MINUTES OF THE
SENATE COMMITTEE ON REVENUE AND ECONOMIC DEVELOPMENT

Eighty-third Session
April 10, 2025

The Senate Committee on Revenue and Economic Development was called to order by Chair Dina Neal at 1:09 p.m. on Thursday, April 10, 2025, in Room 1214 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 5 of the Nevada Legislature Hearing Rooms, 7120 Amigo Street, Las Vegas, Nevada. Exhibit A is the agenda. Exhibit B is the attendance roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Dina Neal, Chair
Senator Fabian Doñate, Vice Chair
Senator Michelee Cruz-Crawford
Senator Jeff Stone
Senator John C. Steinbeck

GUEST LEGISLATORS PRESENT:

Senator Roberta Lange, Senatorial District No. 7

STAFF MEMBERS PRESENT:

Michael Nakamoto, Chief Principal Deputy Fiscal Analyst
Christian Thauer, Deputy Fiscal Analyst
Tyler Boyce, Committee Secretary

OTHERS PRESENT:

Jason Hariton, Chief Studio & Real Estate Officer, Chief Strategy Officer, The MBS Group
Brooke Gustafson, Birtcher Nevada Development, LLC
Drew Brunson, Head of Business Development, GameSquare Holdings, Inc.
Robert Louis
Apple Thorne, International Vice President, International Alliance of Theatrical Stage Employees; Business Representative, International Alliance of Theatrical Stage Employees Local 720

Rachel Selsky, Chief Executive Officer, Camoin Associates
Jon Roberts, Managing Partner, TIP Strategies
Dan Stewart, Vice President for Development, Gardner Group
Eloy Jara, Business Manager, Laborers' International Union of North America Local 169
Warren D. Cobb, Associate Dean, College of Fine Arts, University of Nevada, Las Vegas
Ryan McInerney, Nevada State University
Phil Jaynes, President, International Alliance of Theatrical Stage Employees Local 720
Victor Wei, Paragon Gaming
Andy Donahue, Southern Nevada Laborers-Employers Cooperation and Education Trust
Adam Mack, International Alliance of Theatrical Stage Employees Local 363
Alfonso N. Lopez, Sheet Metal & Air Rail Transportation Workers
Nancy J. Uscher, Dean, College of Fine Arts, University of Nevada, Las Vegas
Chris Ferrari, Nevada Contractors Association
Patty Charlton, Chancellor, Nevada System of Higher Education
Constance Brooks, University of Nevada, Las Vegas
Clarissa Cota, College of Southern Nevada
Sádia Carone, Actor, Screen Actors Guild—American Federation of Television and Radio Artists
Kim Renee, President, Screen Actors Guild—American Federation of Television and Radio Artists Nevada Local
Aaron Ibarra, Southern Nevada Building Trades Union
Rosemary Brock, Founder, Chief Executive Officer, Environmental Information Systems Corporation Lab Data Automation
Sy Naoum, Sergeant-at-Arms, Laborers' International Union of North America Local 872
Steve Blaho, Craft 3 Representative, Film/TV Workers, International Alliance of Theatrical Stage Employees Local 720
Todd Robbins, Sr., Business Agent, International Alliance of Theatrical Stage Employees Local 720
Frank Woodbeck, College of Southern Nevada
Ciara Byrne, Co-Founder, Co-Chief Executive Officer, Green Our Planet
Todd Kirschner, Member, International Cinematographers Guild Local 600; International Alliance of Theatrical Stage Employees Local 720
Briana Mercado

Wendi Newman, Southern Nevada Chapter National Electrical Contractors Association
Ronald Young, International Brotherhood of Electrical Workers Local Union 357
Lonny Dill
Anahit Baghshetsyan, Nevada Policy Research Institute
Warren Hardy, Associated Builders and Contractors, Nevada Chapter
Alexander Marks, Nevada State Education Association
Brian Wallace, Nevada State Education Association
Ryley Svendsen, Nevada Coalition to End Domestic and Sexual Violence
Andrew Clarke, New Day Nevada
Tessyn Opferman, Nevada Women's Lobby
Wiselet Rouzard, Americans for Prosperity Nevada
Cyrus Hojjaty
Shelbie Swartz, Battle Born Progress
Al Rojas
Chad Burn
Maggie Carlton, Culinary Workers Union 226

CHAIR NEAL:
Today, we are going to do work session first, and I will turn it over to Mr. Thauer.

CHRISTIAN THAUER (Deputy Fiscal Analyst):
Today before the committee is a work session document (Exhibit C) on Senate Bill (S.B.) 41 and its amendment.

SENATE BILL 41: Revises provisions relating to the taxation of cannabis establishments. (BDR 32-284)

CHAIR NEAL:
Seeing no questions, I will entertain a motion to S.B. 41 to amend and do pass as amended.

SENATOR DOÑATE MOVED TO AMEND AND DO PASS AS AMENDED S.B. 41.

SENATOR CRUZ-CRAWFORD SECONDED THE MOTION.

SENATOR STONE:
I regret that I'm gonna be voting no on S.B. 41 and that I think the true hammer in getting these taxes paid is holding up the cannabis license. I think we're just creating another alternative taxing structure that I don't think is necessary.

SENATOR STEINBECK:
I'd like to ditto Senator Stone's comments.

THE MOTION CARRIED. (SENATORS STEINBECK AND STONE VOTED NO.)

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CHAIR NEAL:
And next, Mr. Thauer: S.B. 69.

SENATE BILL 69: Revises provisions relating to economic development. (BDR 32-369)

MR. THAUER:
The work session document (Exhibit D) includes the summary of S.B. 69 and its amendment.

CHAIR NEAL:
I will entertain a motion to amend and do pass as amended.

SENATOR DOÑATE MOVED TO AMEND AND DO PASS AS AMENDED S.B. 69.

SENATOR CRUZ-CRAWFORD SECONDED THE MOTION.

SENATOR STEINBECK:
I am going to vote no on this today. I am going to reserve my right to change. I want to commend the sponsors who have worked very hard to make the amendments with some of the opposition to this bill, but there's still work to be done in those areas.

SENATOR STONE:
I just ditto my colleague.

CHAIR NEAL:
I just want to make a quick comment, although I'm voting yes. Storey County, I think—I know you've done a lot of work, but it's been a longstanding issue to make sure that the rural counties actually have a voice when it comes to the economic development districts. What they were trying to do was the general services agreement—which they negotiate—trying to codify it into the actual language of the bill because it's something that happens anyway. I was super supportive even though I wasn't even here. But when I saw the direction of the original amendments, I was like, "Absolutely not." One of the positions is to make sure that the rural counties have a say in the taxes that are going to be removed or abated from their county. And that has been an important part. And historically, they were left out of that conversation, and that's why this was such a huge fight to try to bring it back in.

And so sometimes we have to go and reflect, think about there are two sides to what's happening, so I just wanted to put that on the record. Although I wasn't here, I was going back and forth with Storey County via email while I was at home. I just wanted to say that I'm a yes and, yes, if it happens in the other House, but either way, good move. I appreciate the work.

THE MOTION CARRIED. (SENATORS STEINBECK AND STONE VOTED NO.)

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CHAIR NEAL:
With that, we will move to the next item on the agenda: S.B. 269.

SENATE BILL 269: Provides a credit against the modified business tax for certain donations to support graduate medical education. (BDR 32-578)

MR. THAUER:
The work session document (Exhibit E) includes the summary for S.B. 269. There were no amendments submitted to this bill.

CHAIR NEAL:
I will entertain a motion for S.B. 269 to do pass.

SENATOR STONE MOVED TO DO PASS S.B. 269.

SENATOR DOÑATE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. THAUER:
Next before the committee is the work session document (Exhibit F) for S.B. 364 and its amendment.

SENATE BILL 364: Revises provisions relating to economic development. (BDR 32-799)

CHAIR NEAL:
Seeing no questions, I will entertain a motion to amend and do pass as amended.

SENATOR DOÑATE MOVED TO AMEND AND DO PASS AS AMENDED S.B. 364.

SENATOR STONE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. THAUER:
Next is the work session document (Exhibit G) for S.B. 393 and its amendment.

SENATE BILL 393: Revises the Windsor Park Environmental Justice Act. (BDR S-701)

CHAIR NEAL:
I will entertain a motion on S.B. 393 to amend and do pass as amended.

SENATOR CRUZ-CRAWFORD MOVED TO AMEND AND DO PASS AS AMENDED S.B. 393.

SENATOR DOÑATE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR NEAL:
Next we will go to S.B. 412.

SENATE BILL 412: Repeals provisions relating to financial institutions. (BDR 32-952)

MR. THAUER:
The work session document (Exhibit H) includes the summary for S.B. 412 and its amendment.

CHAIR NEAL:
I will entertain a motion on S.B. 412 to amend and do pass as amended.

SENATOR DOÑATE MOVED TO AMEND AND DO PASS AS AMENDED S.B. 412.

SENATOR STONE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR NEAL:
Next, we go to S.B. 431.

SENATE BILL 431: Revises provisions relating to the excise tax on live entertainment. (BDR 32-692)

MR. THAUER:
The work session document (Exhibit I) includes the summary of Senate Bill 431 and its amendment.

SENATOR STEINBECK:
Could you please just walk through the amendment a little bit and maybe explain to me who now will be affected by this new Live Entertainment Tax?

CHAIR NEAL:
To keep it simple, the bill started off where I was removing the exemption from the sports teams so that they would be taxed. The conceptual amendment strikes that, and that is no longer a part of the bill. What is a part of the bill is the secondary market on the resale of tickets but still trying to put some of the resale toward public transit. I do want to call on Mr. Nakamoto because when Senator Stone in the hearing asked me how much would be generated from the secondary market on the resale of tickets, I said $12 million, but that would have been the gaming portion of it, not the whole portion. I want Mr. Nakamoto to correct that on the record because when I answered Senator Stone, I said that the revenue generated would be $12 million, and that's actually on the low side. Mr. Nakamoto, can you clarify that part? And then ultimately, that's what the amendment does.

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst):
As the Chair noted in her testimony on this bill—for the question that Senator Stone asked about the revenue effect for the resale portion—the number that she gave, it was inadvertently just the gaming portion of the tax, and it was actually around $11.5 million. But the total of effect for both the gaming and the nongaming portion is around $37.5 million, of which about $11.5 million or thereabouts is in the gaming portion; about $26 million is in the nongaming portion.

SENATOR STEINBECK:
Just a clarifying question: so that would be the amount now with the amendment that would be collected in addition to the normal amount, or is that the total amount?

MR. NAKAMOTO:
That is the incremental amount that would be added to the tax based on our estimates, in addition to the Live Entertainment Tax that is generated already from the sale of the tickets. I believe the combined portion for the Economic Forum was around $222 million. It would increase it by about $36.5 million per fiscal year.

CHAIR NEAL:
I will entertain a motion to amend and do pass as amended.

SENATOR DOÑATE MOVED TO AMEND AND DO PASS AS AMENDED S.B. 431.

SENATOR CRUZ-CRAWFORD SECONDED THE MOTION.

SENATOR STEINBECK:
I'm gonna vote yes to pass this through committee and just reserve my right to change later. Also, I just want to say thank you for trying to address the shortage with the regional transportation. We need to make sure our people can get to where they need to go.

SENATOR STONE:
I'm going to ditto my colleague, and I'll reserve as well.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR NEAL:
Now we will move to our final bill, which is S.B. 435.

SENATE BILL 435: Revises provisions relating to nicotine products. (BDR 32-989)

MR. THAUER:
The work session document (Exhibit J) includes the summary for S.B. 435 and its amendment.

CHAIR NEAL:
I will entertain a motion to amend and do pass as amended.

SENATOR STONE MOVED TO AMEND AND DO PASS AS AMENDED S.B. 435.

SENATOR STEINBECK SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR NEAL:
With that, that is our final bill on work session. We will close it up, and then we will open up our hearing on Senate Bill 220.

SENATE BILL 220: Enacts the Nevada Film Infrastructure, Workforce Development, Education and Economic Diversification Act. (BDR S-18)

SENATOR ROBERTA LANGE (Senatorial District No. 7):
I'm here to introduce a bill I have worked on for five years: Senate Bill 220, named the Nevada Film Infrastructure, Workforce Development, Education and Economic Diversification Act. This act is forward-thinking legislation designed to unlock a new chapter in Nevada's economic story, one rooted in job creation, workforce development, innovation, education and long-term investment.

Senate Bill 220 is a smart, performance-based bill. It is a structured, accountable approach to economic development that guarantees measurable outcomes for our State. This isn't a speculative gamble. It is a targeted investment designed to perform for the citizens of Nevada, leading to returns that far exceed the initial investment. Senate Bill 220 began as a bill to support the infrastructure for film production. But through collaboration with the Birtcher Nevada Development, LLC; University of Nevada, Las Vegas (UNLV); and other thoughtful leadership—including guidance from Senate Majority Leader, Nicole Cannizzaro—it has grown into something much more powerful. In addition to film, the bill now includes the Creative Technology Initiative—or as I will refer to in the future, "CTI"—which positions Nevada to lead in aerospace, defense, healthcare technology and video game publishing—industries that represent the future of both our workforce and our economy.

The CTI—a nonprofit organization, enabled by legislation—moves us into a space that will produce even more jobs and a higher return on investment. As a result, Senate Bill 220 is not just a film bill, and I really want to hone in on this. It is no longer just a film bill. Modeled after the University of Southern California's Institute for Creative Technologies (ICT) and neighboring University of Utah, it has the potential to create Nevada's first university-affiliated research center through the U.S. Department of Defense. That means getting our share of federal funding, building deeper research capacity and high-tech business that puts Nevada on the map for the long term. So yes, we will build studios through the MBS Group, the largest operator of studio space in the world. And we will

keep the studios filled, we will be making movies, we will be making shows, but that's just the beginning.

Senate Bill 220 directly invests in education and workforce development and creates a pipeline for opportunity for Nevadans from middle school all the way through university research. According to International Alliance of Theatrical Stage Employees (IATSE), the union representing the stagehands and production professionals, there are more than 5,000 Nevadans ready to go to work in film and production right now. The College of Southern Nevada (CSN) is training students right now. At nearly 6 percent unemployment, we know people who will be ready to work. Let's start where the project will take root. The Nevada Studios Project and the Nevada Media and Technology Lab will be built on public land, the [UNLV] Harry Reid Research & Technology Park, through a 100-year ground lease, as part of a public-private partnership. That structure ensures that this development does not just benefit a single company or a single decade. It becomes a long-term public asset, delivering educational, economic and cultural value to Nevadans for generations to come.

On that site, in addition to the state-of-the-art production studios, there will be a $50 million, 50,000-square-foot Media and Technology Lab. This lab will provide space for CSN, Nevada State University (NSU) and UNLV students to learn in the classroom, then walk over to the production lot for mentorship and on-the-job training. Up to $9.8 million is allocated each year to make sure this space can remain rent-free, provide administrative support, and generate collaboration between industry and education. The developer and partner MBS has committed to doubling this allocation in the first three years of the project to supercharge our workforce pipeline. Over the life of the bill, the funding will provide nearly $200 million for the center, plus another $12.5 million to support the CTI mission.

All of this is built with fiscal discipline. Thanks to the structure of this bill, every public dollar invested in film tax credits will be recaptured through increased tax revenue, private contributions and public land use. The numbers tell a compelling story: over 10,000 new jobs, $750 million in wages and tens of billions—yes, I want to reiterate billions—of dollars in a broader economic impact. But what matters even more are the Nevadans who will benefit: students gaining hands-on experience, technicians and engineers staying in Nevada instead of leaving, families building careers in industries they once thought were out of reach. With Senate Bill 220, we are creating a living engine

for opportunity, training tomorrow's workforce, hosting today's industry leaders, and fueling discoveries that will define Nevada's place in the national innovation economy.

By even conservative calculations, the overall economic impact of this project is nearly $80 billion. Senate Bill 220 also honors the legacy of U.S. Senator Harry Reid, a friend to many of us here. It is no secret that he was a strong advocate for leveraging public assets to stimulate innovation and job creation. Let's be clear: we are facing real economic headwinds. This is not an optimistic time; instabilities in markets and the economy will affect Nevada more than most. We are all asking where do we go from here? As Legislators, we feel that uncertainty every day of this session. Senate Bill 220 gives us a beacon of hope—a way forward that is visionary and practical.

We have done everything in this bill to make sure our investment yields positive economic return. It invests in our people. This is a one-time opportunity. It will not come again. This is Nevada's moment to lead with intention. Senate Bill 220 bridges the gap between where we are and where we need to be. It reflects the challenges of today and the promise of tomorrow. We have a dynamic team of presenters today and a lot of background to walk you through. However, we will do our best to make it efficient and thorough. Our first presenter—if we can transition to that, Madam Chair—will be Jason Hariton, Chief [Studio &] Real Estate Officer for the MBS Group. He's on Zoom, from Northern Ireland.

