

Amendment No. 481

Assembly Amendment to Assembly Bill No. 41	(BDR 18-213)
Proposed by: Assembly Committee on Revenue	
Amends: Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: No	

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

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



ASSEMBLY BILL NO. 41—COMMITTEE ON REVENUE

(ON BEHALF OF THE OFFICE OF ECONOMIC DEVELOPMENT
IN THE OFFICE OF THE GOVERNOR)

PREFILED NOVEMBER 16, 2022

Referred to Committee on Revenue

SUMMARY—Establishes the Nevada Innovation Account. (BDR 18-213)

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

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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 economic development; establishing the Nevada Innovation Account; requiring the Executive Director of the Office of Economic Development within the Office of the Governor to establish certain programs to be funded from the Account; establishing certain duties of the Executive Director regarding such programs; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law establishes the Office of Economic Development within the Office of the
2 Governor, the administration and technical activities of which are directed and supervised by
3 an Executive Director. (NRS 231.043, 231.047) Existing law authorizes the Executive
4 Director to cause the formation of a nonprofit entity for certain economic development
5 purposes, upon approval by the Board of Economic Development. (NRS 231.0545) **Section 3**
6 of this bill creates the Nevada Innovation Account in the State General Fund and requires the
7 Executive Director to administer the Account. **Section 5** of this bill requires the Executive
8 Director to establish certain programs to be funded from the Account and to establish
9 procedures for applying for an allocation of money from the Account pursuant to such
10 programs. **Section 4** of this bill requires the Executive Director to enter into a contract with a
11 nonprofit corporation for economic development to operate such programs. **Section 5** requires
12 applications for an allocation from the Account to be made to the nonprofit corporation and
13 authorizes the nonprofit corporation to approve such applications if the nonprofit corporation
14 makes certain findings. **Section 5** authorizes the Executive Director to make an allocation
15 from the Account to an applicant whose application is approved by the nonprofit corporation.
16 **Section 6** of this bill sets forth various duties of the Executive Director regarding the
17 programs established pursuant to **section 5**. **Section 7** of this bill makes a conforming change
18 to exclude an allocation of money from the Account from the definition of “development
19 resource.”

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

1 **Section 1.** Chapter 231 of NRS is hereby amended by adding thereto the
2 provisions set forth as sections 2 to 6, inclusive, of this act.

3 **Sec. 2.** *As used in sections 2 to 6, inclusive, of this act, unless the context*
4 *otherwise requires:*

5 1. *“Accelerator” means a full-time, immersive program which is*
6 *administered by a private entity or ~~research university~~ the Nevada System of*
7 *Higher Education to potentially invest in, mentor and accelerate the commercial*
8 *development of start-up businesses.*

9 2. *“Incubator” means a facility designed to assist entrepreneurs and*
10 *support the growth of start-up businesses by providing assistance which may*
11 *include, without limitation, shared business services, equipment, space and*
12 *access to on-site business consultants.*

13 3. *“Nonprofit corporation for economic development” means the nonprofit*
14 *corporation formed by the Executive Director pursuant to NRS 231.0545 with*
15 *which the Executive Director has entered into a contract pursuant to section 4 of*
16 *this act.*

17 4. *“Private entity” means a privately owned corporation, limited-liability*
18 *company, partnership, sole proprietorship or other business entity or association*
19 *including, without limitation, a nonprofit corporation.*

20 5. ~~*“Research universities” means the University of Nevada, Las Vegas, and*~~
21 ~~*the University of Nevada, Reno.*~~

22 ~~6.~~ *“Small Business Innovation Research Program” means the Small*
23 *Business Innovation Research Program enacted pursuant to the Small Business*
24 *Innovation Development Act of 1982, 15 U.S.C. § 638, as amended.*

25 ~~7.~~ *6. “Small Business Technology Transfer Program” means the Small*
26 *Business Technology Transfer Program enacted pursuant to the Small Business*
27 *Technology Transfer Act of 1992, 15 U.S.C. § 638, as amended.*

