable declaration of the amount of ***noninfrastructure*** transferable tax credits that will be applied to each fee or tax set forth in subsection 1, thereby accounting for all of the credits which will be issued ~~[.]~~ ***in relation to the qualified production.*** Upon receipt of the declaration, the Office shall issue to the production company a certificate of ***noninfrastructure*** transferable tax credits in the amount approved by the Office for the fees or taxes included in the declaration of the production company. The production company shall notify the Office upon transferring any of the ***noninfrastructure*** transferable tax credits. The Office shall notify the Department and the Nevada Gaming Control Board of all ***noninfrastructure*** transferable tax credits issued, segregated by each fee or tax set forth in subsection 1, and the amount of any ***noninfrastructure*** transferable tax credits transferred.

7. ***For a production company that submitted an application for a certificate of eligibility for noninfrastructure transferable tax credits on or after July 1, 2029, and before June 30, 2044, 60 days after the production company uses any noninfrastructure transferable tax credits issued pursuant to subsection 6 or notifies the Office of any transfer of noninfrastructure transferable tax credits issued pursuant to subsection 6, the production company shall pay to the Office an amount of money equal to 1 percentage point of the percentage of qualified direct production expenditures used to calculate the amount of noninfrastructure transferable tax credits issued to the production company pursuant to subsection 6. The Office shall deposit any money received pursuant to this subsection with the State Treasurer for credit to the Account for Nevada Film, Media and Related Technology Education and Vocational Training created by section 38 of this act. A payment made pursuant to this subsection shall be deemed to be a payment made from noninfrastructure transferable tax credits which would have been authorized and approved for the production company if a payment pursuant to this section were not required.***

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

~~[8.]~~ ***9.*** The Office:

(a) Shall adopt regulations prescribing:

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

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

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

~~(4)]~~ ***(2)*** The application review process;

~~[(5) Any type of qualified]~~

(3) That a production ***for*** which ~~[, due to obscene or sexually explicit material,]~~ ***records are required by 18 U.S.C. § 2257 to be maintained with respect to any performer in such production*** is not eligible for ***noninfrastructure*** transferable tax credits; and

~~[(6) The requirements for notice pursuant to NRS 360.7595;]~~

(4) Any necessary provisions to ensure compliance with the requirements of paragraph (d) of subsection 3 relating to workforce plans; 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.***

~~[9.]~~ ***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 ***functions performed by each entity pursuant to the*** provisions of NRS 360.758 to 360.7598, inclusive.

Sec. 27. NRS 360.7591 is hereby amended to read as follows:

360.7591 1. ~~[Qualified]~~ ***Except as otherwise provided in this subsection and subsection 3, qualified*** direct production expenditures ***that may serve as a basis for noninfrastructure transferable tax credits issued pursuant to NRS 360.759*** must ~~[be for purchases,]~~ ***:***

(a) Be expenditures made during the period in which a qualified production is produced;

(b) Be customary and reasonable;

(c) Relate to a category of qualified expenditures and costs listed in subsection 2; and

(d) Be:

(1) Purchases, rentals or leases of tangible personal property or services from a Nevada business ***.*** ~~[during the period in which a qualified production is produced, must be customary and reasonable and]~~

(2) The payroll, including wages, salaries and fringe benefits, for Nevada residents or other personnel for labor or services provided in this State, as included in the calculation of the amount of noninfrastructure transferable tax credits in accordance with subsection 4. The payroll, including wages, salaries and fringe benefits, for Nevada residents or other personnel for labor or services provided outside this State must not be a qualified direct production expenditure.

(3) Compensation, including wages, salaries, fringe benefits and other payments, paid to a bona fide third-party service provider, or to another person receiving the compensation on behalf of the bona fide third-party service provider, for labor or services provided in Nevada. Compensation, including wages, salaries, fringe benefits and other payments, paid to a bona fide third-party service provider, or to another person receiving the compensation on behalf of the bona fide third-party service provider, for labor or services provided outside Nevada must not be a qualified direct production expenditure.