JASON HARITON (Chief Studio & Real Estate Officer, Chief Strategy Officer, The MBS Group):
We are—Senator Lange shared—the largest studio operator and production service provider serving high-end film and television content globally. [I'll give] a bit of my background, and then I'd like to share a bit about MBS as well and who we are.

I have a long history related to the development of production hubs and production infrastructure around the world—as a producer; as a content studio production executive; as an owner, developer and operator of film infrastructure. In the U.S., for example, for over a decade, I was the cochair and committee founder of the Producers Guild of America's Film USA Committee, the industry's resource on production incentive programs and infrastructure. I'm a founding member of the California Production Coalition, in alliance with the

Motion Picture Association; a member of the American Society of Cinematographers; the Emmys—Television Society [Academy]. I'm a fellow of the Royal College of Art [in] London and a board member of the Hollywood Chamber of Commerce, among some other affiliations.

Going back some years, I was an appointed advisor to New Mexico Governor Bill Richardson for the state's creative industries at the time they were developing a robust program as well. I built Albuquerque Studios there, and then later—when I was at Netflix as Netflix's Head of [Worldwide] Production Operations & Real Estate—I architected the purchase by Netflix of that studio along with the creation of a long-term production hub for Netflix in that state. Just prior to MBS, in that role at Netflix, my challenge was to ensure that Netflix had the global resources, crew, infrastructure, et cetera, necessary to support over 1,000 productions each year across the global platform. At the time, that was the largest ever undertaken. But amazingly, it's even been exceeded since.

Thank you for allowing me to join from my hotel room in Belfast, Northern Ireland. But I think it is important context. It's sort of what we do at MBS. I am here in Belfast meeting with the government in Northern Ireland as the government here is working—this is where a television series you would be familiar with, like *Game of Thrones*, have been shot, and the government is in the current process of trying to get a very large series here in Northern Ireland situated. Tomorrow, I will be in Dublin for one of the historic studios called Ardmore. That is in Dublin that we operate as well, and that is in relation to Netflix and Blumhouse. And then on Saturday, I will be in Limerick, Ireland, with Fox's [unscripted television programming] as their game shows—they're having quite a bit of European game shows that shoot in the Republic of Ireland.

It kind of gives an idea of MBS and sort of where we fit in, as a bit of an air traffic controller and a support system for all major content creators. Yesterday, I actually flew in from Montreal, Canada, where an Apple feature film and a very large Amazon series are looking to set up. So similarly, actually nearby to where I am now in Edinburgh, we own facilities in Scotland; and we own and operate facilities in London—six facilities for major content creators, including supporting series that you would be familiar with, *Bridgerton* and Sony's *Outlander* as examples.

So just to share a bit with you about our platform—MBS as a global platform is providing studio management, studio design, equipment rentals. Essentially, we're the largest studio operator for high-end film and TV. But what that means is we're a resource that's tracking activity across the globe. For us, it's about keeping the most amount of content activity in all of these facilities and being a support system and ecosystem for content creators.

If you look [on our website], the "Studios," when I talk about studio campuses that MBS operates around the world, these are iconic studios across the major production markets of the world. We operate 30—it's really actually about 40 now—studio properties, anywhere from Eastern Europe to the Dominican Republic and all throughout the United States and Canada, the United Kingdom (U.K.), etcetera. Ardmore Studios is the one I was just referencing here. All of this is available online. So just to kind of quickly—a lot of these campuses are quite large. Just to give you scale, our production infrastructure footprint on the real estate side is at over 10 million square feet. It's gotten quite large.

We own about $1 billion just in lighting grip equipment, which is the high-end technical equipment used for shows like you see [on our website]. We provide that all around the world through a logistics system and serve those content creators that I mentioned.

Additionally, we also are providing ancillary services like props, scenic and wardrobe. In particular, our Studio Art & Technology group is the industry leader. We're the largest prop house and other things in providing design and development for the specialized products in film and TV. We're building, for example, Marvel—the *Black Panther* suits—and the Millennium Falcon for *Star Wars* and things like that. We're a technical support system for them.

You'll know many of our loyal customers, and the ones when I say our clients that we're serving, that's who we're talking about. And there's also international content creators that we service equally as well. This is our U.S.-based list.

Then as I kind of move down, I think what's important is beyond studio management, development and production solutions around the world, we're also the largest booking and leasing group for soundstages across all high-end film and TV. I think that's important because we're very proud that we average a higher occupancy across our properties than the competitive set. And that's

really because of our wide breadth and what we're looking at, and I'll show you that in just a minute in terms of our footprint.

The breakthrough production technology is something super important because, as you heard from Senator Lange a moment ago, technology and the capabilities in Nevada and of the students at the new CTI center, all of that fits in perfectly with what we're trying to be a part of as the MBS platform. We have MBS Innovations, which is our think tank. It is an industry-leading think tank that has directors of photography, directors and content creators around the world that participate to help create technical solutions including virtual production, light emitting diode (LED), and there have been some really groundbreaking things. We do projects even in Manhattan Beach in Los Angeles—just outside—like *Avatar*, with motion capture, [or] *The Mandalorian*, some television shows like that that are [on the] cutting-edge of technology. So that is where we love to live and be a support system.

What you are seeing here is just some giant numbers but kind of the breadth of our footprint and our operations. We're in just over 120 locations in eight countries; we have over 600—there are about 635 now—soundstages within our platform. We service over 1,000 productions a year—most of those being high-end—usually mid- to high-budget content creation—typically in the English language.

This is just a kind of map of the locations that we're at and how we're spread out, certainly all over, and serve as a resource. So, for myself personally, I would like to also share that on the training note, which is something that came up a moment ago—for MBS, this is something long-term. I have been in this business, my family for four generations, the partners in MBS, all of us similarly. What we're trying to develop here is infrastructure that's sustainable in the long term for productions that are emanating maybe creatively from different locations around the world. But the folks making the content, the physical production executives, they are actually located within these production hubs. The producers are looking for the Nevada talent that is there. The driver really is, "Where can I, as a producer, go to have the talent base that can handle production at scale?"

As a training provider, we actually have a program that we look forward to working together with all of the different stakeholders involved in this project. We've been involved in about $10 million in grant programs just related to

production training around the world, and our program is called "Changing Lenses." It's specifically developed for underserved communities where we have studios. I say "underserved" because depending on where we're located, that could change—for example, First Nations communities in Canada, immigrant communities in London, etcetera. We have had a great success in that—really a pride point.

I think I can kind of end on that point and hopefully have been able to give you a little bit of a look of who we are just to give you examples. These are the types of productions that we work with and that we facilitate in our soundstages from all those major content creators—things that you're used to seeing.

BROOKE GUSTAFSON (Birtcher Nevada Development, LLC):
I am the president and fifth-generation owner of Birtcher Nevada Development, LLC. It's an honor to speak before you today [with my presentation on Nevada Studios] (Exhibit K contains copyrighted material. Original is available upon request from the Research Library.). Birtcher Development, LLC, is an 86-year-old real estate development and investment firm founded by my great-great-grandfather Justus [Birtcher] in 1939. I am honored to work alongside my father, who's here today—Brandon—and also serve as the first woman owner of our family's business.

Over eight decades, Birtcher has developed more than 65 million square feet of commercial properties across the United States, with an asset value totaling over $7 billion. We've developed more than 260 projects, including office buildings, retail centers, research and development facilities, business parks, warehouse and logistics facilities, and iconic specialty-use projects such as the Pacific Design Center in West Hollywood and the Academy of Television, Arts & Sciences headquarters in North Hollywood. Since 2019, our team has had the pleasure of working with Senator Lange to establish the vision for Nevada Studios and the Creative Technology Initiative (CTI) we'll refer to shortly and which Senator Lange will be introducing as a bill amendment.

Over the last five years, Senator Lange has played a critical role in ensuring that education and workforce development opportunities remain at the heart of Senate Bill 220 and in the overall design of our Nevada Studios project. She has encouraged our partnership with Nevada System of Higher Education (NSHE) institutions, K-12 programs within Clark County School District (CCSD) and the

unions to create a solid foundation for sustainable and achievable workforce development pathways. I have witnessed Senator Lange's sincere desire and commitment to diversify Nevada's economy and to enhance the quality of life for Nevadans through the establishment of sustainable, long-term, high-paying jobs.

Here are three critical elements I want you to remember about S.B. 220. One, it is a workforce-ready bill. Two, it provides an actionable and realistic plan for economy building. And three, it ensures that public funds will be used on public land to provide a generational opportunity to reshape Nevada's economic future. What we are most proud about, though, are the numbers. And here is what I want you to remember: a $1-to-$1 return on investment to the State; $166 million for education and vocational training programs a $50 million private investment to deliver the Nevada Media and Technology Lab; and $320 million in ground lease payments to the University of Nevada, Las Vegas (UNLV), Research Foundation. Strategically located at the UNLV Harry Reid Research and Technology Park, the proposed $900 million Nevada Studios project will provide over 3,000 jobs during the 30-month development period and 8,800 permanent jobs once operational.

Located on-site and immediately adjacent to the planned studio complex will be a $50 million, 50,000-square-foot educational and vocational training center called the Nevada Media and Technology Lab. Within this facility, participating NSHE [Nevada System of Higher Education] schools—along with K-12 programs through CCSD—can utilize a total of $166 million over 18 years, which is $5.8 million to $9.8 million per year for operations, programs in film production and—through CTI—economic research and pursuit of new opportunities in the aerospace, defense, healthcare technology and video game publishing industries to grow and diversify Nevada's economy. These economy-building initiatives have the potential to return over $1 for every $1 the State of Nevada invests in film tax credits.

While the UNLV Harry Reid Research and Technology Park and the UNLV Research Foundation were organized over 25 years ago, their vision for innovation and economy building has not changed. This has been validated through the continued growth, development and strategic tenant occupancy within the 112-acre park, which has been wonderfully executed by the master developer Gardner Group.

Importantly, in 2023, the 112-acre UNLV Harry Reid Research and Technology Park was identified by Clark County and the Las Vegas Global Economic Alliance (LVGEA) as a critical site within the Nevada Innovation District [Clark County Innovation District], a strategic innovation hub focused on fostering new technology development programs for the State of Nevada. Within the Clark County Innovation District, the 34-acre Nevada Studios project could singularly broaden economic growth strategies for the State, drive real estate value through private programming and partnerships, and establish innovative workforce development programs.

The Nevada Film Infrastructure, Workforce Development, Education and Economic Diversification Act establishes more than just a film studio infrastructure commitment to secure a transferable tax credit program. It provides a clear pathway to establish workforce infrastructure through the Nevada Media and Technology Lab and the Creative Technology Initiative. With this background, I will quickly walk you through the sections of S.B. 220.

Sections 1 through 8 identify that the Nevada Studios project will be developed on publicly owned land at the UNLV Harry Reid Research and Technology Park. The project will include a large-scale education and vocational training center for Nevadans and organizations focused on growing and diversifying Nevada's economy called the Nevada Media and Technology Lab, defined in section 7.

Sections 9 through 18 outline film infrastructure transferable tax credit eligibility for production companies to create qualified productions at the Nevada Studios project. Section 10 mandates that the Governor’s Office of Economic Development (GOED) enter into a development agreement with the project's lead participant and set eligibility criteria for film infrastructure tax credits. The lead participant must make a total new capital investment of $150 million by December 31, 2028; a cumulative $300 million by December 31, 2029; and include the development of the Nevada Media and Technology Lab.

Section 12 allows production companies to apply for film infrastructure transferable tax credits, which may be used against business, insurance and gaming taxes. Applications must provide certain percentages of principal photography days and second unit filming, minimum expenditures of $500,000, and diversity plans for hiring that reflect the racial and gender diversity of the State. Full application requirements and audits must be submitted within 270 days after completion of principal photography. Within 30 days of the

issuance of the certificate of the film infrastructure tax credits, the production company must pay GOED money equal to 10 percent of the amount of the film infrastructure transferable tax credits, and GOED must deposit that same amount into the Account for Nevada Film, Media and Related Technology Education and Vocational Training, created in section 30.

Section 13 defines qualified direct production expenditures, including but not limited to payments to Nevada businesses, wages to Nevada residents and fringe benefits such as union dues and health insurance. Section 14 outlines the base amount of film infrastructure tax credits issued to eligible productions: 35 percent of wages paid to Nevada residents and 30 percent of other qualifying expenditures, which are subject to 5 percent to 10 percent reductions if Nevadans do not make up a minimum percentage of below-the-line talent by certain outside dates. Background actors are not considered in determining the percentage of below-the-line Nevada residents. Importantly, any reduction as outlined above must not reduce the amount of money paid into the Account for Nevada Film, Media and Related Technology Education and Vocational Training.

Section 15 sets out the total amount of film infrastructure transferable tax credits. A ramp-up of $48 million, $48 million and $63 million [will occur] over the first three years while the Nevada Studios project is under construction. Then $83 million per year for 15 years following the Nevada Studios project receipt of its first certificate of occupancy.

Starting year one, only 50 percent of the unused amount of film infrastructure tax credits may be carried forward to the next fiscal year. It should be noted that the combined tax credits being requested between section 15 and section 22—for infrastructure and noninfrastructure, respectively—is $58 million, $58 million, $78 million and $98 million thereafter. Sections 16 through 18 outline GOED's requirements for approving eligible productions, repayment from production if false statements are provided and GOED's annual reporting requirements and procedures.

Sections 19 through 20 modify the existing film tax credit law for noninfrastructure transferable tax credits. Much of the same criteria is mirrored in these sections as those pertaining to the infrastructure transferable tax credits.

Section 21 increases the base credit amount for applications from 2025 to 2043, raising it from 15 percent to 35 percent for wages paid to Nevada residents and 30 percent for other qualified direct expenditures. Qualifications to increase up to 5 percent to 10 percent are considered.

Section 22 raises the annual tax credit cap from $10 million to $15 million for noninfrastructure transferable tax credits for fiscal year 2027-2028 through fiscal year 2042-2043.

And finally, sections 25 through 32 establish the Nevada Media and Technology Lab funding program. Section 30 creates the Account for Nevada Film, Media and Related Technology Education and Vocational Training, which supports economic diversification and educational and vocational training programs at the Nevada Media and Technology Lab.

Section 31 creates a governing nine-member Board for Nevada Film, Media and Related Technology Education and Vocational Training within GOED. Section 32 outlines grant approval processes and community benefit requirements. And section 35 of this act takes effect on July 1, 2025, with an expiration limitation of June 30, 2050. Senator Lange will introduce the proposed S.B. 220 bill amendments.

SENATOR LANGE:
We have an amendment (Exhibit L) to the bill with three components and you should have it. I'll just go through those quickly.

One is a cleanup of some numbering and technical language around the names, conforming them to the intent of the bill. It moves the payment of the video game publishing money from UNLV to the CTI and articulates the payment to the CTI.

Second is the CTI amendment. This amendment recognizes by implication the transfer of funding from the film fund account, establishes a mechanism for creating the 501(c)(3) and provides for accountability to the Legislature for the appropriate use of funds. This is the language that makes S.B. 220 more than just a film bill.

Third is language that acknowledges the developer's $300 million obligation to build on public land, creating a public-private partnership and permanent capital

that produces a benefit to taxpayers. It designates the obligation as a "qualified private contribution" and enables the Legislature to apply capital expenditures against the liability for tax credits. This effectively makes the first four years revenue neutral, and any direct, indirect and induced benefits are in addition to that base.

MS. GUSTAFSON:
To provide you with more context around CTI, I would like to play a brief video <https://youtu.be/ST3bDZwVMUc?si=GeywGQMRhOK0QUQe> from a very similar established program at my alma mater, the University of Southern California (USC). Here is an overview of the USC Institute for Creative Technologies.

[The two-minute video is an overview of the USC Institute for Creative Technologies (ICT): a U.S. Department of Defense (DoD)-sponsored University Affiliated Research Center (UARC). Backed by the U.S. Army, ICT blends Hollywood creativity, academic innovation and military expertise to tackle real-world challenges facing service members and society. The Institute conducts advanced research across fields such as computer graphics, human performance, virtual reality (VR) and medical technologies, producing immersive training systems that enhance leadership and decision-making, and have been adopted by the military to save millions of dollars. The work by ICT goes beyond military training, developing cutting-edge solutions in areas like PTSD therapy and Holocaust education preservation.]

We're very excited about the CTI program and what that can mean through the cross section of film and S.B. 220. As you can see, CTI has been inspired and patterned much after the USC Institute for Creative Technologies, a platform structure that could be utilized through UNLV and other NSHE research and educational programs. Through CTI, UNLV and other participating NSHE institutions could be positioned to be designated as a UARC and/or a Federally Funded Research and Development Center. To further validate the opportunities that CTI could bring the State, I would like to turn the mic over to UNLV grad and local Nevadan, Drew Brunson of GameSquare Holdings, Inc., to discuss how CTI could integrate with opportunities in the video game publishing industry.

DREW BRUNSON (Head of Business Development, GameSquare Holdings, Inc.):
I am reading my testimony (Exhibit M) in support of S.B. 220.

