

Amendment No. 51

Assembly Amendment to Assembly Bill No. 143	(BDR 17-807)
<b>Proposed by:</b> Assembly Committee on Legislative Operations and Elections	
<b>Amends:</b> Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: Yes	

ASSEMBLY ACTION		Initial and Date	SENATE ACTION		Initial and Date
Adopted	<input type="checkbox"/>	Lost <input type="checkbox"/>	Adopted	<input type="checkbox"/>	Lost <input type="checkbox"/>
Concurred In	<input type="checkbox"/>	Not <input type="checkbox"/>	Concurred In	<input type="checkbox"/>	Not <input type="checkbox"/>
Receded	<input type="checkbox"/>	Not <input type="checkbox"/>	Receded	<input type="checkbox"/>	Not <input type="checkbox"/>

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

JFD/EGO



Date: 4/3/2017

A.B. No. 143—Creates a Legislative Committee on Tax Expenditures and Incentives for Economic Development. (BDR 17-807)





ASSEMBLY BILL NO. 143—ASSEMBLYWOMAN  
BUSTAMANTE ADAMS

PREFILED FEBRUARY 13, 2017

Referred to Committee on Legislative Operations and Elections

SUMMARY—Creates a Legislative Committee on Tax Expenditures and Incentives for Economic Development. (BDR 17-807)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to legislative affairs; creating the Legislative Committee on Tax Expenditures and Incentives for Economic Development; setting forth the composition and administration of the Committee; prescribing the powers and duties of the Committee; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

**Section 5** of this bill creates the Legislative Committee on Tax Expenditures and Incentives for Economic Development and prescribes the appointment of its membership. **Section 6** of this bill sets forth requirements for meetings of the Committee and the compensation of its members.

Existing law requires the Board of Economic Development to review and evaluate all programs of economic development in Nevada and to make recommendations to the Legislature for legislation to improve the effectiveness of those programs in implementing the State Plan for Economic Development. (NRS 231.037) **Section 7** of this bill requires the Legislative Committee on Tax Expenditures and Incentives for Economic Development to identify and evaluate all incentives for economic development in this State and provide the Legislature with a report concerning its activities. **Section 8** of this bill authorizes the Committee to evaluate, review and comment on tax expenditures and to make recommendations for the addition, modification or elimination of a tax expenditure or incentive for economic development.

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

**Section 1.** Chapter 218E of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 8, inclusive, of this act.

**Sec. 2.** *As used in sections 2 to 8, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 3 and 4 of this act have the meanings ascribed to them in those sections.*

1        *Sec. 3. "Committee" means the Legislative Committee on Tax*  
2        *Expenditures and Incentives for Economic Development.*

3        *Sec. 4. "Tax expenditure" has the meaning ascribed to it in NRS 360.137.*

4        *Sec. 5. 1. The Legislative Committee on Tax Expenditures and Incentives*  
5        *for Economic Development, consisting of six legislative members, is hereby*  
6        *created. The membership of the Committee consists of:*

7        *(a) Two members of the Senate appointed by the Majority Leader of the*  
8        *Senate;*

9        *(b) One member of the Senate appointed by the Minority Leader of the*  
10        *Senate;*

11        *(c) Two members of the Assembly appointed by the Speaker of the Assembly;*  
12        *and*

13        *(d) One member of the Assembly appointed by the Minority Leader of the*  
14        *Assembly.*

15        *↪ In making appointments pursuant to this subsection, first preference must be*  
16        *given to members of the standing committees of the Legislature with primary*  
17        *jurisdiction over matters relating to taxation and second preference to members*  
18        *of the standing committees of the Legislature with primary jurisdiction over*  
19        *matters relating to budgets and finances.*

20        *2. The Majority Leader of the Senate and the Speaker of the Assembly shall*  
21        *jointly select the Chair and Vice Chair of the Committee from among the*  
22        *members of the Committee, with first preference given to members who are*  
23        *members of the standing committees of the Legislature with primary jurisdiction*  
24        *over matters relating to taxation, if any, and second preference to members who*  
25        *are members of the standing committees of the Legislature with primary*  
26        *jurisdiction over matters relating to budgets and finances, if any. After the initial*  
27        *selection, each Chair and Vice Chair holds office for a term of 2 years*  
28        *commencing on July 1 of each odd-numbered year. The office of Chair of the*  
29        *Committee must alternate each biennium between the Houses. If a vacancy*  
30        *occurs in the office of Chair or Vice Chair, the vacancy must be filled in the same*  
31        *manner as the original selection for the remainder of the unexpired term.*

32        *3. The Legislative Commission shall review and approve the budget and*  
33        *work program for the Committee and any changes to the budget or work*  
34        *program.*

35        *4. Any member of the Committee who is not a candidate for reelection or*  
36        *who is defeated for reelection continues to serve after the general election until*  
37        *the next regular or special session convenes.*

38        *5. A vacancy on the Committee must be filled in the same manner as the*  
39        *original appointment for the remainder of the unexpired term.*

40        *Sec. 6. 1. Except as otherwise ordered by the Legislative Commission, the*  
41        *members of the Committee shall meet not earlier than November 1 of each odd-*  
42        *numbered year and not later than August 31 of the following even-numbered*  
43        *year at the times and places specified by a call of the Chair or a majority of the*  
44        *Committee.*

45        *2. The Director or his or her designee shall act as the nonvoting recording*  
46        *Secretary of the Committee.*

47        *3. Four members of the Committee constitute a quorum, and a quorum may*  
48        *exercise all the power and authority conferred upon the Committee.*

49        *4. Except during a regular or special session, for each day or portion of a*  
50        *day during which a member of the Committee attends a meeting of the Committee*  
51        *or is otherwise engaged in the business of the Committee, the member is entitled*  
52        *to receive the:*

1 (a) Compensation provided for a majority of the Legislators during the first  
2 60 days of the preceding regular session;

3 (b) Per diem allowance provided for state officers and employees generally;  
4 and

5 (c) Travel expenses provided pursuant to NRS 218A.655.