2. Expenditures or costs that may serve as a basis for calculating noninfrastructure transferable tax credits must relate to:

(a) Set construction and operation;

(b) Wardrobe and makeup;

(c) Photography, sound and lighting;

(d) Filming, film processing and film editing;

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

(f) Food and lodging;

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

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

~~(i)]~~ Payment for goods or services provided by a Nevada business;

~~[(j)]~~ ***(i)*** The design, construction, improvement or repair of property, infrastructure, equipment or a production or postproduction facility;

~~[(k)]~~ ***(j)*** State and local government taxes to the extent not included as part of another cost reported pursuant to this section;

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

~~(m)]~~ ***or***

(k) Any other transaction, service or activity authorized in regulations adopted by the Office of Economic Development pursuant to NRS 360.759.

~~[2.]~~ ***3.*** Expenditures and costs:

(a) Related to:

(1) The acquisition, transfer or use of ***noninfrastructure*** transferable tax credits;

(2) Marketing and distribution;

(3) Financing, depreciation and amortization;

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

(5) The payment for the cost of the audit required by NRS 360.759; and

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

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

(c) Which are paid to a joint venturer or a parent, subsidiary or other affiliate of the production company, unless the amount paid represents the fair market value ***, which may be represented by a rate sheet,*** of the purchase, rental or lease of the property or services for which payment is made; ***or***

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

~~(e)]~~ Which have been previously claimed as a basis for ***noninfrastructure*** transferable tax credits ~~[,]~~ ***issued pursuant to NRS 360.759 or film infrastructure transferable tax credits issued pursuant to section 11 of this act,***

➥ are not qualified direct production expenditures and are not eligible to serve as a basis for transferable tax credits issued pursuant to NRS 360.759.

~~[3.]~~ ***4.*** If any tangible personal property is acquired by a Nevada business from a vendor outside this State for immediate resale, rental or lease to a production company that produces a qualified production, expenditures incurred by the production company for the purchase, rental or lease of the property are qualified direct production expenditures ***only*** if:

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

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

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

~~[4.]~~ ***5.*** If any tangible personal property is acquired by the production company as an asset, the calculation of the costs of the tangible personal property that constitute a qualified direct production expenditure must be performed in the manner prescribed by the Office ~~[of Economic Development]~~ by regulation.

6. As used in this section:

(a) "Bona fide third-party service provider" means a qualified entity, a qualified individual or any other person determined by the Office to be providing necessary and appropriate labor or services directly related to the qualified production.

(b) "Fringe benefits" means employee expenses paid by an employer for the use of the employee's services, including, without limitation, payments made to a governmental entity, union dues, health insurance premiums, payments to a pension plan and payments for workers' compensation insurance.

(c) "Qualified entity" means an entity that is:

(1) A personal service corporation, as defined in 26 U.S.C. § 269A(b)(1), a payroll services corporation or any entity receiving payments for services performed in this State by a qualified individual; and

(2) Registered to conduct business pursuant to the laws of this State.

(d) "Qualified individual" means any natural person who performs services during the production period in an activity related to the production of a qualified production. The term does not include:

(1) Any natural person related to the production company or an employee of the production company, as described in subparagraph (A), (B) or (C) of 26 U.S.C. § 51(i)(1).

(2) Any 5-percent owner, as defined in 26 U.S.C. § 416(i)(1)(B), of the production company.