MS. GUSTAFSON:
To get a sense for how CTI could integrate with opportunities in the aerospace and defense industries, I would like to read you a brief letter [of support] (Exhibit N) we received from Tim Wong—who unfortunately couldn't be here today—President and CEO of Arcata Associates, Inc., a well-respected and known Nevada-based defense and aerospace company.

Finally, I would like to pass the mic on to Dr. Robert Louis to introduce and discuss how CTI could integrate with opportunities in healthcare technology.

ROBERT LOUIS:
I am a neurological surgeon—a brain surgeon—from Newport Beach, California. You can ask, "What's a brain surgeon from California doing in a Nevada Senate hearing talking about the film industry?" The answer is I'm also a Nevada business owner. I have a creative technologies business here in Nevada specifically focused on the creation and development of digital therapeutic technologies.

Brain surgeons utilize technologies across the spectrum. As a surgeon, if there's a structural problem—if I have a tumor—I can cut it out. If we have a physiologic problem such as high cholesterol, we have medications—pharmacy—for that. But for broader, more pervasive problems—for neurobehavioral problems, things like addiction, depression, anxiety—we don't have effective treatments for these. Back in the 1950s, we used to do surgery on these, in neurosurgery. We'd cut out people's frontal lobes, [but] it didn't turn out to work too well for them. Later and more recently, we have developed drugs—therapeutics—which work marginally well for some conditions and not at all for other conditions. And for things like addiction—which now kills more than 100,000 Americans per year—we have no effective treatments still. However, solutions are on the horizon.

About a decade ago, I began working in a collaboration between health care and the aerospace [and] defense industries. When working with two fighter pilots from the Israeli Air Force, we took the flight simulation technology from F-16s and adopted it to be able to simulate brain surgery. So now, rather than kind of thinking through an operation, which I may have done many times before, I can take the patient's own MRI and CT scans and merge them together to create a patient-specific model that allows me to practice the operation, not in a general sense but on this particular patient.

This collaboration between the aerospace and defense industry and the healthcare industry has allowed us to make brain surgery less and less invasive. We took it from something where we had to remove the front half of the skull to operations the majority of which I am able to do through an opening the size of a quarter. Ultimately, we are working to create even less invasive options than this.

We've had such success in this space, not just for the surgeons practicing but also in helping the patients for whom these surgeries will be performed to better understand their conditions. In fact, when we put the patients in the VR headset, we see a significant increase in their ability to understand the plan for their own brain surgery. The success that we've had in this era has led to multiple other innovations in the healthcare, tech and digital therapeutic space. We have in the last several years, in collaboration with other industries, developed [treatments]—for example, for children with ADHD. For forever it has been the prescription of Ritalin. Now there is an FDA-approved video game that children can play in order to help them treat and improve their ADHD. We know that the long-term impacts of things like Ritalin and Adderall on our children are not sustainable. They cause long-term neurochemical changes to the brain. If rather than giving them a pill we can teach a skill in the form of VR or other video games, we can make a big impact on the health of our communities of the future.

Number two, for low back pain: low back pain is the number two reason for people to seek health care in the United States. Number one is pregnancy, and number two is low back pain. In fact, 90 percent of Americans at some point in their lives will seek healthcare attention for low back pain. A couple of years ago in working with a company called AppliedVR, we developed an at-home, ten-minutes-a-day VR therapeutic treatment session. Over the course of eight weeks, ten minutes a day, the patients aged 18 to 88 were able to see a 30 percent to 40 percent reduction in their chronic low back pain. What this led to over the course of the eight-week study is a significant decrease in their reliance on opioid pain medications—again, the plague of which is leading to 100,000 deaths annually in this country.

This impact of being able to use digital therapeutics—this field of digital therapeutics and immersive therapeutics is just in its infancy. And my opinion here is that the Creative Technologies Institute [Creative Technology Initiative] [should work] in partnership with the filmmaking industry, whose particular area

of expertise is production and storytelling comes in. Where we've kind of run into a roadblock in the creation of these digital therapeutics is in conditions that are even more pervasive than things like pain and ADHD. When we're looking to motivate behavioral change, the principal driver of our behaviors—and this is in conjunction with the UNLV behavioral health department, as well as the UNLV film school—the principal driver of behavior is emotion.

How do we create emotion? Well, there's one industry on earth that has mastered and maybe has the monopoly on invoking emotion, sometimes powerful emotion, and that is the filmmaking industry. The idea here is to leverage the storytelling, creativity and production capabilities of the film industry in partnership with cognitive behavioral treatments that we know to be effective in order to generate engagement and buy-in from these patients. The added benefit for the Nevada infrastructure—and ultimately, development—is the idea that these technologies will be created and licensed to develop intellectual property that is native to Nevada. It will be able to be scaled not just to serve the residents here in this State but also be able to be scaled to solve access challenges and engagement challenges across the mental health space and the larger behavioral determinants of health.

Finally, on this point, when we tell our children eat your broccoli, they don't do it. They don't understand, they don't emotionally engage as to the why. This is one thing that the film industry does really well. When I see *Forrest Gump*, I've seen the movie 100 times, and every single time it makes me cry because they are masters at helping us to identify with and therefore drive our emotion. And as I said before, it is emotion that is the driver of behavioral change. In this case, we all could benefit from the potential positive impact on the long-term behavioral determinants of health.

SENATOR LANGE:
Now, we would like to move on to education and workforce. As many of you know, both of these subjects are very dear to my heart. I spent my life working to make sure that people have the tools they need to achieve their hopes and dreams. I would like to turn it over to Apple [Thorne].

APPLE THORNE (International Vice President, International Alliance of Theatrical Stage Employees; Business Representative, International Alliance of Theatrical Stage Employees Local 720):
Born in Las Vegas and a graduate of the UNLV College of Fine Arts, I now serve as an international vice president of IATSE [International Alliance of Theatrical Stage Employees], the largest union in the entertainment industry, and as business representative of its Local 720, representing approximately 3,000 behind-the-scenes workers in Southern Nevada.

Our members work across the spectrum of film, television, conventions, trade shows and live entertainment. These are not glamorous jobs for famous people but hardworking blue-collar jobs, setting up staging, lighting and audio; building video walls and costumes; crafting props; or styling hair and makeup. They pay good wages, provide solid health care, and secure retirement benefits, which follow workers from one job to the next in an industry that is mostly gig-based.

Despite the uncertainty of each gig only lasting a few days or weeks at a time, this industry is in high demand. Local 720 currently has about 5,000 applicants from all walks of life waiting to be added to our referral lists. The majority of the work available now is in convention, trade show and live events—dependent on tourism and convention seasons. When tourism drops or the convention season ends, our workforce is devastated, and many must turn to unemployment every year to get by until things pick back up. Film and television work is not dependent on tourism or the seasonality of convention scheduling. Production for full features or television series on a soundstage can provide jobs that last for many months at a time. An increase in those opportunities creates security for entertainment workers and can remove them from needing public assistance.

The plan in this bill would do more than provide security for those currently working in the industry. It could create many more jobs for our applicants and our next generation of Nevadans, including in new positions that do not currently exist in our State. Recognizing the growth that would come with film infrastructure, I have spent the last couple of years researching how other locals responded to expanding their workforce after sound stages were built in their jurisdiction—learning what they did right, as well as what they wish they had done better. I also joined a working group locally that includes UNLV, CSN, NSU and sometimes CCSD to create a path for students to gain the skills, qualifications and experience to find placement in these new jobs.

We started by identifying the roughly 162 different behind-the-scenes positions that IATSE represents on set. Each of the higher education institutions then identified what classes they currently offer that could prepare someone for each position. This will help us allocate different training to each institution and identify gaps in what is currently offered to see where new curriculum should be developed. We also began researching partnerships to create paid training opportunities on working sets with mentors who are current industry professionals and emphasize that the plan in S.B. 220 to include a media lab with such close proximity to the working soundstages will be beyond valuable to these students.

Our next steps will be to develop the specific certificate programs with each of the schools that will include working hours on set with major studio partners through a Hollywood Cinema Production Resources program and prepare our working professionals for a mentorship program. This is an exciting opportunity for thousands of new jobs in Southern Nevada, with the foresight to plan for Nevadans to gain the qualifications to assume those roles.

SENATOR LANGE:
We are excited about the potential for our students, our institutions and creating a stronger economy. We have presentations on economic development data that I believe accurately represents the numbers for this bill.

RACHEL SELSKY (Chief Executive Officer, Camoin Associates):
Camoin Associates is a national economic development consulting firm that has been doing this type of work, as noted in our presentation (Exhibit O), for over 25 years. Our firm and me personally have over a decade of experience looking, measuring and analyzing the film and entertainment industry, and we have worked with states such as Louisiana, Kentucky and New York State, where tax credit programs have played a role in economic development and where lawmakers have been interested in measuring the return on that investment.

Our role in this project was to provide an economic and return on investment analysis of the Nevada Studios project in terms of job creation, local spending habits and state tax revenue generation. As we approach all of our projects at Camoin Associates, we aimed to provide a comprehensive assessment built off transparent and reasonable assumptions, based on background research, prior reports and our professional experience.

When we look at the total economic impact of the Nevada Studios [project], there are two primary sources that will drive the results, plus two additional impacts that we'll discuss today. First, of course, there are the impacts of the construction period. This includes spending on the labor, materials, design and site work all involved in the construction of the campus. These are significant upfront investments that will generate jobs and local business activity. Second, we have the ongoing annual operational impacts. Upon full build-out, there will be permanent annual on-site jobs in a wide variety of industries for a wide variety of individuals. Third, there's a broader tourism and branding impact. As more productions are filmed in Nevada, the State will draw fans, tourists and visitors who want to experience it for themselves—what they saw on the screen. Nevada already has a substantial tourism economy, and this will build on that.

Finally, S.B. 220 will establish the Creative Technology Initiative (CTI) that you already heard so much about. From an economic development perspective, the CTI will act as a stimulus for cluster growth in vital sectors of the State's economy going beyond the film studio infrastructure and creating potential for Nevada to grow in the aerospace and defense [industries], the video game publishing industry and the healthcare technologies industry. Together these four impact streams—construction, operation, tourism and CTI—create a diversified and long-lasting economic impact and return for the State that includes indirect impacts throughout many different industries.

Starting first with construction: it is estimated that the total project will be over $900 million in private investment, with $518 million of that in direct hard construction costs, including both materials and labor. It is assumed that approximately 75 percent of those hard costs will be sourced from right here in Nevada. This translates to approximately $388 million in direct construction-related spending for Nevada businesses and residents. As a result, over the construction period, we estimate approximately 3,000 total jobs supported, both on-site and across the supply chain; $260 million in earnings for workers, [which] is about $86,000 per job; and $676 million in total economic output generated across the Nevada economy.

In terms of ongoing operations, we estimate nearly 4,000 direct on-site jobs supported upon full build-out of the Nevada Studios campus. Both are related to the production jobs but also other uses that are supportive and complementary on the site.

Once fully operational, we assume that the studio portion will generate nearly $600 million per year in production-related spending. In addition, as you saw in the previous slide, there are about 1,000 nonproduction-related jobs that will be on-site—at the hotel, office and other complementary uses. It was these two inputs, the production spending and the non-film jobs, that were used as the direct input to calculate the economic return. As a result, the average annual economic impact of on-site operations is significant with 8,800 jobs supported across the State each year; $592 million in total earnings; and $1.9 billion in economic output annually. These are sustained and annual benefits that help to strengthen and diversify Nevada's economy.

Now let's look at the direct fiscal benefit to the State General Fund. These are new state tax revenues that will be generated by the construction and operation of Nevada Studios. For this portion of the analysis, we are looking at simply the direct results and tax revenue from the direct economic activity associated with the site. And we do not capture the potential revenue from that indirect and induced activity. During the construction phase, we anticipate $15 million in sales and use tax and another $2 million in Modified Business Tax. Once the studios are up and running, the ongoing operational phase generates even more substantial returns—$478 million in sales and use tax, $43 million in the Commerce Tax and $68 million from the Modified Business Tax. That adds up to a total of $607 million in new state tax revenue, directly supporting the State General Fund over the 18 years.

Over the 18 years, it is expected that there will be $9.8 billion in total production spending across Nevada, driving $1.6 billion in tax credit allocations. These productions and associated tax credits are anticipated to ramp up over the first three years and then remain consistent following that.

This slide here compares that total new General Fund revenue, that $607 million that I talked about previously, with that tax credit allocation of $1.6 billion. When considering just the on-site activity of construction and operation, the return on investment for Nevada is $.38 for every $1.00 of tax credit allocated. Another way to consider return on investment is that for every dollar of tax credit allocated, there will be an additional $3.31 for Nevada residents through earnings and over $12.00 in new overall economic activity in the State.

In addition to the impacts from construction and operations, we also consider the economic potential of screen-induced tourism and on-site studio tourists.

Our assumptions are based on trends we've seen in other states and countries. As more productions are filmed, more people will be inspired to visit the places they've seen on the screen—either a specific place that they saw or just to experience the overall Nevada lifestyle. In addition, on-site studio tours at Nevada Studios will become a visitor attraction in their own right, much like they are in Los Angeles and the United Kingdom. We estimate that a portion of a visitor's trip—and therefore a portion of their spending—can be attributed to Nevada's growing film industry presence either through extending their visits or being one of many other reasons that people are visiting the State. As a result, the average annual impact of this tourism activity is 1,800 jobs, $85 million in earnings and $247 million in total economic output. Importantly, this tourism activity also generates additional tax revenue for the State, creating an additional $.09 of return on investment per $1.00 of tax credit issued.

Here, we can see the additional General Fund budget taxes collected when considering both on-site activities—the construction [and] operations—as well as the tourism activity, and the increase to the return on investment to 47 cents. We also note that—while this cost to the State of the tax credit program is $.53 per $1.00 of tax credit—that investment results in over $12.00 of economic activity. When only thinking about those original on-site outputs, that is a multiple of 22.

Now for the CTI, which has the potential to play a role in statewide economic diversification and resiliency building: S.B. 220 supports economic diversification by leveraging the film and digital media industry to catalyze growth in high-tech sectors such as the video game industry, aerospace and defense, and health and medical technologies. Our analysis made certain assumptions regarding the potential growth opportunities for these three sectors in Nevada under different investment scenarios in an effort to estimate the potential new economic impact and fiscal benefit to the State. In the end, the analysis found a potential for an additional return on investment of $.55 for every $1.00 of tax credit as a result of CTI and the potential continued investment and attraction by the State of these critical sectors. Note that this return does not account for the associated hundreds of millions of dollars of investment that would be necessary to construct the necessary research and development facilities, manufacturing facilities and infrastructure as those sectors grow in Nevada.

Finally, this slide shows the total potential return on investment to the State General Fund when considering construction, operation, tourism and CTI-related economic growth. In the end, we believe the Nevada Studios and S.B. 220 will have a $1.02 return for $1.00 of tax credit issued. I'd also like to point out that while the multiple that we talked about previously was 22 for the investment—when just considering the tourism and on-site operations—when we add in the factor of the CTI growth, the multiple of investment for Nevada goes to 48 times.

MS. GUSTAFSON:
We're now going to turn it over to Jon Roberts, who's joining us by Zoom, to just provide a little bit more color to the CTI strategy for growth for the State and economic impact.

JON ROBERTS (Managing Partner, TIP Strategies):
I wanted to do quick note of appreciation for Ms. Selsky's work. Our firms are competitors, but we have had the opportunity to take a look at the work that they have done and find it to be absolutely spot on. And by way of introduction, I have a presentation (Exhibit P contains copyrighted material. Original is available upon request from the Research Library.).

Let me begin by introducing our firm. We've been in business 30 years. We do economic development nationally and internationally, and we are focused on strategic planning, but we have a strong workforce component as well.

As you can see, our team consists of four principals, I am the managing partner. Tracy McDaniel—who was the head of the International Economic Development Council—is our president. Tracy and I have had the pleasure of working together for going on 30 years; when I ran economic development for the state of Texas, she headed up tourism.

My own background relevant to this, I began in venture capital, and when I left the venture capital firm in Portland, Oregon, I was tapped to run economic development for the state of Washington and subsequently for the state of Texas. I have some familiarity with the Las Vegas area because pre COVID-19, we did the comprehensive economic development strategy for LVGEA, and we're tapped to do it again beginning in 2025. I want to call out one thing that makes it relevant to the work that we will hope to be doing on an ongoing basis with this project—and that is our efforts with the tech transfer plan for the

Texas Tier One universities that we just completed for the Texas Higher Education Coordinating Board.

I want to highlight that because of all of the things that are important in economic development right now, it is making projects "sticky." I think you know what I mean by that. We want to make sure that the developments that occur hire local people and are committed to remaining in the community. When you're talking about technology, and when you're talking about innovation districts, that's the biggest challenge. I think this project does that.

Now that vision really is one for expanding and diversifying Nevada's economy over the next 15 years. It's grounded in the work of the Nevada Studios, but, as you've been hearing, [it] expands far beyond that.

