

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON REVENUE**

**Eighty-First Session
February 23, 2021**

The Committee on Revenue was called to order by Chair Lesley E. Cohen at 4:05 p.m. on Tuesday, February 23, 2021, Online. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/81st2021.

COMMITTEE MEMBERS PRESENT:

Assemblywoman Lesley E. Cohen, Chair
Assemblywoman Teresa Benitez-Thompson, Vice Chair
Assemblywoman Natha C. Anderson
Assemblywoman Shannon Bilbray-Axelrod
Assemblywoman Venicia Considine
Assemblyman Gregory T. Hafen II
Assemblywoman Heidi Kasama
Assemblyman C.H. Miller
Assemblyman P.K. O'Neill
Assemblyman David Orentlicher
Assemblyman Tom Roberts
Assemblyman Steve Yeager

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

None

STAFF MEMBERS PRESENT:

Russell Guindon, Principal Deputy Fiscal Analyst
Michael Nakamoto, Deputy Fiscal Analyst
Joe Reel, Deputy Fiscal Analyst
Terri McBride, Committee Manager
Gina Hall, Committee Secretary
Cheryl Williams, Committee Assistant



OTHERS PRESENT:

Michael Brown, Executive Director, Office of Economic Development, Office of the Governor
Eric Preiss, Director, Division of Motion Pictures (Nevada Film Office), Office of Economic Development, Office of the Governor
Connor Cain, representing Las Vegas Global Economic Alliance
Paul J. Moradkhan, Senior Vice President, Government Affairs, Vegas Chamber
Steven Cohen, Private Citizen, Las Vegas, Nevada

Chair Cohen:

[Roll was taken and Committee rules and protocol were reviewed.] I will open the hearing on Assembly Bill 69, which revises provisions governing economic development. With us today is Michael Brown, the Executive Director of the Office of Economic Development, Office of the Governor.

Assembly Bill 69: Revises provisions governing economic development. (BDR 18-290)

Michael Brown, Executive Director, Office of Economic Development, Office of the Governor:

I am joined today by the two Deputy Directors of the Office of Economic Development, Office of the Governor (GOED), Bob Potts in Carson City and Kristopher Sanchez in southern Nevada; Eric Preiss, the Director of our Nevada Film Office; Kim Spurgeon, Nevada Film Office Analyst; and James Humm, our Director of Compliance and Regulatory Affairs who is handling our legislative affairs this session [reading from prepared testimony, Exhibit C]. They are available to answer any questions about the matters here today. When I became the Executive Director of GOED, I challenged my staff to look at our statutes, look at our organization, and find anything that needed updating, as many things dated back a decade or more.

We are bringing Assembly Bill 69 forward to make some changes in what is officially called the Division of Motion Pictures, which we would like to call the Nevada Film Office, and some other procedural things regarding motion pictures, and other structural changes to GOED. I think these are pretty straightforward and I will quickly walk through them.

The Division of Motion Pictures was established by the Legislature in 1983 as a way to attract film production to the state. Assembly Bill 69 seeks to contemporize the law to reflect the modern operations and goals of the office, starting by changing the name from the Division of Motion Pictures to the Nevada Film Office. We want to specifically mention that in section 1, this includes the terms "commercials and other audiovisual media" rather than just "electronic transmission." This is a constantly evolving world with reality television shows, commercials, et cetera, and we want to ensure everyone understands what we are doing. Changing the name from the Division of Motion Pictures to the Nevada Film Office gives it an updated range so people understand it is covering a much broader area than just motion pictures [section 3, subsection 1, paragraph (b)].

Section 5, subsection 1, paragraph (b) allows the Nevada Film Office to make the library of audiovisual recordings and available locations accessible online rather than a requirement to produce a large number of hard copies. The hard copies have been expensive. They are less than environmentally friendly, and it is much easier if we move this database online.

Section 5, subsection 2, paragraph (b); section 6, subsection 1; section 6, subsection 2, paragraph (a); and section 6, subsection 2, paragraph (b), subparagraph (1) all update the term "motion picture" to "media production" company as this again is a term more relevant to the times. And finally, pertaining to the Nevada Film Office, the alternative signature requirement is removed, requiring all registrations and approvals to come directly through GOED. That streamlines the application and signature process, and ensures that productions coming into the state are monitored and approved by GOED. I will walk through the Department of Business and Industry (B&I) changes, then Mr. Preiss will address any questions about the Motion Pictures Division.