Sec. 28. NRS 360.7592 is hereby amended to read as follows:

360.7592 1. Except as otherwise provided in ~~[subsection 4]~~ ***subsections 3 and 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, 2029, or

on or after July 1, 2044, 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, 2029, and before July 1, 2044, 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 an eligible production company submitted the application for the certificate of eligibility for noninfrastructure transferable tax credits pursuant to NRS 360.759 before July 1, 2028, or on or after July 1, 2043,*** in addition to the base amount calculated pursuant to ***paragraph (a) of*** subsection 1, ***the noninfrastructure*** transferable tax credits issued to ~~[an]~~ ***the*** 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]~~ ***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. ~~[For the purposes of paragraph (a) of subsection 2:~~

~~(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. The]~~ ***Except as otherwise provided in subsections 4 and 5 and NRS 360.7594, if an 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, 2032, and before July 1, 2044, the Office shall reduce the cumulative amount of noninfrastructure transferable tax credits calculated pursuant to paragraph (b) of subsection 1 by 5 percent if the final assessment of the workforce plan submitted by the production company for the qualified production pursuant to paragraph (d) of subsection 3 of***

NRS 360.759 does not include documentation that at least two of the following requirements were met:

(a) The production company, distribution company or financing company for the qualified production offered training or work opportunities to members of traditionally underrepresented groups for the development of skills required for employment as below-the-line personnel or above-the-line personnel.

(b) Two or more persons who are members of a traditionally underrepresented group are employed on the qualified production as a casting director, cinematographer, composer, costume designer, director, editor, hairstylist, makeup artist, producer, production designer, set decorator, visual effects supervisor, writer, sound editor, sound effects editor, sound mixer, Foley artist or other similar personnel.

(c) Six or more persons who are members of a traditionally underrepresented group are employed on the qualified production in a technical role, including, without limitation, first assistant director, gaffer, script supervisor, digital imaging technician or other similar role.

(d) Not less than 20 percent of the below-the-line personnel employed on the qualified production, not including background actors, are members of a traditionally underrepresented group.

(e) One or more entities affiliated with the production company or distribution company has a program of substantive, ongoing paid apprenticeships or internships that includes members of traditionally underrepresented groups in not less than three of the following departments:

(1) Production and development;

(2) Physical production;

(3) Postproduction;

(4) Music;

(5) Visual effects;

(6) Acquisitions;

(7) Business affairs;

(8) Distribution; or

(9) Marketing and publicity.

4. The Executive Director of the Office shall waive a reduction in the cumulative amount of noninfrastructure transferable tax credits required pursuant to subsection 3 upon written proof to the Executive Director that the production company made a good faith effort to meet the requirements of that subsection and there is an insufficient number of persons available and qualified to meet the requirements.

5. Except as otherwise provided in subsection 6, the Executive Director of 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 ***knowingly*** submitted any false statement, representation or certification in any document submitted for the purpose of obtaining ***noninfrastructure*** transferable tax credits.

6. Before taking any action authorized by subsection 5, the Executive Director of the Office shall:

(a) Consider any documentation submitted by the production company related to the action under consideration; and

(b) Make the following determinations:

(1) That good cause exists to take such action;

(2) That the action is reasonable based on the circumstances of the underlying incident on which the reduction or withholding of noninfrastructure transferable tax credits authorized pursuant to subsection 5 is based; and

(3) The amount of any reduction or withholding of noninfrastructure transferable tax credits authorized pursuant to subsection 5 is commensurate with severity of the underlying incident on which the reduction or withholding is based.

7. As used in this section:

(a) "Racial or ethnic minority" means persons who are:

(1) Asian;

(2) Hispanic or Latino;

(3) Black or African American;

(4) Indigenous, Native American or Alaskan Native;

(5) Middle Eastern or North African;

(6) Native Hawaiian;

(7) Pacific Islander; or

(8) A member of any other underrepresented racial or ethnic minority group.

(b) "Traditionally underrepresented group" means:

(1) Women;

(2) A racial or ethnic minority group;

(3) A group of persons who identify as LGBTQ, which means lesbian, gay, bisexual, transgender, queer, intersex or any other nonheterosexual or noncisgender orientation or gender identity or expression;

(4) A group of persons with disabilities, as defined in NRS 426.068;

(5) Veterans;

(6) Persons who are currently serving on active duty in the Armed Forces of the United States; or

(7) Persons who were previously incarcerated in a jail or prison.

