

ASSEMBLY BILL NO. 261—COMMITTEE ON NATURAL RESOURCES

MARCH 7, 2023

Referred to Committee on Revenue

SUMMARY—Revises provisions relating to water. (BDR 18-470)

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

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

AN ACT relating to governmental administration; requiring the State Plan for Economic Development to include a statement regarding the efficient use of water resources; requiring a plan submitted by a regional development authority to include water conservation strategies; requiring the Office of Energy to conduct a study relating to consumptive water use and economic development; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law requires the Executive Director of the Office of Economic
2 Development to develop and periodically revise a State Plan for Economic
3 Development. (NRS 231.053) **Section 1** of this bill requires the Executive Director
4 of the Office of Economic Development to include a statement in the State Plan
5 regarding the manner in which this State can maximize the efficient use of the
6 water resources of this State through its economic development programs.

7 Existing law requires each regional development authority to present a plan to
8 the Executive Director of the Office of Economic Development regarding the
9 development and enhancement of certain recruiting and marketing efforts. (NRS
10 231.054) **Section 2** of this bill requires such a plan to also include strategies on
11 conserving the water resources of this State through such recruiting and marketing
12 efforts.

13 Existing law creates the Office of Energy within the Office of the Governor and
14 prescribes the duties of the Office of Energy relating to the supply, demand and
15 conservation of energy in this State. (NRS 701.150) **Section 3** of this bill requires
16 the Office of Energy to conduct a study of consumptive water use and economic
17 development of businesses receiving certain related abatements and submit a report
18 of its findings and recommendations for legislation to the Governor and the
19 Director of the Legislative Counsel Bureau for transmittal to the 83rd Session of the
20 Nevada Legislature.



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

1 **Section 1.** NRS 231.053 is hereby amended to read as follows:
2 231.053 After considering any advice and recommendations of
3 the Board, the Executive Director:

4 1. Shall direct and supervise the administrative and technical
5 activities of the Office.

6 2. Shall develop and may periodically revise a State Plan for
7 Economic Development, which:

8 (a) Must include a statement of:

9 (1) New industries which have the potential to be developed
10 in this State;

11 (2) The strengths and weaknesses of this State for business
12 incubation;

13 (3) The competitive advantages and weaknesses of this State;

14 (4) The manner in which this State can leverage its
15 competitive advantages and address its competitive weaknesses;

16 (5) *The manner in which this State can maximize the*
17 *efficient use of the water resources of this State through the*
18 *programs of economic development in this State;*

19 ~~[(5)]~~ (6) A strategy to encourage the creation and expansion
20 of businesses in this State and the relocation of businesses to this
21 State; and

22 ~~[(6)]~~ (7) Potential partners for the implementation of the
23 strategy, including, without limitation, the Federal Government,
24 local governments, local and regional organizations for economic
25 development, chambers of commerce, and private businesses,
26 investors and nonprofit entities; and

27 (b) Must not include provisions for the granting of any
28 abatement, partial abatement or exemption from taxes or any other
29 incentive for economic development to a person who will locate or
30 expand a business in this State that is subject to the tax imposed
31 pursuant to NRS 362.130 or the gaming license fees imposed by the
32 provisions of NRS 463.370.

33 3. Shall develop criteria for the designation of regional
34 development authorities pursuant to subsection 4.

35 4. Shall designate as many regional development authorities
36 for each region of this State as the Executive Director determines to
37 be appropriate to implement the State Plan for Economic
38 Development. In designating regional development authorities, the
39 Executive Director must consult with local governmental entities
40 affected by the designation. The Executive Director may, if he or
41 she determines that such action would aid in the implementation of
42 the State Plan for Economic Development, remove the designation



1 of any regional development authority previously designated
2 pursuant to this section and declare void any contract between the
3 Office and that regional development authority.

4 5. Shall establish procedures for entering into contracts with
5 regional development authorities to provide services to aid, promote
6 and encourage the economic development of this State.

7 6. May apply for and accept any gift, donation, bequest, grant
8 or other source of money to carry out the provisions of NRS
9 231.020 to 231.139, inclusive, and 231.1555 to 231.1597, inclusive.

10 7. May adopt such regulations as may be necessary to carry out
11 the provisions of NRS 231.020 to 231.139, inclusive, and 231.1555
12 to 231.1597, inclusive.

13 8. In a manner consistent with the laws of this State, may
14 reorganize the programs of economic development in this State to
15 further the State Plan for Economic Development. If, in the opinion
16 of the Executive Director, changes to the laws of this State are
17 necessary to implement the economic development strategy for this
18 State, the Executive Director must recommend the changes to the
19 Governor and the Legislature.

20 **Sec. 2.** NRS 231.054 is hereby amended to read as follows:

21 231.054 Each regional development authority shall present a
22 plan to the Executive Director ~~[regarding]~~ *that includes, without*
23 *limitation*, the development and enhancement of a recruiting and
24 marketing effort to attract professionals and businesses to the region
25 of this State served by the regional development authority ~~[]~~ *and*
26 *strategies to encourage the conservation of the water resources of*
27 *this State through such effort.* The Executive Director shall
28 consider any plan presented pursuant to this section in carrying out
29 the provisions of NRS 231.053.

30 **Sec. 3.** 1. The Office of Energy shall conduct a study during
31 the 2023-2024 interim relating to consumptive water use and
32 economic development of businesses receiving certain abatements
33 pursuant to NRS 360.750.

34 2. The study must include, without limitation, a review of:

35 (a) The amount of consumptive water use per primary job
36 created under NRS 360.750 organized by the economic sector in
37 which the business related to the job operates;

38 (b) Any consumptive water analysis conducted by businesses for
39 measurement of consumptive water use over the duration for which
40 the abatement or partial abatement of certain property taxes is
41 granted;

42 (c) Financial incentives that encourage companies to manage
43 water efficiently; and



1 (d) Programs that are mutually beneficial for new businesses
2 and the State that reduce water risks and operating costs related to
3 economic development.

4 3. In conducting the study, the Office shall consult with and
5 solicit input from persons and organizations with relevant expertise,
6 including, without limitation:

7 (a) Institutions of higher education;

8 (b) Nonprofit organizations;

9 (c) Private industry and chambers of commerce;

10 (d) Regional development authorities; and

11 (e) Water authorities.

12 4. In carrying out its duties pursuant to this section, the Office
13 may enter into contracts necessary to complete the study conducted
14 pursuant to subsection 1.

15 5. On or before September 1, 2024, the Office shall submit a
16 report of the results of the study conducted pursuant to subsection 1
17 and any recommendations for legislation to the Governor and the
18 Director of the Legislative Counsel Bureau for transmittal to the
19 83rd Session of the Nevada Legislature.

20 **Sec. 4.** This act becomes effective on July 1, 2023.