And the challenge, really—and I think you know this challenge—is that the overdependence on lower-wage jobs has been the bane of Nevada's existence. I don't think I'm out of line in talking about that. Diversification of the economic base is absolutely critical, and we need to strengthen those target industries—target industries, by the way, that align with the State's goals, all around meeting a far more competitive landscape. You heard [Ms. Gustafson] talk about that earlier. Being in the site selection business as well, I can tell you that this opportunity is just huge because everyone wants these kinds of projects and hopes to be able to diversify their economy on that basis.

Why diversify? But I think that is fairly clear to all of us already: it's that higher-wage jobs make you more competitive and give you greater fiscal dependability.

What will result from all this is a stimulus for cluster growth. And when I mentioned the tech transfer work that we did in Texas, it's really about saying, "Look, we can change the landscape here, we can be more competitive, we can stimulate clusters." And I was joking earlier about saying when I moved to Texas in 1994, it was the last year in which there were more cattle than there were people. After that, people outnumbered cattle. Concern for Nevada is that people outnumber slot machines, if you'll forgive me for that little indiscretion.

Really what we're seeing here is an economic development catalyst for the State, the innovation that can come out of it, and the support for the UNLV Center for Creative Technologies. These are real—these are things that we

believe can make a huge difference in the economic competitiveness of Nevada. And allocating this expansion through video game publishing and design? That tie to UNLV, that's the tie that we're seeing in the "R1" [research] universities that makes states more competitive.

And these sectors of video game publishing—that you've been hearing about—of aerospace and defense manufacturing—I was really impressed with Dr. Louis's point about health and medical technologies—these are all aligned with what the State is already doing and also with GOED, specifically, their target industries.

The major components here—I think most of those that you're familiar with at some level [like] the Nevada Media and Technology Lab—are initiatives and components that will be energized and stimulated through this process.

What are we getting out of all of this? Some of this you have heard already; I just want to focus for a moment, however, on entrepreneurship. There was a recent publication that came out of LVGEA [Las Vegas Global Economic Alliance] that asked the question, "Can Nevada and Las Vegas be the next Silicon Valley?" Well, the optimistic answer was, "Yes, they can be." I'm not quite ready to jump on board with that yet, but I think striving for that and seeing that as a desirable outcome for this kind of work, that's where the new venture investment and entrepreneurship come into play. And these have statewide impacts. There's no question about that.

We did some analysis along these lines, reinforcing the work that Camoin did and [Ms. Selsky] just highlighted. We looked at the different states that match some of the dynamics of Nevada: Utah, New Mexico—those are always on your list—Louisiana, Georgia—it's a bit of an outlier because it's obviously a larger state, anchored by Atlanta and significant investment. But the point here is that the total net cost per job created is not only competitive with other states but is really very close to a bargain in terms of the economic impact and return that you get from making this investment. Again, looking a little bit deeper into this and reflecting on what [Ms. Selsky] just said, for every $1 of tax credits paid out over an 18-year period, you're getting almost—a little bit better, actually—a one-to-one return. That's phenomenal, and you've seen these numbers now several times.

We think it's absolutely attainable, and we really appreciate being part of this initiative, which I think can be transformative.

And here are some examples of other activities that we looked at. You already saw the video from the University of Southern California (USC) and then some examples from Utah—Falcon Hill Aerospace Research Park, the gaming that has been just explosive in [the University of] Utah, and the Hill Air Force Base training. We can learn from these; I think they are well within the grasp of what can happen in Nevada.

SENATOR LANGE:
I would like to close out our presentation with this. We are talking about a project that has lots of opportunity. It has a great return on investment. We are talking about a project that is going to be union-built and union-operated. And we know how important the unions are to our Nevada economy and what they bring. I believe deeply in unions and their contributions to our State.

Senate Bill 220 is also a reflection of the kind of Nevada we want to build. We cannot continue having things that happen in our State, like the recession and COVID-19 [pandemic] and on and on and on, and being in a situation like we are right now in our Legislature, talking about cuts that have happened in the federal government. What are we going to do? We need to turn this into an economy in Nevada that's diversified [so] that we can take private investment, turn it into long-term educational and workforce infrastructure, and create industries that will sustain our economy through uncertainty and change. It honors the legacy of U.S. Senator Harry Reid by turning his vision for the UNLV Harry Reid Research and Technology Park into a living, working engine of opportunity—connecting research, education and industry to serve the people of Nevada.

We're not just breaking ground on buildings. We are laying a foundation for careers, discoveries and building a diversified economy that lifts everyone. Senate Bill 220 is a generational opportunity and one we must not miss. I urge this committee to support Senate Bill 220 and help us build a future that is worthy of the people of our great State.

SENATOR STEINBECK:
I have several questions. The first one would be what companies have committed to coming and producing films here, at this time?

SENATOR LANGE:
As you heard in the presentation, our partner's the MBS Group. The MBS Group is like the broker of the film industry. They fill the studios; they're doing it all over the world. They are our partner. They work with Netflix, Marvel, Warner Bros. and HBO. I mean, they work with everyone because their job is to keep the studios filled.

MS. GUSTAFSON:
So again, as Senator Lange had just mentioned, they will be bringing in productions. As you heard, they do about 1,000 productions a year. So by way of talking to Jason Hariton, who you heard from at the beginning of this session, in our conversations with him he had shared that there are groups that already—knowing that this is in the works—are very excited about coming, you know, the day that the bill passes to film and be engaged with Nevada Studios.

SENATOR STEINBECK:
Okay. They are excited, but are they committed? Those companies are committed to coming or may come? Those that we're looking at right there.

MS. GUSTAFSON:
Yeah, through the network of MBS Group. They would bring them here.

SENATOR STONE:
It seems as though many of these tax abatement programs across the United States have been proposed and the results have been lackluster in many cases, in New Mexico, other areas. Can you talk about why you think this project is different than other projects and why you believe this is going to be as successful as has been portrayed today?

MS. SELSKY:
One thing that I think is very important about this project is that it is not just a tax credit program for productions in the State. It also has the other components built right onto the campus. So that provides the really nice synergies and complementary activities on-site. While there will be economic impact from those productions, this project also includes those other on-site jobs earning sales that will create the catalyst for other indirect and induced activities. And beyond that, I would say the CTI is really impressive and that will create really strong connections between the film sector and those many other

vital sectors to help diversify the economy. So that's why I would say this is different than other projects.

SENATOR STONE:
I want to be clear that the land is owned by the UNLV Foundation. The media campus is being operated by UNLV. The project is being leased by MBS to studios and productions who are interested in bringing films to Nevada. The tax credits, though, are being committed to Birtcher Development, correct?

MS. GUSTAFSON:
If I could just clarify the connectivity there, Birtcher Nevada Development will actually have the ground lease through a separate tract notice through the UNLV Research Foundation, and the master developer Gardner Group is also kind of—we'll say sandwiched in between there. It's the UNLV Research Foundation that has a master developer—Gardner Group—and Birtcher [Nevada] Development is ground leasing it from them.

SENATOR STONE:
We need to ask some tough questions. I worry about what happens if things don't happen as planned. If the project fails to meet the total investment requirement of $300 million by December 31, 2029, but has before met the first investment requirement of $150 million by December 31, 2028, would GOED be required to approve the $58.1 million in tax credits in each fiscal year from the fiscal year 2028-2029 onward?

MS. GUSTAFSON:
Senator Stone, we have guardrails that will be built into the development agreement with GOED. If we do not meet those minimum thresholds by those dates, we will not—and the Nevada Studios will not—receive those film tax credits. We are highly motivated in order to bluster [bolster] the industry, bring those productions here and also to initiate the CTI program.

SENATOR STONE:
And then lastly, as an escape valve—if the Legislature and the Governor approve Senate Bill 220, the State would be making a long-term financial commitment to the lead participant of up to $83 million in tax credits per fiscal year that could be used for nearly 20 years, which would reduce available revenue in the State General Fund during those fiscal years. As you know, we have experienced recessions; we have experienced a pandemic. Has the sponsor

considered adding provisions that would allow the temporary reduction or suspension of tax credits during periods of severe financial emergency or any other adverse economic conditions for our State?

MS. GUSTAFSON:
Senator Stone, that's a great question and I think one that certainly we need to continue to work with GOED on, but at this point, we do not currently have anything that would stop the film tax credits. But I want to emphasize the reason why: at Nevada Studios, we have committed to put up 10 percent—and actually, as Senator Lange had shared, in the first three years, 20 percent to surcharge the workforce development programs that are going to be occurring at the Nevada Studios—Nevada Media and Technology Lab. And through the creation of those workforce development opportunities, we will be training over the three-year ramp-up while we're developing the project, training the workforce so that it is ready for immediate implementation.

I think you had heard from Senator Lange and [Ms. Thorne] with IATSE that there are currently 5,000 jobs ready and waiting to be put to work in the film production industry in Nevada. With regard to any sort of potential economic downturn, that's exactly why—and we're actually so grateful that Majority Leader Cannizzaro had challenged us two years ago after we had presented this bill to get to one-to-one because CTI is what does that. That's how that diversification opportunity can really enhance Nevada's economy for the long term. Yes, there will be a ramp-up to get there. Yes, there will be a need for these dollars to be utilized through the Nevada Media and Technology Lab, and the CTI program that will be funding it. But the goal is that in those economic downturns, it is not a burden on the State's budget whatsoever—given we have the $1 for $1 or over $1-for-$1 return to the State.

SENATOR STONE:
If I could just continue, just a couple more. It's been promoted that this is going to be creating jobs for Nevadans and bolstering business for Nevada businesses. In section 13, subsection 1, paragraph (h), it says:

> The payroll for Nevada residents or other personnel who provided services in this State, whether as above-the-line personnel or below-the-line personnel, including, without limitation, wages, fringe benefits and living expenses paid in connection with services rendered in this State …

Doesn't it have to be a Nevada resident when they use the words "other personnel" provided after that? Can you just kind of explain that?

MS. GUSTAFSON:
Can you just remind me which section … ?

SENATOR STONE:
Section 13, subsection 1, paragraph (h). "The payroll for Nevada residents or other personnel who provided services in this State … "?

MS. GUSTAFSON:
Yeah. So the idea being—and again, we, we have actually worked closely with the Nevada Film Office to draft this particular language, in order to ensure that we have the appropriate guardrails in place to verify Nevada residents: licenses, addresses, all of those things—even over a certain period of time, they had to have lived here and worked here. When we say other qualifying personnel, we can verify exactly what—it is not intended to be a loophole or a "gotcha" in the language. We can connect with the Film Office to clarify that. But I think the intent is to have this be a qualified Nevada resident.

SENATOR STONE:
I think if we clear that up, I think it'd be good. Just lastly, the effects on Nevada businesses—in section 13, subsection 1, paragraph (i), it says: "Payment for goods or services provided by a Nevada business or the lead supplier … ", which I believe is probably MBS, which is not a Nevada company yet. Today, it was promoted as the world's largest distributor of infrastructure for motion pictures. I've had some correspondence with some locals here that are afraid that MBS is going to take away their ability to provide what historically they've been able to provide to the motion picture industry. Can you give us some assurances that these businesses are going to be okay and hopefully thrive?

MS. GUSTAFSON:
I may turn that one over to [Mr. Hariton], just because I know he deals with this in every jurisdiction and similar concerns.

MR. HARITON:
Now, we actually work with local providers in all of the jurisdictions. As you would imagine, we can't own enough equipment nor have the desire to own

enough equipment in these markets. In markets from New Mexico to Louisiana and Georgia and then on and on—New York, etcetera—throughout the U.S., Canada and U.K., we're using partner vendors. To put into perspective, just one large television show that shot in Nevada, that television show—let's take a Marvel series, for example. There would be enough rentals that we would require that we would actually utilize more equipment than exists on the ground in Nevada today, just in terms of subrentals. We've been seeing the proof is in the pudding sort of, to speak, around the world with our partners, but we partner with all the local vendors in our local markets because it's a way for us to reduce the need to essentially own too much equipment throughout the platform. We wouldn't be able to do it even if we tried.

SENATOR DOÑATE:
I have questions on the technicalities of the bill. I just want to start from the beginning. I want to start perhaps talking about the location of it, and it deals a little bit with the financial piece of it. It's my understanding that in section 8 of the bill, "the Project" that we're talking about is going to be located on UNLV Harry Reid Research and Technology Park. Who is the entity that you are negotiating with directly right now on the lease? Because it's my understanding that particular part of land is interesting more on the property taxes. I want to know who are the people that you are specifically negotiating [with] right now?

MS. GUSTAFSON:
Over the last four years, we have been working with Gardner Group, which has been selected as a master developer to develop the UNLV [Harry Reid] Research and Technology Park. They were awarded it. Dan Stewart is actually here. He could remind me how long ago, but [it was] several years ago, and [they] built out the Black Fire Innovation facility, the T-Mobile facility and, forthcoming, the pediatric hospital that's also going to be located on-site. So traditionally—and also consistent with all of those other projects that have been developed—it is a ground lease with the Gardner Group, which is also leasing it from the UNLV Research Foundation. And with regard to property taxes, although this is public land, there is a possessory [interest] tax—I would say the equivalent of a property tax amount—that is paid. It is not called "property tax." It is called a possessory interest tax, but it is the same equivalent for the Clark County benefits and the State.

SENATOR DOÑATE:
I want to dive into that, because when you were outlining the specific taxes that would be collected over the 18-year period, I didn't see property taxes on there. What is the delta in terms of what we would have collected if it wasn't located on that Technology Park?

MS. SELSKY:
We did not capture the possessory interest tax in the state tax revenue collection. We focused on that it was for Clark County, and that's why you did not see it up there. That was only detailing the State General Fund tax revenue. From our analysis, however, we understand the property is currently paying approximately $414,000 per year in possessory interest tax. And we would anticipate upon full build-out that number going to approximately—in new property tax revenue, so the delta, taking out that $414,000 that they are currently paying—$9.2 million in possessory interest taxes.

SENATOR DOÑATE:
Great. Are you able to define just for folks who don't understand what a possessory interest tax is and the semantics of how you got to that conclusion?

MS. GUSTAFSON:
Senator Doñate, a possessory interest tax is an equivalent property-related tax, but because it is a public-owned property with private businesses being operated on it, the private business has to pay the equivalent tax, but the actual—I will call it "the landowner"—is not paying that tax. It's the business that's paying it, but effectively in a triple net lease, businesses pay those property taxes anyway.

CHAIR NEAL:
I'm sorry, but thank you, Senator for just letting me jump in. Can you tell me what is the *Nevada Revised Statutes* (NRS) that defines that in the Nevada statute? Because I mean, I've never heard of it and—a "possessory interest tax"? I need the statute on that. You get back to me somewhere, like when you finish answering this question, someone in the group identify that NRS chapter.

MS. GUSTAFSON:
So again, it's a Clark County tax. The NRS may not be, again, totally—it's not reflected, given it's not state level. Clark County receives the tax.

SENATOR DOÑATE:
Hopefully, I don't go down the rabbit hole because this was not my intention on the questions I was trying to ask. So you're negotiating a lease with this group. And, as part of the triple net lease that you're entering—this is a separate charge on top of the common area maintenance charges (CAMs) that would be also included, right? Because usually most leases that we enter into have the base and then you have the CAMs that you have to pay for just security and so forth. This is aside from that, is my understanding of what you are trying to illustrate.

MS. GUSTAFSON:
Senator Doñate, just like, again, a triple net lease being insurance being paid by a tenant, property tax is being paid by a tenant. We would have that possessory interest tax be paid by the tenant even though we are the ground lessor; until it is occupied, we would pay it. That's just a cost of our development project. Once it is occupied, then the tenant pays that. There's no period in time in which we do not pay a tax, or it is foregone.

SENATOR DOÑATE:
Great. In section 12 of the bill, I know there's a consideration of the diversity plan that has to be established and so forth in order to make sure that we're hiring the right folks to produce and to create these contents. I think I have mentioned to you in private meetings my intention to specifically look at "multilingual" as just as part of the consideration. I'm just making that as a suggestion as you are going through the amendment process.

The other questions that I had [were] specifically on the bill deal with benefits. I know in section 14, we talk about the benefits that qualified production expenditure should be considered for, right? We're looking at the health benefits and so forth of the employees that are coming. I want an assurance as we've had multiple discussions over the last few years, talking about tax credits and tax programs or tax incentives that we can have for industries to move into this. I always get frustrated with the difficulty of saying, "Well, we are going to establish these jobs, and the average median salary of these jobs is higher than the wages that we have right now for the minimum wage." Whatever that degree is. And yet those tax credits, right? In the companies that benefit from those tax credits, they still have employees end up on the Medicaid rolls.

So how do we ensure that the minimum salary or the minimum hourly wage is enough to where a company—what are the guardrails that you have in your bill? So that a company that takes advantage of these tax credits doesn't end up with an employee on Medicaid, especially because, from my understanding, you are going to have full-time employees, but many of these jobs are not full-time, right? They're contract based. They're for a specific timeline. I don't want a company to take advantage of these tax credits and then you still have the taxpayers of the State subsidize them by putting them on Medicaid. What are the guardrails to prevent that?