(c) "Veteran" means a person who has served in the Armed Forces of the United States, a reserve component thereof or the National Guard and was separated from such service under conditions other than dishonorable.

Sec. 29. NRS 360.7593 is hereby amended to read as follows:

360.7593 1. ~~[In]~~ ***For an eligible production company that submitted the application for the certificate of eligibility for the noninfrastructure transferable tax credits before July 1, 2028, or on or after July 1, 2043, in*** calculating the base amount of ***noninfrastructure*** transferable tax credits pursuant to subsection 1 of NRS 360.7592:

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

(b) Wages and salaries, including fringe benefits, paid to below-the-line personnel who are not Nevada residents ~~[:~~

~~(1) For the period beginning January 1, 2014, and ending December 31, 2014, must be included in the calculation at a rate of 12 percent.~~

~~(2) For the period beginning January 1, 2015, and ending December 31, 2015, must be included in the calculation at a rate of 10 percent.~~

~~(3) For the period beginning January 1, 2016, and ending December 31, 2016, must be included in the calculation at a rate of 8 percent.~~

~~(4) For the period beginning January 1, 2017,]~~ must not be included in the calculation.

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

Sec. 30. NRS 360.7594 is hereby amended to read as follows:

360.7594 1. Except as otherwise provided in this subsection, the Office ~~[of Economic Development]~~ shall not approve any application for ***a certificate of eligibility for noninfrastructure*** transferable tax credits submitted pursuant to NRS 360.759 if approval of the application would cause the total amount of ***noninfrastructure*** transferable tax credits approved pursuant to NRS 360.759 for each ~~[fiscal]~~ ***:***

(a) Fiscal year ***commencing before July 1, 2029, or on or after July 1, 2044,*** to exceed the sum of $10,000,000. ~~[Any]~~ ***Except as otherwise provided in this paragraph, any*** portion of the $10,000,000 per fiscal year for which ***noninfrastructure*** transferable tax credits have not previously been approved ***by the Office under an application for a certificate of eligibility for noninfrastructure transferable tax credits submitted pursuant to NRS 360.759*** may be carried forward and made available for approval during the next or any future fiscal year. ***Noninfrastructure transferable tax credits that are available for approval for a fiscal year commencing before July 1, 2029, but have not been approved for a fiscal year commencing before July 1, 2029, must not be carried forward and made available for approval during any fiscal year commencing on or after July 1, 2029.***

(b) Fiscal year commencing on or after July 1, 2029, and before July 1, 2044, to exceed the sum of $25,000,000. An amount not to exceed 50 percent of the $25,000,000 per fiscal year for which noninfrastructure transferable tax credits have not previously been approved by the Office under an application for a certificate of eligibility for noninfrastructure transferable tax credits submitted pursuant to NRS 360.759 may be carried forward and made available for approval during the next or any future fiscal year.

2. ~~[The]~~ ***Except as otherwise provided in this section, if the Office approves an application for a certificate of eligibility pursuant to NRS 360.759, the Office shall assign the amount of noninfrastructure transferable tax credits identified under the certificate of eligibility to the fiscal year in which the application for the certificate of eligibility is approved.***

3. Except as otherwise provided in subsection 1, an amount of noninfrastructure transferable tax credits approved by the Office under a certificate of eligibility issued to a production company pursuant to NRS 360.759 that exceeds the amount of noninfrastructure transferable tax credits approved by the Office under a certificate of noninfrastructure transferable tax credits issued to the production company pursuant to NRS 360.759 may

be added to the amount made available for approval during subsequent fiscal years.