6 5. All such compensation, per diem allowances and travel expenses must be  
7 paid from the Legislative Fund.

8 Sec. 7. The Committee shall:

9 1. Meet at least once each biennium to review the most recent tax  
10 expenditure report submitted by the Executive Director of the Department of  
11 Taxation pursuant to NRS 360.137.

12 2. Review any other reports submitted to the Legislature relating to tax  
13 expenditures and incentives for economic development.

14 3. Identify all incentives for economic development provided for by law in  
15 this State, including, without limitation, tax incentives, grants, loans and  
16 initiatives for workforce development.

17 4. Evaluate and review each incentive for economic development identified  
18 pursuant to subsection 3 at least once every 6 years. The Committee shall  
19 examine, review and comment on, without limitation:

20 (a) The purpose, intent or goal of the incentive for economic development.

21 (b) Whether the incentive for economic development is accomplishing its  
22 purpose, intent or goal.

23 (c) Whether there is a more effective method to achieve the goal of the  
24 incentive for economic development.

25 (d) The cost of the incentive for economic development to the State,  
26 including, without limitation, administrative costs and lost revenue.

27 (e) The impact of the incentive for economic development on the revenues of  
28 and services provided by local governments.

29 (f) The economic and fiscal impact of the incentive ~~for~~ for economic  
30 development, including, without limitation:

31 (1) The extent to which the incentive changes business behavior;

32 (2) The results of the incentive for the state ~~for economy,~~ and local  
33 economies, including, without limitation, both positive direct and indirect impacts  
34 and any negative impacts on businesses in this State; and

35 (3) A comparison to the results of other incentives or programs for  
36 economic development with similar goals.

37 ~~(f)~~ (g) Any other matters that, in the determination of the Committee,  
38 concern incentives for economic development in this State.

39 5. On or before January 15 of each odd-numbered year, submit to the  
40 Director ~~of the Legislative Counsel Bureau~~ for transmittal to the Legislature a  
41 report concerning the activities of the Committee during the applicable legislative  
42 interim. The Committee shall present its findings to the standing committees of  
43 the Legislature with primary jurisdiction over matters relating to taxation during  
44 the next regular session of the Legislature.

45 Sec. 8. The Committee may:

46 1. Evaluate, review and comment upon any tax expenditure within the  
47 State, including, without limitation:

48 (a) The purpose, intent or goal of the tax expenditure.

49 (b) The intended beneficiaries of the tax expenditure.

50 (c) Whether the tax expenditure is accomplishing its purpose, intent or goal.

51 (d) The manner in which the tax expenditure compares to similar tax  
52 expenditures in other states.

1 (e) Whether there are other tax expenditures in this State that have the same  
2 or a similar purpose, intent or goal as the tax expenditure being reviewed and the  
3 manner in which the two tax expenditures are coordinated, including, without  
4 limitation, whether the coordination between the two tax expenditures could be  
5 improved or if there are any redundancies that could be eliminated.

6 (f) Whether the evaluation of the tax expenditure is hindered by the  
7 unavailability of certain data.

8 (g) The cost of the tax expenditure, including, without limitation,  
9 administrative costs and lost revenue ~~of~~ of the State and local governments, and  
10 an evaluation of the extent to which the tax expenditure is a cost-effective use of  
11 resources compared to other methods of accomplishing the same purpose or goal.

12 (h) Opportunities to improve the effectiveness of the tax expenditure.

13 2. Contract with private consultants or academic institutions to complete the  
14 reviews provided for by this section and section 7 of this act.

15 3. Request that the Legislative Counsel Bureau assist in the research,  
16 investigations, hearings and reviews of the Committee.

17 4. Request that a representative of the Office of Economic Development  
18 within the Office of the Governor or a representative of the Office of Energy  
19 within the Office of the Governor appear before the Committee and provide  
20 information on programs for economic development, including, without  
21 limitation:

22 (a) The number of entities applying or approved for a particular program for  
23 economic development;

24 (b) The number of entities approved for a particular incentive for economic  
25 development;

26 (c) The number of entities who have used a particular incentive for economic  
27 development; and

28 (d) The projected and actual benefits of the programs for economic  
29 development in this State.

30 5. Request books, papers, records and other information from state or local  
31 governmental agencies, including, without limitation, the Nevada System of  
32 Higher Education.

33 6. Apply for any available grants and accept any gifts, grants or donations  
34 to assist the Committee in carrying out its duties.

35 7. Conduct investigations and hold hearings in connection with its duties  
36 pursuant to this section and section 7 of this act, and exercise any of the  
37 investigative powers set forth in NRS 218E.105 to 218E.140, inclusive.

38 8. Make recommendations to the Legislature concerning the addition,  
39 elimination or modification of tax expenditures and incentives for economic  
40 development.

41 Sec. 9. The provisions of subsection 1 of NRS 218D.380 do not apply to any  
42 provision of this act which adds or revises a requirement to submit a report to the  
43 Legislature.

44 Sec. 10. This act becomes effective upon passage and approval.