MS. THORNE:
Speaking on the production jobs that IATSE represents, which would be a vast majority of the jobs that we were talking about in these films, we have contracts with all of the major studios. These are union jobs that have set rates and benefit packages that follow them from job to job. And so even though these are gig-based jobs, these are high-paying jobs. On the low-end for a major motion picture, you're going to start at the $30 an hour, but you are getting up into the $60, $70, $80, $90 an hour kind of a range and up from there. So money goes into a union healthcare plan where—if there is a gig, if there's a gap between work—they can maintain extra funding that was put in there because they had overtime, long hours or something to maintain their benefits into the next quarter. They can copay the difference, which is usually a lot simpler and what most union members do; rather than turn to a Medicaid program or something, they keep their union healthcare benefits. And those can follow them from every gig that they do, so they can maintain those benefits.

SENATOR DOÑATE:
But I just want to make sure that my question was clear: it wasn't directed toward what the average employee is going to receive. I understand that there are union contracts that are going to be established, but is the premise or the understanding that every employee who is going to be benefiting from this program is going to be a part of a union, or … ? I'm looking specifically at the threshold of who is going to be the lowest paid employee that's working at this project so that we don't put ourselves in a position that they're going to end up on Medicaid. That's the greatest concern. It's not about the average median salary. It's the base minimum of who is at the lowest level as an employee, making sure that they're also being taken care of.

MS. GUSTAFSON:
For those folks that are below, that may rely on the Medicaid requirements or just in order to have a standard of living, the idea that we have with—the MBS Group is our operator for this project. They are fully aligned in having this facility being fully leased and occupied by productions for—we'll call it "24/7 production," right? Where there's not the seasonality and influx, where there's going to be a reliance on the State's budget to help offset for Medicaid. For folks that have those lower-paying jobs—I may bring [Ms. Thorne] back up to the dais here to speak specifically to those lower-paying jobs that may still rely on Medicaid—the idea being is that we've got jobs here at this Nevada Studios project that will take those folks off Medicaid and allow them to roll into longer-term, nonseasonal jobs and focus on the permanency of, again, occupancy at our facility because MBS is our operating partner.

SENATOR DOÑATE:
Great. On section 15—we'll come back in terms of the guardrails for Medicaid because I think there's language that needs to be cleared out on that before, obviously, we get to a point of voting on it.

On section 15 of the bill, I know that now we're talking more in terms of the personnel that are recruited for it. And I think my colleague to my right [Senator Stone] kind of talked about this a little bit. But how did you get to the point of—I know there's an increment of 40 percent below-the-line personnel that has to be part of the Nevada residents and then it goes into after 85 months, it has to be at 60 percent. How did you reach that threshold? Is this something that other states also do? Is this higher than what other states require? I guess walk us through how you got to that rationality.

MS. GUSTAFSON:
Senator Doñate, we have worked closely with the Film Office on drafting this language to ensure not only how Nevada residents are qualified for below-the-line but also the percentage ramp-up. For us, it was important to also work with the independents and our studio partner MBS to get the appropriate number in where we felt like it was an achievable realistic number to get below-the-line opportunities for Nevada residents by a certain said date. So given the 60 months—60 through 85, not less than those months—we have 40 percent of below-the-line personnel being required to be Nevada residents, and then months 85 or more, it's 60 percent below-the-line. Coming up with those specific numbers, I could call [Mr. Hariton] to the dais—or I'm sorry, on Zoom. If

he could speak more to just how he sees that allocation nationally, globally. But for us, we felt in working with the Film Office that that was an achievable number, as well as independents and our studio partners who do this for a living. That wasn't "out of school" but also really pushed the production groups—film production groups—to ensure that the Nevada residents were kind of sought out first.

MR. HARITON:
I think it's a great answer. I would just add that from my knowledge, comparing it to other states, from my experience and just looking at it from—I wasn't obviously running the numbers on it, but it's more aggressive toward local labor. We started out as aggressive as we could toward Nevada labor. And then being informed by the Film Office by the different producers—local, independent producers—then we were able to take that information to see basically how far we push it. A lot of the other states—like if you take Georgia, for example, they don't have any limitations. It depends on which one you're talking about. When you take Georgia, they don't have any limitations on outside or local labor. We took a much more Nevada-centric approach to this.

SENATOR DOÑATE:
I feel like it was intentional that we drafted the bill toward noninfrastructure versus infrastructure. There have been concerns that we're creating two different sets of rules. Can you walk us through the rationality as to why the bill was drafted that way and why the difference is important?

MS. GUSTAFSON:
The infrastructure piece is really the genesis of how we all we came up with this about five years ago. What we thought was so critically important for Nevada was having a private investment, investing in infrastructure that creates the ecosystem that can create a sustainable, economic new driver for the State of Nevada. We realized film production's already here. But to the scale of new studio space, new infrastructure, having a commitment from private investment, is really, we'll say, the backbone to help create a catalyst and an engine for a sustainable economic programming for the ecosystem. The amount of film tax credits that are provided for noninfrastructure is what we've talked to both the independents and the Film Office as a great amount that they could utilize in a year's time.

We hope that—it is, again, right now in a system that is not fully utilized, I think as you have seen in some of our presentation materials—the net new ask for year one is just $8 million because we have about $50 million of unutilized film tax credits because the system isn't currently working for film production to bring it to the State. The idea being is that this infrastructure investment is going to create the sustainable stickiness to the industry and allow for a home, a place for production and even open to noninfrastructure to be able to utilize the studios in our discussions with MBS. We really believe that that's an important and critical piece to have that investment to create a more sustainable economic driver for the State.

SENATOR LANGE:
And Senator Doñate, if I could add on to the previous conversation about the number of Nevadans that are working, the reason you saw the ramp-up on the number of Nevadans that we anticipate to work in this bill is—at the beginning—we aren't sure how many people are going to be qualified to work in these jobs. We'll get as many as we can. But as we train people in the Media Lab, then we'll have enough Nevadans to be able to fill all those jobs and we won't be in that situation. But it's really important to me, and I know it's important to this Legislature, that we employ Nevadans and that we don't bring people in here.

CHAIR NEAL:
Thank you. I need to have Mr. Nakamoto clear up on the record about this possessory interest tax. Mr. Nakamoto, please?

MR. NAKAMOTO:
The question came back to the discussion of what was referred to as "possessory interest tax," and fundamentally, it's property tax. But my understanding of the project and how it's structured is that the land is owned by the University of Nevada, Las Vegas, Research Foundation, and I'm getting nods there, so my understanding is correct. That is a 501(c)(3) nonprofit, and under NRS 361, those are ordinarily exempt from the property tax. If a nonprofit is leasing land to another entity for a for-profit purpose, then the possessory interest of that land that is based on the for-profit use is taxable to the extent of the percentage of the property lease or use, the percentage of time that it is being used, and then based on the structures or the landed improvements that are there.

The information that was given in the testimony is accurate; it is a property tax. It would be assessed by the Clark County Assessor, collected or remitted to the Clark County Treasurer—as other property taxes would be—and would be distributed to the relevant agencies that have a property tax rate in that district, which includes the $.75 school district rate that goes to the State Education Fund, the $.17 debt rate that goes to the State Consolidated Bond Interest and Redemption Fund, as well as all of the relevant local governments in Clark County—the county, Metro [Las Vegas Metropolitan Police Department] and so on. I hope, Madam Chair, that answers the question and clears up the issue for everyone.

CHAIR NEAL:
It clears it up, but then it opens the door to—how many years is the lease?

MS. GUSTAFSON:
It's a 100-year ground lease.

CHAIR NEAL:
It is a 100-year ground lease. So then answer the question. He just broke it down from NRS 361.157, so you have a for-profit use. What hasn't been broken down—if you're doing a lease, the for-profit use then translates into what for property tax? Because you have the preamble, but it's not specified "land," "buildings," right? It's owned by a nonprofit; you are leasing for 100 years. Is the property tax being generated from the lease?

MS. GUSTAFSON:
Senator Neal, how the county—Clark County—assesses property taxes is based off of the value of the land and also the property improvements over any said period of time. So as the project is improved—you can see in the slide I had up here, Exhibit K, currently vacant land—but as improvements are provided infrastructure on the site, that's assessed through the tax assessor's office [Clark County Assessor's Office]. The effective market value for—we have a negotiated ground lease that has an implied land value in there to generate how ground lease payments will be paid. It has to be off of something, and it's what the implied market rate value is. That's the same implied market rate that the county would use to calculate the taxes.

CHAIR NEAL:
Okay, so let me go back to the statement that you said. You have land improvement, which the county will reap the benefits of the land improvement to the nonprofit building, land, et cetera. Yes? I say that correctly?

MS. GUSTAFSON:
If you could maybe repeat that. Just so I am clear on—

CHAIR NEAL:
The land improvement—the revenue that can be generated from the land improving—is on the land and then ultimately whatever changes happened to that building. Yes?

MS. GUSTAFSON:
Correct. Yeah, it's roads, it's storm drains, and then the vertical, so horizontal and vertical improvements.

CHAIR NEAL:
Let's just keep it simple. I'm just trying to keep it simple for me. Alright, so in the bill, section 15, you're building for 12 months. What have you calculated for the 12 months in which you're building? And then I have a part two, but we're just gonna focus on the first part. In the 12 months in which you're building on this land that is owned by a nonprofit, what are you expecting to generate in terms of the improvement that would then go to the county based on what we just heard, which is NRS 361? Do you have that in your calculation?

MS. GUSTAFSON:
Senator Neal, we do have that in the calculations. We have a ramp-up over the development period where that assessment would occur. It occurs annually, but if you want the exact number, I can have [Ms. Selsky] come to the dais.

CHAIR NEAL:
I do, because it ties to my part two.

MS. SELSKY:
As I mentioned previously, we assumed that the possessory interest taxes that we paid on the property during the construction period—

CHAIR NEAL:
Can we just call it "property tax?" Because I don't know what that is.

MS. SELSKY:
Sure, happy to.

MS. SELSKY:
The property taxes that we would anticipate being paid on the property over the first three years of construction—we are anticipating that the site is not reassessed until full build-out, which is in year four. Over the first three years, our analysis was that there would be no additional, they would just be paying what they're currently paying, which is about $414,000—based on the information I have here—each year. We were only looking at what the new property tax revenue would be. We assumed that it would be reassessed in year four, depending on the Clark County assessment process and all of that. But just to be conservative, we assumed that there would be no additional new taxes above and beyond what [is] currently being paid until year four.

CHAIR NEAL:
And you calculated at year four, after these improvements, the value to be … ?

MS. SELSKY:
We used as a proxy the construction cost of $941 million. That would be the assessed taxable value upon full build-out. Clark County uses 35 percent of that to generate the taxable value. There's the assessed value, which we used as the construction. We use the proxy of the total construction cost to estimate that $941 million; they then reduce that down to 35 percent of that assessed value to be the taxable value. Then the taxable value upon full build-out would be $329 million. And then we applied the property tax rate of 2.93 percent to land at $9.2 million. Again, that wasn't in my presentation because I was really focusing on the state tax revenues.

CHAIR NEAL:
Okay, so now this gets me to part two. In the bill, in section 15—I'm gonna go back to these 12 months of building. So in the 12 months of building, you say currently they pay $414,000 in property tax right now? Okay, but in the 12 months of building, you guys are receiving the actual tax credit before the completion of this project. The way it's written—maybe this is in error, it's not in the amendment—in the 12 months of building, you're actually getting

$48 million in tax credits. You're actually getting the credit before the thing exists. That's how I read it. And I need you to clarify that because you're saying—and I just want to stick with the 12 months. Don't go beyond, alright? If you're gonna build a thing that is generating revenue of $414,000 in property tax, and then you are going to reap the benefit of the $48 million in tax credits before the thing comes into existence, talk to me about that math. Yes?

MS. GUSTAFSON:
Actually, [this is] something that we think is very important as part of the workforce development ramp-up opportunity and continuation of a film production—again, "ecosystem," I'll call it—to bolster that economic driver that will be creating the jobs, bringing film production here. It would be at an offsite location that we have discussed as a pre-identified opportunity, but in that 12-month period while the buildings are not built, we think freezing the film tax credits would be more detrimental to the State because you're not getting that direct and indirect induced spending occurring in the economy over those 12 months. You're not putting your workforce to work; it's a complete stop and freeze. And you're also not taking the opportunity to train and ramp-up new workforce opportunities. Taking folks off Medicaid—I know Senator Doñate is highly focused on that and that's important to him.

I think without it, it just freezes the economic driver that we're really trying to reinforce, and by creating a program that is what we know the film productions and the independents really need in order to sustain themselves we feel like we have created the program that can kind of unlock that in those first 12 months, get that economic driver going and also put some funds toward CTI to then further diversify the economy. So even though there's not technically an asset there, we put a lot of value into the other economic benefits that the State will receive outside of just the infrastructure.

CHAIR NEAL:
I have to close this out so that I can simply understand—and we're gonna go back to the 12 months, we're gonna use the example that I just made, which is the 12 months before the thing exists and getting $48 million in tax credit. "Economic driver" is how you ended. Yes? What then are the induced jobs, construction or whatever it is because remember, it's not in existence yet. What have you calculated for those 12 months? Because that wasn't in the slide. You gave us a stretch.

In the 12 months, what have you calculated as this "inducement" that we are going to see while you're getting the $48 million in tax credits? I need you to break that down simply for the 12 months before the thing exists so that it can be clear for the record what Clark County in terms of induced jobs or—you know, you're saying you're "triggering the economic driver." Give me the number for the 12 months because it needs to make sense if you're going to get $48 million in tax credit before a thing exists, that the breakdown that we will see is a really good number for the 12 months. Don't go past the 12 months. I don't want to see the 18-year stretch where Jesus comes back, and we are all like—I don't want to see that. I just want the 12 months, okay?

MS. GUSTAFSON:
Senator Neal, in those 12 months, we know that the film tax—the film production is a 6-to-1 spend opportunity within the local economy. So that will drive, you know, spending for, gosh, gas, restaurants—I mean, all the different induced impacts and direct impacts that are going to be a result of the film production actually occurring within Southern Nevada, maybe even Northern Nevada. Where those film techs—sorry, those film production opportunities occur, there is a direct correlation on a 6-to-1 basis. But to give you the specific number, I will have [Ms. Selsky] come to the dais.

MS. SELSKY:
A few things I would like to touch on. The tax credit program is only—the tax credits only are allocated if the productions occur. The productions are—because they have to spend the money, so they spend the money, and then the next year they are allocated the tax credits. So that's one thing that I just want to—

CHAIR NEAL:
And I think you guys might need to double-check that language, because that's not clear and it's not written that way—nor in the amendment is it written that way—that it is that you will get the credit when the production happens. That's not how it's written. If it is, I really want you to tell me what line and on what page it is clearly saying that.

MS. GUSTAFSON:
Yes. So let me—I will pull that up for you. We worked with the Film Office on this development agreement but also the requirements to put in place for when film tax credits can be received. There's a 270-day window in which film

production can be provided—the full audit—to the Film Office, and I believe it's within another 45 days. Let me just get you the exact section.

CHAIR NEAL:
I want you to just deal with this part. Go to page 17, section 15. You have the approval of the application, which is section 15, subsection 1, paragraph (a), and then go to lines 44 and 45, which is "the development period." Development period is not a production, right? I'm just trying to make sure we're on the same page because that's the only one I'm focused on, because I'm still in the 12 months. Don't take me past the 12 months. I want you to deal with lines 44 and 45, which are on page 17.

MS. GUSTAFSON:
Addressing lines 44 and 45, I do have to look up to paragraph (a) because it says the "Approval of the application would cause the total amount of film infrastructure transferable tax credits approved pursuant to section 12 of this act:" and then to that $48 million in that first 12 months. In order to achieve that, in order for there to be an approval of an application, if you look to section 12—it starts on line 27—paragraph 3, [subsection 3,] what an eligible film tax infrastructure credit is, and that starts to qualify everything. And then on the following page, it would be section 12, subsection 3, paragraph (d). No, sorry, subsection 3, paragraph (e). Oh gosh, subsection 3, paragraph (f), line 28 on page 9, there are the 270 days in which the audit needs to begin, and you can submit to GOED all of the materials that qualify what is qualified as an "eligible film [production]" for those film tax credits.

As a result of that, there's a window of time. It's not day one, and if it's not clear in this language, we can clear that up. But the intent is not day one, say, of the fiscal year that that $48 million is paid; it's just available, but the application process has to roll through what's outlined in section 12 through the Film Office. And the Film Office also has to approve an application, the audit, and there are certain windows of time like 30 days, 45 days, in which the Film Office can approve and issue that certificate and then the film production is able to receive it.

CHAIR NEAL:
Okay. I am going to simmer on that.

SENATOR CRUZ-CRAWFORD:
Most of my questions have been asked. A few questions: I was going to ask if the lease qualified for tax credits. The answer is yes?

MS. GUSTAFSON:
One thing I would just want to clarify, Senator Cruz-Crawford—for just the entire committee here is that the Bircher Nevada Development and its investment entity will own the assets—the buildings. We will not own the land; we are ground leasing the land. Usually, "fee" is what it's called. You can own land and fee. Like when you buy your home, you own that land and fee. In a ground lease, you own the improvements above the land, everything you have improved, but the land itself is leased. I just want to clarify that Birtcher Nevada Development will own those vertical improvements and buildings that are not a public—it's not a leased asset.