4. For an eligible production company that submitted the application for the certificate of eligibility for the noninfrastructure transferable tax credits before July 1, 2028, or on or after July 1, 2043, the noninfrastructure transferable tax credits issued to any production company for any qualified production pursuant to NRS 360.759:

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

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

~~[3.]~~ ***5.*** For ~~[the purposes of calculating qualified direct production expenditures:~~

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

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

~~(c) The compensation payable to any employee, independent contractor or any other person paid a wage or salary as compensation for providing labor services on the production of the qualified production must not exceed $750,000.]~~ ***an eligible production company that submitted the application for the certificate of eligibility for the noninfrastructure transferable tax credits on or after July 1, 2028, and before July 1, 2043, the noninfrastructure transferable tax credits issued to the production company for a qualified production pursuant to NRS 360.759:***

(a) Must not exceed a total of $7,000,000; and

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

Sec. 31. 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~~] ***an*** application ***for a certificate of eligibility for noninfrastructure transferable tax credits*** is approved [~~,~~] ***pursuant to NRS 360.759,*** 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 [~~.~~] ***, except that in the case of a force majeure, the Office may extend the period for more than 90 days.***

[~~5.~~] ***2.*** A production company that produces a qualified production shall submit the ***final assessment of the workforce plan, the*** audit required by NRS 360.759 and all other required information to the Office and the Department within the time required by paragraph ***(d) or*** (e) of subsection 3 of NRS 360.759 [~~.~~] ***, as applicable.*** Production of the qualified production must be completed within 18 months after the date of commencement of principal photography [~~.~~] ***, except that the Office may extend this period for completion of the qualified production by not more than 6 months.*** 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.~~] ***3.*** 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. 32. NRS 360.7598 is hereby amended to read as follows:

360.7598 The Office of Economic Development shall, on or before [~~October~~] ***December*** 1 of each ***even-numbered*** year, prepare and submit to the Governor and to the Director of the Legislative Counsel Bureau for transmittal to the Legislature [~~an annual~~] ***a*** report which includes, for the immediately preceding fiscal year [~~:~~] ***and cumulatively for the period beginning on the effective date of this act and ending on the last day of the immediately preceding fiscal year:***

1. The number of applications submitted for ***a certificate of eligibility for noninfrastructure*** transferable tax credits pursuant to NRS 360.759;

2. The number of qualified productions for which ***noninfrastructure*** transferable tax credits were approved;

3. The amount of ***noninfrastructure*** transferable tax credits approved;

4. The amount of ***noninfrastructure*** transferable tax credits used;

5. The amount of ***noninfrastructure*** transferable tax credits transferred;

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

7. The **[**~~total~~**]** ***aggregate*** amount of the qualified direct production expenditures incurred by **[**~~each~~**]** qualified **[**~~production~~**]** ***productions*** and the portion of those expenditures that were incurred in Nevada;

8. The ***aggregate*** number of persons in Nevada employed by **[**~~each~~**]** qualified **[**~~production and~~**]** ***productions,*** the ***aggregate*** amount of wages paid to those persons **[**~~;~~**]** ***and aggregated demographic information concerning those persons;*** **[**~~and~~**]**

9. ***The number of persons employed by each qualified production who were paid compensation of more than $1,000,000 for labor or services provided for the qualified production and the total number of persons employed by each qualified production who were paid more than $1,000,000 for labor or services provided for the qualified production;***

10. For each qualified production and cumulatively for all qualified productions, the percentage of below-the-line personnel, by occupation and in aggregate, providing labor or services who were Nevada residents, calculated by dividing the number of workdays worked by Nevada residents who were below-the-line personnel, excluding background actors, by the number of workdays worked by all below-the-line personnel, excluding background actors;

11. For each qualified production and cumulatively for all qualified productions, the percentage of below-the-line personnel, by occupation and in aggregate, providing labor or services who were Nevada residents, calculated by dividing the wages and salaries paid to Nevada residents who were below-the-line personnel, excluding background actors, for labor or services provided in this State by the total wages and salaries paid to all below-the-line personnel, excluding background actors;

12. For each qualified production and cumulatively for all qualified productions, the percentage of above-the-line personnel, by occupation and in aggregate, providing labor or services who were Nevada residents, calculated by dividing the number of workdays worked by Nevada residents who were above-the-line personnel by the number of workdays worked by all above-the-line personnel;