Upon my appointment by Governor Sisolak, I had no line of sight into the state's economic development activities despite the fact that the B&I, where I served as Director, had 12 divisions that were somehow involved in commerce and industry in Nevada. When the Board of Economic Development was created, it included three constitutional officers, six private citizens, and two nonvoting members—the Director of DETR [Department of Employment, Training and Rehabilitation] and the Chancellor of NSHE [Nevada System of Higher Education]. Yet the Director of B&I, which in some way, shape, or form interacts with 25 percent of the economy in the state, was not a nonvoting member. The irony was that Deputy Director Potts was a member of one of the key business and industry boards dealing with private activity bonds. I built an informal relationship with Paul Anderson, and then with Kristopher Sanchez when he was Interim Director of GOED. But when I was at B&I, we would have folks tell us we should be doing more to promote the banking industry, or we should be doing more to promote the insurance industry. The regulators there—the Insurance Commissioner and the Division of Financial Institutions Commissioner—are there to ensure people do not color outside the lines. They are not there to do the basic business promotion.

So when the Governor appointed me Executive Director of GOED and then appointed Terry Reynolds Director of B&I, who was previously the Deputy Director when I was at B&I, we came up with a much more formal, once-a-month Department and Office consultation, also bringing Mr. Reynolds and his offices much more into our planning. I felt we needed to fix this on an ongoing basis, as business and industry is a vast Rolodex of opportunities, contacts, and industry ties. This would be a simple change, taking the Director of B&I and making him the third nonvoting member of the GOED Board. At that point, the Director would be in the information flow, then we could sit down and have some planning.

This particularly came through to us in the area of insurance because Nevada is an attractive place for what they call "captive insurance companies," and pre-pandemic, there were various captive insurance events Nevada needed to be at and promote doing business

in Nevada. But at the same time, our regulators should not be the ones doing business promotion, as they are regulators. I think with bringing B&I onto the GOED Board, we will have a much more unified effort.

A second area where we have had confusion over the years is what constitutes a quorum of the Board. As I said earlier, we have six voting members in the private sector, three constitutional officers, and two nonvoting members. The intent is to define the quorum around the voting members of the Board, so the Board would only have a quorum if you had the necessary members of the voting Board, not the nonvoting Board. I noticed we still do not have the language correct here, so I would like Mr. Humm to work with the Legislative Counsel Bureau (LCB) staff to really get this language right. I would like to have the opportunity to come back at a work session with cleaned-up language in that area.

Another suggested enhancement came from a member of the search committee that was charged with recruiting me into this position. The Executive Director is required to be appointed by the Governor from a list of three persons recommended by the Board. When I was at B&I, it was strictly a direct gubernatorial appointment. There was no review panel in between. There was a search committee to find a successor to Paul Anderson. Kristopher Sanchez had stepped in as the Interim Director. They struggled to find a third candidate because the law required that they submit at least three names. They struggled for some time and that delayed the proceedings for quite some time. Section 4, subsection 1 would adjust it so "up to three names" could be submitted to the Governor, and not mandating three.

Chair Cohen:

Thank you for that explanation, and thank you to Director Reynolds with B&I for making yourself available in case we have any questions for you.

Assemblyman Yeager:

Throughout the bill you reference that you are changing "Division of Motion Pictures" to the "Nevada Film Office." Is that something you think is going to attract folks from the industry here? I wondered if that was how other states do it, or are we just trying to modernize it to align the name with the mission?

Eric Preiss, Director, Division of Motion Pictures (Nevada Film Office), Office of Economic Development, Office of the Governor:

The change reflects what the office has been operating under for at least the seven years I have been here. Again, as Executive Director Brown mentioned, he just tasked us with looking at legislation that affects our agencies and cleaning that up. This is one kind of cleanup change. Offices around the country and different states operate under a variety of terms, so there is really no generally accepted term. We were merely updating the statutes to reflect what we have operationally been calling ourselves.

Assemblyman Yeager:

In section 5, the library requirement. I certainly understand we probably do not need to maintain a physical library with hard copies. This program to promote the production of

motion pictures, which includes the library, once it is on the Internet, is that something that is going to be available to members of the public to look at, or is that going to be a private area of the website that would only be disclosed to motion picture companies you might be working with? I ask out of curiosity because I would be interested in seeing some of those locations in the state and where they are.