SENATOR CRUZ-CRAWFORD:
Oh, okay. And then I had a question concerning—and it sounds like it was answered—because it is a nonprofit, where you will be getting those tax credits from or what the property taxes are.

My third question was: have you all done an independent cost analysis? [Have you] had it done independently about some of the long-term effects on compromised funding, like public education? I know we had some healthcare questions or housing. Has there been an independent study done on the long-term tax credit allocation?

MS. GUSTAFSON:
Senator Cruz-Crawford, other than Camoin—who has done kind of the forward-looking study on the impacts to that CTI and the film production will bring as a result of the film productions occurring in film tax credits, I guess other ancillary impacts—we have not hired another firm to do that yet. I guess is there a specific analysis or research you would like to see? Maybe [Ms. Selsky], you could speak more to this.

SENATOR CRUZ-CRAWFORD:
I know there is always concern with education and educational funding with these tax credits, and having some answers on that would be great.

MS. SELSKY:
Yeah, of course. So regarding the question about the impact on having other funding for your—for the other needs of the State. This bill is certainly an investment in Nevada, and we believe and anticipate that it will be a good investment, as it will generate approximately equal return on that investment in terms of additional funding to the State General Fund over time and in the near future. And so that additional General Fund revenue would not happen but for the Nevada Studios project, and so that is new additional revenue that the State will have that they can use to make other investments in for the State's needs.

That $1.00 to $1.02 return on investment, I just want to remind everyone, did not include the potential new tax revenue from the indirect and induced activity. There is potential that there will be additional tax revenue, but we really wanted to focus in on the on-site activity. It also didn't account for the potential construction-related activity that could come from building out the infrastructure and manufacturing facilities related to CTI. And if I could just kind of go back really briefly regarding the tax credit, the content creators that create [and] invest in the projects and the films will be the ones that reap the tax credit programs and the tax credit benefits. If they are creating the films, they then have access to those tax credits through the process that [Ms. Gustafson] was laying out.

MS. GUSTAFSON:
Just one more comment I want to enhance what [Ms. Selsky] said. With regard to education impacts that Senator Cruz-Crawford had [asked about] I think what's so uniquely important to highlight and reiterate about S.B. 220 is what is coming out of the investment from the State. Drawing in new film production is an incredible, as we have said, generational opportunity to reinvest and—not reinvest but put funds toward educational and vocational training opportunities. This is not intended to be a further burden on the State's budget with regard to education. This is actually a program that we have created within the Nevada Media [and Technology] Lab that is self-sustaining and should not be an additional burden to the education system with that regard.

We have seen some fiscal impact notes on the bill overview page that we will address with regard to just some of the entities and groups involved, but from a perspective of how the Nevada Media and Technology Lab works, the idea is that is a wholly self-sustaining program. And if you actually turn to section—oh gosh, let's see here. It's section 30, paragraph 6 [subsection 6], which is

line 8 on page 31 of the bill. You see how the money that's deposited in as a result of the film production flows through and what that waterfall is. And the first thing that's very important to note is that the base rent is covered as a result of film production—that 10 percent payback that's going in. For example, on a sustainable year once the program is up and running, when there is $98 million of film tax credits available, $9.8 million that year—we'll call it 2030—could go toward funding the Nevada Media and Technology Lab, in which it would flow through this waterfall that's presented in section 30, the first being base rent. It's free for the education systems that are participating in those programs there.

In addition, we also cover the cost of an administrative officer that is going to help this whole program work and really be facilitated. There's a cost of that that's coming out of that waterfall. Also, money that's going to be funded to CTI. We have—over a five-year period—we're assuming $2.5 million that's going to go and be wholly focused on opportunities in video game publishing and design programs. And then another $10 million over ten years for the CTI to just reinvest in these programs we've been talking about that are so exciting in health care, technology, defense, aerospace and also in video game publishing. This really is intended to be lighten the burden, encourage new workforce, encourage education and vocational training programs, and really have this be a sustainable opportunity for the State of Nevada.

SENATOR LANGE:
In addition, you all know that I am an educator, and so having money to fund education is really important to me. And that's how this bill all started for me is how can we find a way to diversify the economy in Nevada—Southern Nevada in particular—to get the funding we need for education, for health care, the things that we haven't been able to fund. By diversifying the economy and getting more income coming into the State, that's how we're gonna do it. And that's how we're gonna fund education is—if we operate like we are today, we're never gonna get there. We're always going to be behind as other states have more revenue and can dedicate more money to education, health care, affordable housing. It all comes into play. I am very passionate about this because I think that this is the avenue to make those things happen.

SENATOR CRUZ-CRAWFORD:
One additional question: are the vertical buildings covered under the project labor agreements (PLAs) as well?

MS. GUSTAFSON:
Yes, that is correct, Senator Cruz-Crawford. We have a PLA that covers the construction of those projects for those buildings.

CHAIR NEAL:
I just have one final question then. The credits can be earned before it's built, but you take them when the productions happen. In your presentation, where are the productions going to happen while you're building?

MS. GUSTAFSON:
We have identified some opportunities where those productions can occur. For example, there's a vacant warehouse space that could be utilized and transitioned for media production opportunities. There's also—depending upon coordination—convention centers that could be utilized for productions. What's really cool about that is it's got clear heights, and you know, the structural system and integration that will allow for it to act and feel a lot like a studio space. There's also just on-site, on location. There are beautiful locations all across the State that could also be handling those productions. We're working closely with MBS on identifying those. And actually, we have creatively come up with some great opportunities over that development period in which those films could be produced.

CHAIR NEAL:
I have a request: if you can work with fiscal staff, break down where these potential—I guess they're theoretical locations—[will be] over the four years, so we can understand this "induced" part that you're discussing and these economic drivers that you're saying are associated with these potential warehouses or others. And then also let them know, are these—once again, are they for-profit? Are they nonprofit? What's happening, right? And if it's an open space, be able to break—I mean, because you know when you say "economic," we all believe that there's some economic development incentive. But you also need to be able to break down how and when those would occur. And knowing the periods of time, and what is happening in those four years, is very important. Because if you're gonna give tax credits out, then you need to be able to calculate what are the benefits—local to state—so that we can really see, "Oh, they're gonna be in a warehouse for 12 months." I think I am just going to keep using "12 months."

So burn it up, and then we can say, "Okay, for 12 months, they're in a warehouse in Clark County; we can talk about MBT, we can talk about sales tax, we can talk about "property tax" if it exists, and then we can then say, "Oh, okay, in that 12 months, we then see the benefit of them getting $48 million in tax credits while they're building." And then this [is] year over year, right? Because that's how it is written. You have four years; then you say you will have a production going on, but not on the site in which we're giving the credit for. That's how I have broken it down for myself so I can walk away, put it on work session, and feel like I'm trying to understand how we're doing that and why we're giving that away.

MS. GUSTAFSON:
I think that is an incredible idea, and we will do that. I think from a team standpoint—hopefully, you've seen today—we are all about providing clear, direct answers to these questions, but also being really creative about how do it. But also as a developer, it's in—I'll say my DNA—how critically important cash flows are for forecasting impacts on my bottom line, on the community's bottom line, all of it. I completely appreciate that request and we can pull that together with fiscal staff.

CHAIR NEAL:
Just one more thing to add to that: for each year while—especially for that first 12 months—you add to your list that you will produce to the fiscal staff how many Nevada workers are actually a part of each and every year, where you're in a location that is not affiliated with the—I'm gonna keep calling it "the thing that is not in existence yet." Because we need to know that, how many Nevada workers will be working, if you're in a vacant warehouse, or if you're in some field or desert in the south. We need to understand that because that ties to the induced benefit that you're saying, where you're saying, "Families work. Therefore, they went to the grocery store. Therefore, they went to the movies." You need to be able to spell that out, and it can't be theoretical. So whatever numbers I don't—I want it broken down. Okay? [I hope] you will get with Mr. Nakamoto and Mr. Thauer, and you will break this all down for us for the four years.

DAN STEWART (Vice President for Development, Gardner Group):
I just wanted to represent Gardner here as the as the master developer. Through a rigorous request for proposal process, they were chosen to be the master developer of the UNLV Tech Park in 2016 and have been for nine years,

working as partners with UNLV Foundation to build the Tech Park out. When we first started, they asked me to come aboard. I have been on board since 2016. I looked into the mission statement of the UNLV Research Foundation, as well as Gardner's kind of ethos and their thoughts and vision, and it aligned directly with mine which is education and being a lifelong Nevadan—many generations Nevadan—education and diversification of the economy, and this fit perfectly with that.

I joined Gardner Group, and we have been working diligently for the last nine years to do that. When we first began, never in the wildest dreams did we think that something this incredible would come along and meet those goals and that vision of both diversification and education. We are thrilled as master developer to have this come along. You've heard it, but it's so true—it's once-in-a-lifetime, generational changing for Southern Nevada—Nevada at large. I just wanted to say how much I appreciate the opportunity to be involved with Birtcher Group, MBS and the rest.

ELOY JARA (Business Manager, Laborers' International Union of North America Local 169):
I'm the business manager, secretary and treasurer of Laborers' Local 169 in Reno. You guys might be wondering, "Why?" Why is Northern Nevada supporting this bill? We believe in the economic impact that this will have in the whole State, throughout the whole State. So, that's why we're in strong support of this bill.

WARREN D. COBB (Associate Dean, College of Fine Arts, University of Nevada, Las Vegas):
Far too many of our students are leaving our State, not because they want to—they love Nevada—but because they have no choice. High-paying creative and skilled film jobs they've trained for are not available here. Those jobs exist in other states such as California, Georgia and New Mexico. Senate Bill 220 can change that.

One, we're incredibly excited that this bill will allow our students to remain in Nevada, work here in their chosen careers and contribute to their Nevada's economy.

Two, the Nevada Media and Technology Lab will provide our students with access to a dedicated professional soundstage they do not have now that

features the latest industry standard lighting and grip equipment, which will continuously be updated to the newest technology.

Number three, it will enable us to expand our film department as the industry grows. We will have new classrooms, editing rooms, screen rooms, a foley stage, rehearsal rooms, green rooms and so on.

Number four, with a budget of $500,000 for five years, this bill offers us the opportunity to develop an interdisciplinary game art, technology, design and publishing program. We're forming an exploratory committee to assess the potential and interest among the faculty, deans, the president's office and ultimately the [NSHE] Board of Regents.

Five, we have great interest in the Creative Technology Initiative, which provides $1 million annually for ten years. This opens numerous possibilities in research and production of VR-powered digital therapeutics for health care.

Number six, we have been working closely with CCSD, IATSE, CSN and NSU. We're prepared to provide the workforce needed to make this a success.

Rarely do we have the opportunity to pass legislation that is simultaneously proeducation, proworkforce, probusiness and proculture. Senate Bill 220 is all of those things. It represents a transformative step forward toward economic diversification and has the power to shape a creative legacy for Nevada that will last for generations. Please consider supporting Nevada's future through S.B. 220.

RYAN MCINERNEY (Nevada State University):
On behalf of Nevada State University, we are in support of S.B. 220 and other efforts to bring the film industry to Nevada. Nevada State [University] has a thriving visual media program, which has seen a remarkable 50 percent growth over the past four years to 165 students. We are eager to integrate these talented individuals into future studio projects and expand our academic offerings to align [with] the needs of this innovative industry. I would like to thank Senator Lange and the team behind this legislation for proactively including our university in programmatic and strategy discussions. We look forward to continuing our conversations and playing an important role in supporting and growing the film industry workforce in Nevada.

PHIL JAYNES (President, International Alliance of Theatrical Stage Employees Local 720):
Let me start by saying this bill is about jobs: union jobs, nonunion jobs, high-end jobs, low-end jobs, part-time jobs, full-time jobs, highly skilled jobs, starter jobs, creative jobs and just your normal job. Currently, Nevada has the highest unemployment rate in the nation. This bill will create new jobs that currently do not exist and hopefully bring that rate down. There's also an ancillary growth. For example, IATSE Local 720 will probably have to hire two new office employees to deal with the demand—and another business agent, if not two business agents, to deal with the demand. This is a great problem to have, and we look forward to it and support this bill 100 percent.

VICTOR WEI (Paragon Gaming):
Chair Neal and Senators, I am Victor Wei, president of WHP Consulting, here to read a letter from Diana Bennett, the founder and CEO of Paragon Gaming. Ms. Bennett is unable to attend this afternoon due to a scheduled board meeting conflict:

> To the honorable members of the Nevada Assembly and to the Nevada State Senate,
>
> My name is Diana Bennett, and I am a longtime resident and businesswoman in Nevada. During my lifetime, my career has focused on the gaming industry but all the while recognizing the need for diversification of the industries in our State. We now have an opportunity with S.B. 220 to not just create thousands of new jobs, but also to form the Creative Technology Initiative (CTI). Pursuing film, media, aerospace, defense, health care, technology and video game publishing will provide remarkable opportunities at each of the NSHE institutions. All those areas will greatly enhance professional positions for not only young people starting careers but opening up new fields for our growing population. These will be new jobs that currently do not now exist in Nevada.
>
> We recognize that the public money must remain on public land. The bill will raise $320 million over a 100-year ground lease to the Research Foundation to enhance the vision of CTI. Again, I cannot stress enough that all of this will create high-paying jobs in fields that do not exist to date. I have been fortunate to spend time in

> Vancouver, B.C., and in the state of Georgia and have seen firsthand the opportunities that the film industry can provide. Although I am certainly grateful to the gaming industry for all that it has provided to Nevada and my family, I believe that this bill could have a profound impact on the future growth of Nevada.
>
> Thank you for your time,
> Diana L. Bennett (Founder and CEO, Paragon Gaming)

ANDY DONAHUE (Southern Nevada Laborers-Employers Cooperation and Education Trust):
Laborers-Employers Cooperation and Education Trust is in support of the bill as presented, with the work that is continuing to go on, and additionally pleased to recognize the remarkable community participation throughout the State, in this building, and that we're seeing in Southern Nevada as well.

ADAM MACK (International Alliance of Theatrical Stage Employees Local 363):
I am the business-agent-elect of IATSE Local 363—the union behind entertainment in Reno, Lake Tahoe and the greater Northern Nevada area. We stand in support of S.B. 220, a bill that can help insulate Nevada from the ongoing loss of federal funding and foster a job-creating industry throughout the State. While it is plain to see the benefits this bill will bring to the Las Vegas area, many in the north are asking, "What is in this bill for us?" One answer to that question—and the one that I believe will have the greatest impact on Northern Nevada—is a specialized workforce training program, serving future generations of workers in Northern Nevada. Senate Bill 220 returns a generous 10 percent of tax credits to a statewide workforce training fund.

We have engaged in talks with Truckee Meadows Community College in Reno and understand that they are prepared to accept grants from this fund to create a technical film and television production program that will serve as a pipeline to local, high-paying and safe union jobs, with IATSE Local 363 serving as their gateway to the industry. We understand that as a community, those of us in Northern Nevada will need to rise to the occasion to make the most of this opportunity. I can say for certain that IATSE Local 363 will be ready and willing to work.

ALFONSO N. LOPEZ (Sheet Metal & Air Rail Transportation Workers):
Nevada's unemployment rate leads the nation currently with around 5.7 percent. [After] Resorts World and Fontainebleau wrapped up well over a year and a half ago, the current construction unemployment is much higher. I strongly urge your support for S.B. 220 to give Nevada residents a great opportunity to return to work.

NANCY J. USCHER (Dean, College of Fine Arts, University of Nevada, Las Vegas):
I am really pleased to be here to strongly endorse this bill, S.B. 220. This will be profoundly positive as an experience for our students. We've heard a lot of really excellent testimony and factual information about the workforce development, the Media Lab, the training facilities that will help extend the education of our students. I believe this will have a very important effect on economic development, bolstering the creative and innovation economy. We heard some really interesting information about the CTI, but more than anything else, I want to say as the dean of the college that I believe this bill and what happens—what ensues—for the next many years will really transform the education of our film students.

But beyond that, because many other disciplines will be involved, we really enjoy and celebrate the opportunity for our students also to work in an interdisciplinary context, so they learn about the world. And I think that it will really—and you are going to hear a lot about this—encourage our students to stay right here in Nevada and feel that bridge between the excellent education they are now getting in film and some other arts disciplines, and the opportunity to join the workforce and really contribute their talents to the people of the State.

CHRIS FERRARI (Nevada Contractors Association):
On behalf of the Nevada Contractors Association, we represent the Southern Nevada construction industry, all aspects thereof—large or small, union and nonunion—and we are here in support of the bill for the aforementioned reasons.