13. For each qualified production and cumulatively for all qualified productions, the percentage of above-the-line personnel, by occupation and in aggregate, providing labor or services who were Nevada residents, calculated by dividing the wages and salaries paid to Nevada residents who were above-the-line personnel for labor or services provided in this State by the total wages and salaries paid to all above-the-line personnel;

14. For each qualified production and cumulatively for all qualified productions, the percentage of total compensation paid to above-the-line personnel, by occupation and in aggregate, and the percentage of total compensation paid to below-the-line personnel, by occupation and in aggregate; and

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

Sec. 33. Chapter 231 of NRS is hereby amended by adding thereto the provisions set forth as sections 34 to 40, inclusive, of this act.

Sec. 34. ***As used in sections 34 to 40, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 35, 36 and 37 of this act have the meanings ascribed to them in those sections.***

Sec. 35. ***"Account" means the Account for Nevada Film, Media and Related Technology Education and Vocational Training created by section 38 of this act.***

Sec. 36. ***"Board" means the Board for Nevada Film, Media and Related Technology Education and Vocational Training created by section 39 of this act.***

Sec. 37. ***"Nevada Partners Vocational Training Studio" has the meaning ascribed to it in section 7 of this act.***

Sec. 38. ***1. The Account for Nevada Film, Media and Related Technology Education and Vocational Training is hereby created in the State General Fund. The Executive Director of the Office of Economic Development, at the direction of the Board, shall administer the Account.***

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

3. The Account consists of:

(a) Money transferred to the Account pursuant to NRS 360.759 and section 11 of this act.

(b) Any direct legislative appropriations to the Account.

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

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

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

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

6. Money in the Account must be used by the Office to make grants to any institution within the Nevada System of Higher Education, a state or local agency, a school district, a charter school, a vocational trade school, a nonprofit organization, a labor organization or a private postsecondary educational institution that provides a program of workforce development for the production of qualified productions in this State. Thirty percent of the money which is distributed from the Account in the form of grants must be allocated to the Nevada Partners Vocational Training Studio for the operation and overhead costs of the Nevada Partners Vocational Training Studio. Seventy percent of the money which is distributed from the Account in the form of grants must be allocated to educational and vocational training organizations pursuant to section 40 of this act for the purpose of providing programs of workforce development for the production of qualified productions in this State.

7. As used in this section, "qualified production" has the meaning ascribed to it in NRS 360.7586.

Sec. 39. *1. There is hereby created the Board for Nevada Film, Media and Related Technology Education and Vocational Training within the Office of Economic Development in the Office of the Governor, consisting of the following voting members:*

(a) One member appointed by the Governor;

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

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

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

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

(f) Two members appointed by the Governor from nominees selected by the lead participant in the Summerlin Production Studios Project;

(g) One member appointed by the Governor from a nominee selected by the Southern Nevada Enterprise Community Board to represent the interests of the Nevada Partners Vocational Training Studio;

(h) One member appointed by the Board of Regents of the University of Nevada;

(i) The President of the University of Nevada, Las Vegas, or his or her designee; and

(j) The President of the University of Nevada, Reno, or his or her designee.

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

3. The members appointed pursuant to paragraphs (a), (c), (e) and (g) of subsection 1, and one member appointed pursuant to paragraph (f) of subsection 1, must be appointed to an initial term of 2 years commencing on January 1, 2028, and the members appointed pursuant to paragraphs (b), (d) and (h) of subsection 1, and one member appointed pursuant to paragraph (f) of subsection 1, must be appointed to an initial term of 4 years commencing on January 1, 2028. After the initial terms, each appointed member shall serve a term of 4 years. Each appointed member serves at the pleasure of the person appointing that member pursuant to subsection 1. If, for any reason, a vacancy occurs during the term of an appointed member, the person who is responsible for making the appointment pursuant to subsection 1 shall appoint a replacement qualified pursuant to that subsection to serve for the remainder of the unexpired term. Each appointed member may serve not more than three consecutive full terms.