Eric Preiss:

Yes, that information is available to the public and has been on our website at www.nevadafilm.com. *Nevada Revised Statutes* (NRS) [231.127] previously required the printed copy. By making it digital, we are going to be saving money not printing that out. It has been available to the public online and will continue to be available to the public online moving forward.

Assemblywoman Considine:

Going through where all the changes were made, I came across section 6, subsection 2, paragraph (a) where the media production company agrees to pay all debts and obligations within 30 days after the filming of the motion picture is completed. I immediately thought of Assembly Bill 20 which we heard last Thursday. If qualified production expenditures can be used to pay on transferable tax credits, how does that 270 days intersect with this provision where payments are supposed to be made 30 days after production? I am trying to understand how they work together.

Eric Preiss:

This statute has primarily been for nonincentive-related productions. When the incentive law was passed, it contained additional provisions. This section has to do with the registration in which productions are required to register with our office before obtaining film permits, or in conjunction with obtaining film permits. We are updating this. It is somewhat separate and distinct from the application for tax incentives. The tax incentive applications have different requirements they have to meet, and this applies primarily to productions that are not tax incentive-related and are just other types of productions.

Assemblywoman Considine:

So there would not be a situation where a production company pays all its obligations within the 30-day period, and then comes back later—after taking care of some transferable tax credits—asking for any funding back or any money back?

Eric Preiss:

That would not happen here as the tax incentive program has very specific criteria for qualified production expenditures. The intent of this is for productions that are not incentivized productions and do not have to meet those additional application requirements.

Chair Cohen:

In section 5, subsection 1, paragraph (b), the locations available for production of motion pictures and the directory with the locations, when we are talking about Hoover Dam or aerial shots of Lake Mead or the Strip, we know how you find those because we all know

about them. If a rancher thought they had a great piece of land and would not mind having some filming done, can they get into the directory? How would they know about the directory? How do Nevadans know about this?

Eric Preiss:

We do our best to promote this directory. It is free to anyone in the state of Nevada to use, whether they have a private residence or a public business. We encourage it. We promote the directory via the website and all our social media channels—Facebook, Twitter, Instagram, LinkedIn—as a resource to the community. We actively encourage people to list in the directory the ability to use their location as a film location and for that, receive location fees from the production company. Even possibly more important, to promote your business through the content creation industry is why we exist—to bring opportunities to those small businesses. We do everything within our advertising budget to promote this as a resource to Nevada businesses. They can list their business at no charge on our page at www.nevadafilm.com and gain the attention of these production companies and be featured in these productions, driving business results to their business as well as location fees and increased attention. We do our best to make that available to everyone and to make sure they know that resource exists.

Chair Cohen:

Do you have any examples where someone has been able to utilize it and maybe get some business for themselves or utilize their land?

Eric Preiss:

We have many examples. I believe Director Brown also has a personal example from *The Mustang*. It was filmed in northern Nevada and won an award at the Sundance Film Festival. Some recent Christmas movies were produced in the Tahoe-Carson City area, and a local shop that makes Christmas ornaments got some attention out of that. We feel very strongly that getting the word out to small businesses throughout Nevada, that this is a way for free to promote their location to the content industry, and is definitely a great opportunity for them. To the extent we can do that, we do it as much as possible through our channels on Instagram, LinkedIn, Twitter, and Facebook. We often do location spotlights where we highlight those local businesses and drive attention to them, trying to promote more business in Nevada.

Chair Cohen:

Can you tell us how people can follow you on social media? What are the handles?

Eric Preiss:

We are typically everywhere [@nevadafilmmoffice](https://www.instagram.com/nevadafilmmoffice). Again, one of the reasons we want to have this legislation change the name is to reflect what we are under, and also at www.nevadafilm.com. Our website hits about 35,000 unique page views per month and it is a great way to gain attention to your business through the film industry by listing on our website at those channels.

Assemblywoman Anderson:

When it comes to the different outreaches, are you also working with our different chamber organizations? I know in the Clark County area we have some very specialized minority chamber areas, and here in the north we have the Reno + Sparks Chamber of Commerce. Are you also going through the traditional routes of some of the other organizations that have proved to be very pro-Nevada, small business-friendly?

