

AB 17

*Senate Revenue and Economic
Development Committee*

May 12, 2015

Nevada Governor's Office of

ECONOMIC DEVELOPMENT

SSBCI Information

- U.S. Department of Treasury established the State Small Business Credit Initiative (“SSBCI”) as part of the Small Business Jobs Act of 2010
- SSBCI funding to the State of Nevada was established in November 2011 and sunsets March 2017
- SSBCI funds three programs: Collateral Support Program, Battle Born Venture Capital Fund and the Nevada Microenterprise Microloan Fund
- SSBCI funding must be obligated according to U.S. Treasury standards through March 2017
- After March 2017 SSBCI funding is clear of all Treasury regulations

Non-Profit Purpose and Accountability

- GOED Non-Profit Corporation will provide a vehicle to allow continuation of the SSBCI programs
- Non-Profit will have ability to hold SSBCI investments once formed
- Bill requires the Executive Director to obtain Board approval prior to forming Non-Profit
- Board of Directors to be created for Non-Profit comprised of seven members, five from private sector, one member each designated by Speaker of Assembly and Senate Majority Leader
- Annual Board report to Governor and Legislative Council Bureau

Current Economic Development Confidentiality (NRS 231.069)

- Current law affords GOED broad initial powers of confidentiality
- However, once a business begins to do business in Nevada, confidentiality is eliminated - records and documents may remain confidential until the business initiates any process with any agency other than GOED

Proposed Changes to NRS 231.069

- Requires the business demonstrate why the records should be kept confidential
- Adds a requirement that the Executive Director make a written determination based on the “proprietary and confidential information” definition currently used by the Department of Taxation
 - Any trade secret, confidential economic information or business information determined to be proprietary or confidential
 - Does not include any information in the public domain
- Allows confidentiality to extend beyond application/approval process

Confidentiality in Surrounding States

- Arizona, California, Idaho, Oregon, and Utah provide broader confidentiality protections than current Nevada law.

Strong – Arizona and Idaho

Moderate – California, Oregon and Utah

- Proposed changes to NRS 231 most closely resemble Utah

Confidentiality in Surrounding States

- **Arizona:** As a public/private entity, the Arizona Commerce Authority has the broadest discretion to determine that materials are confidential, and has the authority to limit record production if the release of information, “could potentially harm the applicant’s, potential applicant’s, or state’s competitive position relating to potential business development opportunities”
 - State does not require a written request for confidentiality or require a formal determination of confidentiality
- **Idaho:** Strong powers of non-disclosure for the State Department of Commerce for the specific purpose of assisting a person to locate, maintain, invest in, or expand business operations in the state. Trade secrets, production records, appraisals, bids, and proprietary information are exempt from disclosure

Confidentiality in Surrounding States

- **California:** Provides confidentiality for companies retaining, locating, or expanding facilities within the state. Incentive detail is disclosed upon approval and agencies are instructed to delete, prior to public disclosure, corporate financial records, proprietary information, or trade secrets
 - State does not require a written request for confidentiality or require a formal determination of confidentiality
- **Oregon:** Confidential information includes financial statements, customer lists, sales/cost data, and a broad spectrum of marketing/competitive strategies
 - State does not require a written request for confidentiality or require a formal determination of confidentiality
- **Utah:** Similar to the proposed changes to NRS 231, economic development officials may limit disclosure of trade secrets after a written request for, and agency approval of, confidentiality