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

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

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

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

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

9. As used in this section:

(a) "Southern Nevada Enterprise Community Board" means the Southern Nevada Enterprise Community Board created by section 8 of the Southern Nevada Enterprise Community Infrastructure Improvement Act.

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

Sec. 40. ***1. The Board shall establish:***

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

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

(c) The requirements for reports by recipients of grants from the Account concerning the expenditures made from the grant, the outcomes of the programs supported by the grant, demographic data concerning the participants in the programs supported by the grant and any other information deemed necessary by the Board. The Board shall provide to the Office a compilation of the information provided in reports made by recipients pursuant to this paragraph.

2. The Executive Director of the Office of Economic Development may provide advice and recommendations regarding the procedures, criteria and requirements established by the Board pursuant to subsection 1.

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

Sec. 41. The provisions of subsection 1 of NRS 218D.380 do not apply to any provision of this act which adds or revises a requirement to submit a report to the Legislature.

Sec. 42. As soon as practicable after entering into a development agreement that satisfies the requirements of section 10 of this act with the lead participant of the Summerlin Production Studios Project described in section 9 of this act, the Executive Director of the Office of Economic Development shall notify the Governor and the Director of the Legislative Counsel Bureau of that fact.

Sec. 43. The Office of Economic Development, the Nevada Gaming Commission and the Nevada Tax Commission shall each adopt such regulations as are respectively required to implement the provisions of this act on or before December 31, 2026.

Sec. 44. The amendatory provisions of sections 21 to 33, inclusive, of this act do not apply to any qualified production for which an application for a certificate of eligibility for noninfrastructure transferable tax credits is approved pursuant to NRS 360.759 before January 1, 2027.

Sec. 45. The Legislative Counsel shall:

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

2. In preparing supplements to the Nevada Administrative Code, substitute appropriately the term "noninfrastructure transferable tax credits" in NAC 360.800 to 360.865, inclusive, for the term "transferable tax credits" as previously used in those sections.

Sec. 46. If any provision of this act, or the application thereof to any person, thing or circumstance is held invalid, such invalidity shall not affect the provisions or application of this act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

Sec. 47. Notwithstanding the provisions of NRS 218D.430 and 218D.435, a committee may vote on this act before the expiration of the period prescribed for the return of a fiscal note in NRS 218D.475. This section applies retroactively from and after November 13, 2025.

Sec. 48. 1. This section becomes effective upon passage and approval.

2. Sections 1 to 20, inclusive, and 33 to 47, inclusive, of this act become effective:

(a) Upon passage and approval for the purpose of adopting regulations and performing any other preparatory administrative tasks. For the purposes of this paragraph, "preparatory administrative tasks" include, without limitation, the negotiation, preparation and execution of a development agreement that satisfies the requirements set forth in section 10 of this act and notifying the Governor and the Director of the Legislative Counsel Bureau that the Office of Economic Development has entered into such an agreement.

(b) For all other purposes, on the date on which the Executive Director of the Office of Economic Development notifies the Governor and the Director of the Legislative Counsel Bureau pursuant to section 42 of this act that the Office has entered into a development agreement that satisfies the requirements of section 10 of this act with the lead participant of the Project described in section 9 of this act.

3. Sections 21 to 32, inclusive, of this act become effective:

(a) Upon passage and approval for the purpose of adopting regulations and performing any other preparatory administrative tasks.

(b) For all other purposes, on January 1, 2027, if and only if the Executive Director of the Office of Economic Development notifies the Governor and the Director of the Legislative Counsel Bureau that the Office has entered into a development agreement that satisfies the requirements of section 10 of this act with the lead participant of the Project described in section 9 of this act.

4. If sections 1 to 17, inclusive, and sections 19 to 46, inclusive, of this act become effective pursuant to this section, those sections expire by limitation on June 30, 2050.

㉚