Eric Preiss:

Definitely. Prior to the pandemic, we routinely went out and spoke at chamber events—the Las Vegas Metro Chamber of Commerce and local chambers. We will speak at all these events. I am very fortunate that my vocation and my avocation are congruent with one another. I appreciate the opportunity for any chance possible to go out and speak at these events. We will also speak through the Clark County School District and the university system at different events. We have people within our office—myself and Danette Tull, who is our film resource coordinator—who are out giving presentations to businesses and chapter organizations as much as possible to spread the word that the content creation industry in Nevada is vital to driving our tourism and promotes small business within the state. If you have any, please let me know. I look forward to doing it all the time.

Chair Cohen:

As there are no other questions from the members of the Committee, we will move on to those in support of A.B. 69. Is there anyone on the line?

Connor Cain, representing Las Vegas Global Economic Alliance:

I am here to testify in support of A.B. 69 on behalf of the LVGEA [Las Vegas Global Economic Alliance]. We appreciate, in many ways, this housekeeping bill. We also think the changes such as adding the Director of B&I to the GOED Board will foster more collaboration and help our state's overall economic development efforts. We thank you for your time and encourage your support of A.B. 69.

Paul J. Moradkhan, Senior Vice President, Government Affairs, Vegas Chamber:

The Chamber is in support of A.B. 69 and we appreciate the intent of GOED to improve its ongoing efforts of their structure and operations to better serve our economic development community. We also appreciate their ongoing efforts for outreach. Thank you for your consideration today.

Chair Cohen:

Do we have anyone else in support of A.B. 69? [There was no one.] I thought we had a few more people who wanted to testify in support, so if they are having technical problems and want to try to call in, we will still try to accommodate them, as we do have them down on the attendance roster [[Exhibit B](#)]. We will now hear from those in opposition to A.B. 69. [There was no one.] We will now hear from those who are neutral on A.B. 69.

Steven Cohen, Private Citizen, Las Vegas, Nevada:

I want to ditto the remarks I made on the film office bill [A.B. 20] the other day. Hopefully we can somehow marry the two with some sort of disability talent preference. I will hopefully be able to pull the most current information on the "Sia situation" and will submit that to Committee staff, hopefully shortly.

Chair Cohen:

Do we have anyone else in neutral on the line? [There was no one.] Can you check one last time for anyone in support whom we might have missed? [There was no one.] Assemblyman Yeager would like to make a comment before we go to closing remarks.

Assemblyman Yeager:

In response to the question I asked, I had a chance to look at www.nevadafilm.com. I think I am going to be spending a lot of time on that website. It is pretty amazing. There are 40 pages or more of different sites in Nevada, with all kinds of photos, where things can be filmed. I am putting together a list of places in the state I have not seen yet, and maybe I can fire up my amateur film career, which has not yet started. I wanted to commend you on putting that together. It is an amazing way to highlight our state.

Chair Cohen:

I think you will also have a lot more social media followers from the members of the Committee as well.

Assemblywoman Bilbray-Axelrod:

Along those same lines, I, too, was on your website and Twitter. I am curious as to where you are physically located. Are you in the north, down south, or do you have offices in both areas?

Eric Preiss:

Thank you for the compliments and for looking at the website. Our current location is in southern Nevada. In years past, we did have a northern Nevada location but we just have the southern Nevada location.

Chair Cohen:

Director Brown, would you like to make any closing remarks? Is there anyone else here with your presentation whom you would like to make any closing remarks?

Michael Brown:

I think that sums it up. We are very pleased that the return of the Nevada Film Office has been a popular topic today. We look forward to working on that. I will say one of the more popular filming locations is proving to be Comma Coffee across the street from the Legislative Building. We appreciate your willingness to consider adding Director Reynolds and B&I to the GOED Board. We have been strong partners since I joined state government,

and I think GOED and B&I should really be working very closely. Mr. Humm and I will work with LCB staff to ensure the quorum language is what we intended it to be. Thank you for your time today.

Chair Cohen:

We will close the hearing on A.B. 69 and open the hearing for public comment. Is there anyone on the line for public comment? [There was no one.] Are there any comments from the members of the Committee? [There were none.] Our next meeting is Thursday, February 25, 2021, at 4 p.m. We are adjourned [at 4:40 p.m.].

RESPECTFULLY SUBMITTED:

Gina Hall
Committee Secretary

APPROVED BY:

Assemblywoman Lesley E. Cohen, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.

[Exhibit C](#) is written testimony dated February 23, 2021, presented and submitted by Michael Brown, Executive Director, Office of Economic Development, Office of the Governor, regarding Assembly Bill 69.