PATTY CHARLTON (Chancellor, Nevada System of Higher Education):
We appreciate Senator Lange bringing forward this bill to help build the workforce for our State, and we are supportive of efforts to diversify our economy. We also appreciate Senator Lange's commitment to higher education in her legislation. There has been significant conversation today regarding the

development of this industry, including the land and associated assessments of tax credits. There is work to be done in this area as well as conversation between the partners—including the sponsor, the Board of Regents, and our institutions—on the nuances of this bill. We look forward to continuing the conversation with her and with the Legislature along with higher education institutions on behalf of our students and faculty to participate.

CONSTANCE BROOKS (University of Nevada, Las Vegas):
You've heard from two of my colleagues. I'd like to echo their sentiments but also provide the perspective of officer-in-charge Chris Heavey, as well as the UNLV leadership, in support of this bill and following the lead of the Nevada System of Higher Education with respect to the additional questions around the finances and responsibilities of NSHE institutions as a result of the bill. We thank you; we look forward to participating in those ongoing discussions.

CLARISSA COTA (College of Southern Nevada):
On behalf of CSN and our president, Dr. William Kibler, we would like to thank Senator Lange for sponsoring this bill, which will help to diversify our economy and bring the film and related industries to Southern Nevada. The College of Southern Nevada is ready to help support these new industries as we are very proud of our videography and film program at the College of Southern Nevada, which constitutes the most state-of-the-art program of its kind in the region with a total of 481 students currently majoring in programs within the film industry. These students are preparing for the real jobs in the industry. The College of Southern Nevada is the largest producer of college graduates in Southern Nevada pursuing jobs known in the film industry as below-the-line positions.

Since 2014, students in our programs have been nominated for 123 "Student Emmy" award nominations and have proudly won a total of 63 Student Emmy awards—the largest number of Student Emmy award winners in the State and region. Our graduates work nationwide, and it would be wonderful to see many more job opportunities for them right here in Southern Nevada. We are proud of our Emmy award-winning film program, and we look forward to continuing to produce career-ready graduates ready to enter into this exciting industry.

SÁDIA CARONE (Actor, Screen Actors Guild—American Federation of Television and Radio Artists):
I'm a proud member of Screen Actors Guild—American Federation of Television and Radio Artists. Senator Doñate, I also speak multiple languages. Senator Stone, would you buy a home that hasn't been built yet? Studios will start to commit once we start to build. Senate Bill 220 is good for Nevada. Both north and south, rural and urban. It will create jobs: jobs for teachers, jobs for union people, just jobs, jobs, jobs, jobs, jobs. The studios are ready to build. If we don't let them build here in Nevada, they will go to other states. Senate Bill 220 will diversify the economy … [unintelligible statement] …

KIM RENEE (President, Screen Actors Guild–American Federation of Television and Radio Artists Nevada Local):
Ditto. Have a good evening.

AARON IBARRA (Southern Nevada Building Trades Union):
We represent more than 20,000 construction workers here in Southern Nevada. You've already heard that unemployment is pretty bad right now, and our members are feeling that. We believe this bill will give our members the opportunity to go back to work. Additionally, we're really proud of the PLA language that we were able to get. Fifteen percent of the workers will be required to be apprentices and 5 percent of the workers will be required to be first-year apprentices, which would really allow our apprenticeship programs to go out, recruit some more folks to join the trades, and join the union trades in particular. I ask that you guys support S.B. 220.

ROSEMARY BROCK (Founder, Chief Executive Officer, Environmental Information Systems Corporation Lab Data Automation):
I am founder and president of Environmental Information Systems Corporation (EISC), where we specialize in laboratory automation, connecting instruments, robotics, sensors, devices, information management systems and people into fully interoperable systems that deliver 100 percent reliable scientific results in seconds. Our technology powers discoveries across life, material and physical science in industries like pharmaceuticals, environmental, food quality and safety, forensics, water and nuclear. Science is a global market with a universal language. And today the acceleration of science is driven by automation, digitization and increasingly immersive technologies, unlocking breakthroughs at an exponential pace for a fraction of the cost.

There's been a lot of talk about diversifying Nevada's economy, but I would suggest a different lens: not diversification, but a symbiotic expansion of Nevada's already existing and masterful strength. Things like innovation; advanced analytics; secure, global data strategy, storage and transfer; military-grade cybersecurity; world-class entertainment; and gaming. Virtual, augmented, mixed and extended realities are no longer just for entertainment. They're transforming health care, education, defense, research and the sciences.

Companies like Nvidia and Google have already invested heavily in these tools for real-world applications. And last year, Nvidia's CEO declared that the next global economic revolution will be "digital biology"—my industry for over two decades. From my vantage point in the industry and community, Nevada is uniquely positioned to lead in the gaming of anything—science, national security, immersive education—by aligning immersive technologies with industry, academia and government. Who better than us?

When integrated with immersive technologies, this bill can attract global investment, accelerate workforce development, and build a pipeline from Pre-K to PhD in applied immersive Science, Technology, Engineering and Mathematics (STEM) and Science, Technology, Engineering, Arts and Mathematics (STEAM)—not infotainment but for real learning, solving real world problems with real societal impact.

At EISC, everything we touch affects things like the air we all breathe, the water we drink, the food we eat, the medicines we take and the environment in which we live. The same immersive tools used for used for video game publishing can be used to train scientists, students and government agencies to better understand and interact within our world. Aligning this bill with immersive technologies isn't a leap. It's a logical next step. It's an investment in Nevada's future, education, science, defense and economic growth with a clear equitable return for our citizens, workforce and industry. It turns what might at first glance look like a "Hollywood 2.0" into something that is quintessentially Nevadan.

SY NAOUM (Sergeant-at-Arms, Laborers' International Union of North America Local 872):

I'm here with over 70 members behind me and—I don't know if you can see on-camera—in the overflow room. We were lined up out the door and around

the building, and along with 3,500 members and families, I represent all of them here today. We ask of you to please put Nevada back to work. We as laborers—if we go to work, any one of us goes to work—our entire family has benefits. We're a very diverse group, so we can touch on the diversity aspects of this bill. With the benefits that we have, we're self-sustaining as an organization. We're contractor-funded; we don't bleed the State of benefits. We don't need the Medicare [Medicaid]. We have our own health benefits. We encourage you to invest in us, your constituents—the residents of Nevada—and think about the unemployment rate. I'm glad it was mentioned throughout the comments that the unemployment rate is a consideration. So please invest in production. Please invest in economic development, and please put Nevadans back to work. We encourage you to please support and pass S.B. 220.

STEVE BLAHO (Craft 3 Representative, Film/TV Workers, International Alliance of Theatrical Stage Employees Local 720):
I represent the motion picture and television employees in our mixed local. This bill would provide an enormous amount of security and growth for our members and for Southern Nevada. It would diversify and give us more opportunities. During the [COVID-19] pandemic, our union was devastated. Our unemployment rate was 90 [percent], whatever—a lot—all of us. It was terrible. People had to leave the area to work elsewhere. If we can build this, they will come. They will give us good jobs; they will take care of us. I support it, and my brothers and sisters of Local 720 do as well.

TODD ROBBINS, SR. (Business Agent, International Alliance of Theatrical Stage Employees Local 720):
I support this bill and ask for your support for jobs and economic growth for our industry.

FRANK WOODBECK (College of Southern Nevada):
During my 15 years of state service, I have had the privilege of being in economic development and workforce development at the Department of Employment, Training and Rehabilitation and also now in higher education. This is an opportunity for our State to start an entire new industry and leverage resources you've already paid for at CSN, UNLV and Nevada State [University] in terms of media technologies and training of our students. We do have students ready to go to work—they leave the State because they do not have an opportunity here. This is our opportunity to bring this industry into the State.

We look forward to your support of S.B. 220 and the continued discussions that would bring that bill to fruition.

CIARA BYRNE (Co-Founder, Co-Chief Executive Officer, Green Our Planet):
I am the cofounder and a CEO of Green Our Planet: a Nevada nonprofit that operates the nation's largest K-12 school garden and hydroponics programs, serving over 400 schools across 16 of our 17 Nevada counties. My partner Kim MacQuarrie is a four-time Emmy Award-winning filmmaker from Las Vegas and the CEO of Green Our Planet Studios—our sister company. Under his leadership, his team has produced over 500 award-winning educational videos and curricula available to every Nevada teacher and student. Together, we connect Nevada students to the planet through the fusion of film, technology and hands-on learning in gardens and hydroponics laboratories.

Every year, we ask students across Nevada what they want to be when they grow up. And the overwhelming answer is to be a storyteller—whether as a YouTuber or a video game creator. S.B. 220 presents an incredible opportunity for their dreams to become reality. Right now, we're in the midst of a technological revolution in education. States are racing to integrate technology, AI and film to create the most impactful learning experiences for the next generation. Nevada can and could lead this charge. Imagine if Nevada Studios partnered with Green Our Planet and Green Our Planet Studios, working alongside Nevada teachers to harness the power of AI and storytelling in classrooms. Imagine a Nevada where innovative educators and cutting-edge technology converge to transform every classroom into a dynamic studio of creativity and learning.

By supporting S.B. 220, you will empower our students to become storytellers, innovators and leaders, pioneering a new era where the fusion of film, AI and hands-on learning redefines education. Let us seize this moment to position Nevada as the global benchmark for educational excellence and inspire generations to dream bigger.

TODD KIRSCHNER (Member, International Cinematographers Guild Local 600; International Alliance of Theatrical Stage Employees Local 720):
I'm a content creator. I moved here over 20 years ago when I heard that Nevada was going to be the next Hollywood 2.0. I was educated in Los Angeles Film School (LAFS). I am cutting-edge. I'm an [International Cinematographers Guild Local] 600 member. I'm a camera operator. I'm a [Local] 720 member. I'm

a dual member. I'm one of the people who have come to this town because it has the ability and the people who can create and become the best in this industry. With the education that they are going to provide, it will put us on the top, and we will be able to make this town one of the best filmmaking towns. And I have confidence that the people behind me understand what we represent. Please vote for this SBS 20 [S.B. 220].

BRIANA MERCADO:
I am a small business [owner]. I am a former senator from the [Associated Students of the] College of Southern Nevada, and I also grew up behind the industry. My mom has been an actress my whole life; I have seen behind the scenes and in front of scenes, and I felt in love with both. I have done influencing for social media, as well as taking my power and helping lots of nonprofits here in town. The biggest thing that I have seen is Vegas needs a soundstage. We don't have the support that we need, but we have the workers that are ready to work. Los Angeles takes a lot of our work, and the union is ready to work—no matter what, vertical or horizontal. And the children want this; I remember when I was a senator at the College of Southern Nevada, we [Las Vegas] did an open red carpet with Asif Akbar with *MR-9: Do or Die* and opened it up to the students. The students got to ask directors questions, and that's what we need. We need more mentorship; we need more help in Nevada. Nevada is already a tourist state, right? We already have it. Let's just elevate it. Movies are like a live event—only they're recorded and shared for the world.

WENDI NEWMAN (Southern Nevada Chapter National Electrical Contractors Association):
For the sanctity of time, I will just say I support the bill. We'd like you to support S.B. 220.

RONALD YOUNG (International Brotherhood of Electrical Workers Local Union 357):
Ditto.

LONNY DILL:
I'm a Nevada editor and content creator. Thank you, Senator Lange, for creating this much-needed bill. Over the years, it's been extremely disappointing to watch as Nevada was too often overlooked as a location for film and high-tech projects. Unfortunately, the few times when major productions did visit Nevada, they just never stayed or made Nevada their home. Senate Bill 220 would

provide the necessary resources and infrastructure for a high-tech studio and the hub. It would also incorporate the UNLV curriculum to rival schools like LAFS and the New York Film School [New York Film Academy]. Let's stop our undergraduates from leaving Nevada to seek higher education elsewhere. Nevada is already home to hundreds of talented creative and production companies that also can benefit from the high-tech studio and hub and the tax credit. Can we please ensure there is some transparency over the tax credit applications that are denied or approved by the lead participant to ensure fair access for the studio as well as tax credits?

ANAHIT BAGHSHETSYAN (Nevada Policy Research Institute):
Nevada Policy today comes in strong opposition of S.B. 220, and there are several reasons for this. I'm going to start with addressing the CTI aspect of the bill that was introduced. A lot of the comparisons shifted to USC. I think it's important to realize that 58 percent of the student body in USC is out-of-state students. Investing in higher education does not necessarily mean that you're investing in the education of Nevadan students.

Second of all, education is temporary, and it drains resources because these students who are not from Nevada could also move out of Nevada and seek jobs elsewhere—like California and Georgia—with better studio opportunities.

Second, screen tourism was addressed. I would like to mention that for a city like Las Vegas—where heavy base of tourism is based on other aspects of entertainment—new options will not necessarily cause more spending; they would cause deterred spending. Tourists might drift to go to a studio tour instead of the Sphere or the casinos.

Lastly, this is not a new concept in that it has been implemented in over 30 states in the United States. I think it's important that we learn from their lessons, and in doing so, it's the easiest to look at numbers. A 2024 study in California reported that $1.00 of spending in film tax credits results in $.80 of lost money. In Georgia, $1.00 of spending results only in $.19 revenue. New York calculated both direct and indirect estimates—similar to which we heard today in Nevada—to be only 15 cents or 31 cents. Pennsylvania also has a transferable tax credit, and 95 percent of tax credits are transferred. In our city, it would likely be transferred to the gaming industry and cause them to not pay taxes, which could be detrimental for the state budget. For these reasons, we urge the committee to oppose this legislation.

WARREN HARDY (Associated Builders and Contractors, Nevada Chapter):
It's never fun to come in front of a committee and support [oppose] what could be a very beneficial project to the State, which this appears to be. However, my client represents significantly over 85 percent of the entire construction industry in Nevada. In addition to that, the overwhelming majority of women, minority and disadvantaged businesses choose to work open shop or nonunion. It's been spoken to today quite clearly that there's a project labor agreement on this job.

Project labor agreements and their current application in Nevada provide a significant disincentive for nonunion contractors to bid or work on the projects. They're eligible, they can work, but it's not cost-effective or good for their business. And I will provide a document offline for the committee too that speaks to that specifically. Again, these place open shop, nonunion contractors at a disadvantage. We believe that taxpayer-based initiatives should never be used in a way that disenfranchise Nevada workers. And that's what these project labor agreements do. For those reasons, we respectfully request that you put in the bill a provision that prohibits these types of discriminatory labor agreements so this otherwise fantastic project can move forward.

ALEXANDER MARKS (Nevada State Education Association):
At a time when the biggest plot twist in our state budget is that education funding is only increasing by $2 and a looming federal budget crisis threatens to cut hundreds of millions from our education programs, Carson City is somehow entertaining another Hollywood handout. If you think over $1 billion to Hollywood will solve any of those issues, especially when the economic analysis is so far out of line with the return on investment on the Assembly bill, you're already living in *La La Land*. Nevada education needs the blockbuster budget. Hollywood doesn't need to use Nevada's budget for its blockbusters.

But let's talk box office numbers: yesterday was a four-hour epic, no intermission, starring the Commission on School Funding—once again, delivering the same plot we've heard numerous times. Nevada is $4,000 behind the national average in education funding. Worse, the Commission's plan for optimal funding has been rejected by the Governor—turning Nevada public education into a low-budget drama with a cliffhanger every two years. If this were a film, perhaps it'd be called "Wayside Story" or "The Fast and the Frivolous." Either way, Nevada is in desperate need of a rewrite when it comes to public money.

We prefer the film "Schools Over Studios"—that does not have to be a fantasy film. But let's talk slashers. No, I'm not talking *Chucky*. I'm talking way scarier: unelected billionaires gutting programs that help our students and families. Let's see what's on this political theater: Title I, slashed; Individuals with Disabilities Education Act, slashed; Pell Grants, slashed; school meals, slashed. Losing this kind of federal support would deepen every crisis already crippling our public schools: massive class sizes, high teacher vacancies and chronic underfunding worthy of its own disaster movie.

The Motion Picture Association's not here, so I will provide a rating for the public: Senate Bill 220, rated "F" for failing priorities, including a poor use of our public money while Nevada ranks forty-eighth in the nation, with the largest class sizes and higher educator vacancies. We've heard the same hopes and dreams about the [Allegiant] Stadium, and I mean the first publicly funded stadium we bought for a billionaire. Let's shelve this script. Let's ensure Nevada education gets more than a brief cameo. Let's put schools over studios and write our own movie. Lights, camera, "Pass the Plan."

BRIAN WALLACE (Nevada State Education Association):
We [have] represented the Nevada educators for over 125 years in all 17 counties, and we believe in schools over studios. We oppose S.B. 220, which hands over $1 billion in state public tax dollars to Hollywood and not to our chronically underfunded schools. Very little of what was presented today can materialize without optimal investment in our students first. Nevada State Education Association (NSEA) and its members engaged yesterday, in both the K-12 budget subcommittee and the education accountability subcommittee, to sound the alarm over the Governor's proposed $2 per student budget; NSEA's members called on the Governor and this Legislature to "Pass the Plan" of the Commission on School Funding. The plan would allow Nevada to reach optimal educational funding. After years of work, the Commission identified optimal funding and proposed a revenue path to reach that level by 2035.

A film tax credit giveaway is not part of that plan. That is because Commission Chair Guy Hobbs knows better than anyone that these tax credits do not generate tax revenue for the State and will not help our schools, our students, Northern Nevada or our rural communities. In fact, Hobbs authored the economic impact report for Assembly Bill 238, which is the sister bill to S.B. 220.

ASSEMBLY BILL 238: Enacts the Nevada Studio Infrastructure Jobs and Workforce Training Act. (BDR S-63)

While any billion-dollar subsidy could have or would have a significant impact, Hobbs found that it would have a net cost to the State. That is a net loss to the State. That is a loss for our students. And it is a loss that we cannot afford at this time. Even with record increases made to educational funding, Nevada continues trailing the national average by over $4,000 per pupil. Last May, 1,000 educators, educational support staff and our allies rallied with umbrellas in hand outside this very building, pleading for more consideration for our public school students.

Instead of doing more, S.B. No. 1 of the 35th Special Session was passed for the billionaire and his stadium. We urge the Nevada Legislature to reject both bills and continue the work from the last session by fully investing in our students. The Nevada Legislature must consider the revenue proposals by your own Commission on School Funding. Please "Pass the Plan" for our students, our schools and our communities.

RYLEY SVENDSEN (Nevada Coalition to End Domestic and Sexual Violence):
Nevada Coalition to End Domestic and Sexual Violence is here today in opposition to S.B. 220 not because we oppose investments in workforce development or economic diversification, but because this bill continues a harmful pattern of offering generous tax credits to corporations while our State's core needs remain dangerously underfunded. Nevada has the fifth most regressive tax structure in the nation, relying heavily on sales tax that disproportionately burdens low-income residents. Meanwhile, critical public services—including domestic and sexual violence programs—receive no dedicated line item in our general budget. Instead, we rely on inconsistent and declining funding sources to fund lifesaving services, even as Nevada ranks second in the nation for domestic violence and fifth for rapes per capita. Every dollar given away in corporate tax breaks is a dollar not invested in prevention, education, housing or community support—all essential tools to end cycles of violence. We urge you to oppose S.B. 220 and instead commit to diversifying our revenue, ensuring that corporations pay their fair share, and prioritizing the safety and dignity of all Nevadans.

ANDREW CLARKE (New Day Nevada):
I am here today on behalf of New Day Nevada, an organization that cares deeply about bolstering state revenue. At a time when our State's critical needs are being unmet and we're looking down the barrel of $4.5 trillion nationwide in federal cuts, we cannot afford to give away valuable resources—especially tax credits to massive corporations. Not now and definitely not in the future. We should not pursue programs that consistently failed in other states, no matter how unique our State may be or no matter what assumptions people have made. Just look at the record. In Connecticut, every $1.00 in credits returned just $.07 in state revenue. Louisiana spent over $1.5 billion on film studies, yet more than 85 percent of the money left the state's economy. Michigan ultimately repealed its program after spending $500 million with little to show for it. Imagine if we had a small business incentive program of this size or scholarship fund to attract the best and brightest for our State—what would that do for our economy? The film industry should invest in Nevada because of our incredible workforce, diverse communities and the undeniable value our State offers—not simply because we're giving them a $1 billion handout.

TESSYN OPFERMAN (Nevada Women's Lobby):
Tax incentives for the film industry have been presented here today as a way to drive economic growth. Unfortunately, similar investments haven't worked in other states, and in many cases, the investment dollars have not been returned. Tax credits are no different from handing someone cash. We are proposing handing a multibillion-dollar company a massive "Nevada tax gift certificate" so they don't have to pay the taxes they owe. Meanwhile, we have spent this legislative session fearing funding cuts at the federal level and balancing a budget where we have more expenditures than we have revenue. Instead of a massive tax break, we could give critical raises to teachers and state employees, help offset the increase in Public Employees' Retirement System contributions, support childcare programs, create a program for paid family medical leave, provide universal free lunch to students, support programs that serve victims and survivors of domestic violence, fix our roads, create a safety net—should Medicaid be cut. This session, we simply do not have the flexibility to be able to pass a tax break measure of this size. We urge you to oppose S.B. 220 and ask that you not move forward with this problematic tax incentive.

WISELET ROUZARD (Americans for Prosperity Nevada):
Before I start, I do want to say thank you to the bill's sponsor, Senator Lange, who has worked diligently and hard in really trying to bring stakeholders to the table to drive economic diversity in the State.

We oppose Senate Bill 220 more on a fundamental perspective of making sure that cronyism, crony capitalism and corporate welfare are not something we continue to see created in the State as precedent. Unfortunately, this bill is a textbook example of that. With Americans for Prosperity, we create an economy that works for all—empowering people to earn success and realize their potential. We support neutral and impartial tax policies. This includes tax reforms that reduce burdens on Nevadans and Nevada businesses without picking winners and losers or favoring special interests in the tax code. At its core, this bill leverages public dollars to subsidize a private development under the guise of industry growth and workforce development. It has a multidecade, multimillion-dollar public commitment to a single unnamed lead participant—effectively allowing one private entity to capture a disproportionate share of taxpayer-funded benefit. This is not economic development. This is simply favoritism.

Senator Stone had laid it out perfect in terms of the money. It is something other states have already been considering actually repealing, as it has not garnered the economic improvement that they suspected. Under this proposed act, Nevada would issue up to $83 million annually in tax credit, ultimately creating a potential liability to state taxpayers, with over $2 billion by the time the bill sunsets in 2050. This is enormous commitment in a state that still struggles to fund essential services like you heard tonight: education, health care and housing. And while the bill includes nominal giveback, such as 10 percent kickback of credits—the vocational training funds—this does not offset the overwhelming costs or risk. Film tax credits do not increase employment. Short-term employment often increases while film or TV shows [are] in production, but those jobs are temporary, and those opportunities dry up when production wraps and the project ends.

With that said, I think S.B. 22 [S.B. 220] is a step in the right direction in driving conversation, and I know the bill sponsor's been working hard, but we want to also make sure that we're putting all Nevadans in a position to not be on the hook for millions of dollars in this special interest tax credit forum, which Senate Bill 220 currently—as written—imposes, so we urge every member to

oppose this bill. And again, we greatly appreciate Chair Neal and everyone else for this opportunity.

CYRUS HOJJATY:
First of all, I'd like to ditto the previous callers, especially the last one. I share a lot of the concerns made by Senators Neal and Doñate. I am pretty much certain that a lot of those employees are going to need government assistance. I believe that's what he said. Regarding the tax credit, here's the other thing. There has been a record that many states have done these policies, and they have not come to what they were promised. We were told that, "Well, this is going to generate more and more revenue." We were told that the legalization of marijuana—whether it was the mining tax, sales taxes, Commerce Tax—was supposed to help schools, but yet our school performance has not gotten better. We've done something for the stadium, yet visitation levels to the Las Vegas Valley are still below 2016 levels. And while I do believe more funding can help schools, it isn't necessarily always the case.

And here is the thing, I am the local chapter leader of Strong Towns Las Vegas. What about tax credits for affordable housing? What about mass transit? How are these people going to get to work? It's gonna create more congestion. And this leads, you know, about gas taxes—different topic, but you know, when I hear about how high the unemployment rate is, Nevada used to have among the lowest unemployment rates 20 years ago. But what changed? Well, a lot of the policies we've done in this State—especially five years ago—have not worked. I just don't believe that this is—giving tax credits—the way to do it. I do believe in the film studios coming here. I do believe in diversification. But other than that, we [would] like to thank you for giving us the opportunity to share, and please vote no or at least modify this bill.

SHELBIE SWARTZ (Battle Born Progress):
I am here today to strongly oppose S.B. 220 because this bill is not just bad policy. It's a deeply troubling message about our priorities as a state. While our State's economy and budget are being throttled by a billionaire-backed administration in Washington actively working to defund our schools, public lands and basic services, this Legislature should not be considering handing over millions or billions of dollars in tax breaks to Hollywood production companies. It is a horrific look. At a time when Nevadans are bracing for brutal cuts to health care, education and infrastructure, S.B. 220 asks us to roll out the red carpet for the ultrawealthy and subsidized private studio construction, training labs,

and even healthcare facilities—all things that these companies could easily fund themselves if they actually cared about our State.

This is not economic development: it is trickle-down show business, and it insults every Nevadan who has watched their government stretched thinner and thinner only to [see] the corporate interest prioritized yet again. Senate Bill 220 does not just undermine our fiscal future. It undermines public trust in this institution. How can our leaders claim to stand for real Nevadans while quietly green-lighting one of the largest corporate giveaways in state history? Please reject S.B. 220. Nevada's values, our budget and our State are not for sale.

AL ROJAS:
I'm a resident here of Clark County, Nevada. I'm going on eight years. I came from the Irvine, Newport [Beach], Orange County area, for 38 years. And I can tell you one of the reasons I decided to stay is because I believe that Clark County has a bright future. Irvine is one of the most successfully managed areas economically in the country. Thirty-three percent of the Fortune 500 companies are there. And I can tell you that Clark County's Summerlin area has everything going for it. And we don't have to give away tax credits to anybody. They have to come pay top-dollar because that is the safe—the best communities are safe, and they support law enforcement. It's a very well-managed community. We don't have to beg anybody. I'm requesting that you guys don't do any funding. Wait; another deal will come along. And you know what? They gotta play on our terms. We don't have to beg anybody to come and do business here.

CHAD BURN:
I want to first say thank you to all of my colleagues over at IATSE [Local] 720 for putting in their support. I don't want to enter in a complete objection to the bill in a whole. As a former student of the CSN film program underneath the John Marsh early in its inception, I definitely have always wanted to see more [of the] film industry come to the Las Vegas Valley. However, I think it's very important to highlight that some of the questions and concerns that Senators Neal and particularly then Doñate have addressed regarding insurance. I can say as a long-time former member and a long-time referent to [Local] 720, much of the insurance money through our contract has been sent into New York through our central funds and has been completely inacceptable to the majority of the referents in the system. This isn't an attack against [Local] 720, its systems or its processes because I have not been involved for the last couple of

years. But I can say that in my experience, not enough of the insurance money or the contracts are being allocated through the local system of Culinary [Health Fund]. I know that that has progressed from the last 20 years. But I don't know if it's sufficient—and this is just to highlight again, Doñate's point.

Also, I have a huge concern that's been addressed already regarding—and I don't want out any particular group, but I will just say it very specifically: the Gardner Group. If they've had the opportunity to develop all these other projects in this Las Vegas Valley, why do they need money now from the State and the people in order to take away from education. I can say, with no uncertainty, with no doubt that friends who are parents of students at the Las Vegas Academy—which is notoriously a magnet program for this industry specifically or entertainment—have recently confessed or said that they have difficulties with the idea of budget cuts that are up and coming for the school year, I believe coming forward to the tune of $1.5 million.

The question—and then somebody in the recent callers had addressed the idea of a transportation. At what point does the Senate allocate money for the development of what's here rather than inviting all extra industries? Which I do understand would benefit. I heard—before Apple [Ms. Thorne], our business representative, testified—the neurologist made very solid points about film and television providing the production and knowledge of space for storytelling, etcetera. This is great. Yes, wonderful. The future of education very much does require these types of applications.

However, again, as Dr. [Senator] Neal continuously pressed and got a very runaround "spin doctor-y" of replies regarding the possessory interest tax—possessory interest tax, as opposed to a property tax—for the "thing that doesn't yet exist" is very valid. And I just think that these things specifically need to be highlighted in the amendment process.

Again, the benefit to the Las Vegas Valley for an extended job base for those of us that have long been, as we called, "below-the-line" is high. It's important, and it just shouldn't be discarded completely. And I wouldn't want to stand here to do that. I just think that there are things that my colleagues are shortsighted on, and I think that they—that we could press a little further to get better verbiage out of this bill as presented—and with respect to everything, I haven't read the entire bill. I'm just going off the prompts of the Senators in the room today.

MAGGIE CARLTON (Culinary Workers Union 226):
The union is engaged in ongoing conversations with the developers of the project, aimed at reaching an agreement that assures the jobs created by this project are good jobs that meet the high standards that Culinary Union members have fought for decades to win. This includes high pay, great benefits and various protections on the job. We hope these conversations are successful and will continue, and we will update the members of this committee on the results of our discussions.

MS. GUSTAFSON:
I just want to clarify something for the entirety of the committee, of just how the film tax credits are working. Birtcher Nevada Development is not a benefactor or receiver of the film tax credits, nor is MBS. It's the film tax—or it's film productions that utilize those film tax credits. It is not the developer or lead participant; it is not MBS as our operator of the facility.

The other thing I want to clarify is just how the soundstages actually work and that there is—I will say the majority of sound stages that are utilized across the globe do not have a single content user. The facilities are typically used for individual production use. The majority of productions or content creators such as Netflix, Disney or other groups—they typically are not filming in facilities that they own, control or operate. Those film productions are typically, you know, globally done through groups like MBS or nonowned [or] operated studios.

I just wanted to reiterate that unless there was any confusion on any of those two parts. And then going back to Chair Neal's request on providing a cash flow for those first four years, we will work on that with fiscal staff, and again, just clarifying that the film tax credits do not come to Birtcher or MBS. It's the film production itself.

SENATOR LANGE:
I just want to thank the committee for your time today. I know how long—how tiring—it is to sit in a committee for so many hours. I've had to do a lot this session, I think. I want to take you back to five years ago, when we started this project, and conversations we have with people. A lot of people that testified today, well, have never come to even talk to me about the bill.

I think that when you look at what this bill can do, I have a vision for how the future can be and how we can meet the needs of our State. We can't continue

to be just how we are today, because that's why we can only—the Governor proposed $2 for education, or we don't get as much as we need to fund housing or health care. Unless we find different revenue strands, it's going to be the same story every year. I was very frustrated as an educator. I was president of my teacher's union. I led the bargaining team for ten years, and every year I had to go fight for $1 or whatever to help get the money that we needed. And it is frustrating. But unless we do something different in our State, it's going to remain the same. I thank you for your time, and I look forward to continued conversations with people about how we can make this bill better and address some of the concerns that people have.

CHAIR NEAL:
We are going to open up for a work session on S.B. 220. We have already heard this bill. There is no reason to have Mr. Thauer rehash what we just heard—my protest—so we are going to open up for the work session and I will let Mr. Thauer just do a very quick …

MR. THAUER:
For work session before the committee today, Senator Bill 220—sponsored by Senator Lange, as just heard presented, including an amendment, Exhibit L, submitted and presented by Senator Lange.

CHAIR NEAL:
So here is the plan: the plan is to move S.B. 220 without recommendation. We know it's going to get picked up in the Senate Committee on Finance. So, I'm gonna move this bill out so that it can continue to be worked on and vetted in another committee.

SENATOR DOÑATE:
I just want to give a little description of what we are doing: the motion is without recommendation. It's not in favor or against the bill. It's just to continue it in the process. It's not a declaration of support or to be misconstrued for that. It's so that the bill continues, given the deadline that's approaching. I just wanted to make sure that was reflected on the record.

CHAIR NEAL:
I will entertain a motion to move S.B. 220 with the amendment. Well, am I doing the amendment? I'm not doing a recommendation at all?

MR. NAKAMOTO:
Just "without recommendation."

CHAIR NEAL:
I'm just doing no recommendation. I'm making a motion to move S.B. 220 without recommendation.

SENATOR DOÑATE MOVED WITHOUT RECOMMENDATION ON S.B. 220.

SENATOR STONE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

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CHAIR NEAL:
Seeing no one offering public comment, we will adjourn the Senate Committee on Revenue and Economic Development at 5:13 p.m.

RESPECTFULLY SUBMITTED:

Tyler Boyce,
Committee Secretary

APPROVED BY:

Senator Dina Neal, Chair

DATE:

EXHIBIT SUMMARY				
Bill	**Exhibit Letter**	**Introduced on Minute Report Page No.**	**Witness / Entity**	**Description**
	A	1		Agenda
	B	1		Attendance Roster
S.B. 41	C	3	Christian Thauer	Work Session Document
S.B. 69	D	4	Christian Thauer	Work Session Document
S.B. 269	E	5	Christian Thauer	Work Session Document
S.B. 364	F	6	Christian Thauer	Work Session Document
S.B. 393	G	6	Christian Thauer	Work Session Document
S.B. 412	H	7	Christian Thauer	Work Session Document
S.B. 431	I	7	Christian Thauer	Work Session Document
S.B. 435	J	9	Christian Thauer	Work Session Document
S.B. 220	K	16	Brooke Gustafson / Birtcher Nevada Development, LLC	Nevada Studios Presentation
S.B. 220	L	20	Senator Roberta Lange	Conceptual Amendment
S.B. 220	M	21	Drew Brunson / GameSquare Holdings, Inc.	Letter of Support
S.B. 220	N	22	Brooke Gustafson / Arcata Associates, Inc.	Letter of Support: Tim Wong / Arcata Associates
S.B. 220	O	26	Rachel Selsky / Camoin Associates	Economic Impact & Fiscal Benefit Analysis
S.B. 220	P	30	Jon Roberts / TIP Strategies	Economic Impact Study Presentation