28 ~~8.~~ *7. “Technology readiness level” means the level of maturity of a*
29 *technology as determined using the method for assessing such maturity that is*
30 *used by the Federal Government and is determined by the nonprofit corporation*
31 *for economic development to be most appropriate for assessing the maturity of*
32 *the technology.*

33 **Sec. 3.** 1. *The Nevada Innovation Account is hereby created in the State*
34 *General Fund.*

35 2. *The interest and income earned on:*

36 (a) *Money in the Account, after deducting any applicable charges; and*

37 (b) *Unexpended appropriations made to the Account from the State General*
38 *Fund,*

39 *↪ must be credited to the Account.*

40 3. *Any money in the Account and any unexpended appropriations made to*
41 *the Account from the State General Fund remaining at the end of a fiscal year do*
42 *not revert to the State General Fund, and the balance in the Account must be*
43 *carried forward to the next fiscal year.*

44 4. *The Executive Director may apply for and accept any gift, grant,*
45 *donation, bequest, federal allocation or other source of money for deposit into the*
46 *Account. The Executive Director and the nonprofit corporation for economic*
47 *development may enter into any agreement necessary to claim federal funds for*
48 *deposit in the Account.*

1 5. *The Executive Director shall administer the Account in a manner that is*
2 *consistent with the State Plan for Economic Development developed by the*
3 *Executive Director pursuant to subsection 2 of NRS 231.053.*

4 **Sec. 4.** *The Executive Director shall enter into a contract with a nonprofit*
5 *corporation formed pursuant to NRS 231.0545 for the operation of the programs*
6 *established pursuant to section 5 of this act and to carry out the duties assigned to*
7 *the nonprofit corporation for economic development pursuant to sections 2 to 6,*
8 *inclusive, of this act.*

9 **Sec. 5. 1.** *The Executive Director shall, to the extent that money in the*
10 *Nevada Innovation Account is available for this purpose, establish:*

11 (a) *One or more competitive grant programs that:*

12 (1) *Are designed to:*

13 (I) *Address market gaps in the development of technology in this*
14 *State; and*

15 (II) *Support research, development and innovation of promising*
16 *technologies with strong market potential and that have a technology readiness*
17 *level of at least 3 and not more than 5.*

18 (2) *Offer grants, on a competitive basis, to:*

19 (I) *Private entities that had not more than \$2,000,000 in combined*
20 *financing, grant funding and revenues within the 3 years immediately preceding*
21 *the date of the grant application and employ not more than ten full-time*
22 *equivalent employees; or*

23 (II) *Partnerships between the ~~research universities or the Desert~~*
24 *Research Institute Nevada System of Higher Education and private entities that*
25 *had not more than \$2,000,000 in combined financing, grant funding and*
26 *revenues within the 3 years immediately preceding the date of the grant*
27 *application and employ not more than ten full-time equivalent employees.*

28 (3) *Do not overlap with or duplicate other state funded programs.*

29 (b) *A program that provides matching funds to businesses that have received*
30 *an award under the Small Business Innovation Research Program or the Small*
31 *Business Technology Transfer Program.*

32 (c) *A program to promote and encourage the establishment, maintenance*
33 *and operation of incubators and accelerators in this State by providing grants or*
34 *other financial assistance to companies, nonprofit entities, economic development*
35 *agencies, educational institutions, governmental agencies or other entities for*
36 *programs that promote an entrepreneurial business environment or train or*
37 *educate entrepreneurs.*

38 (d) *A program, in cooperation with entrepreneurial support organizations*
39 *operating in this State and the Nevada System of Higher Education, to provide*
40 *internship opportunities on a competitive basis, at Nevada companies in targeted*
41 *technology areas to university and college students who are studying relevant*
42 *fields including, without limitation, computer science, business, engineering or*
43 *science.*

44 2. *After considering any advice and recommendations of the Board and the*
45 *nonprofit corporation for economic development, the Executive Director shall*
46 *establish procedures for applying for an allocation of money from the Account*
47 *pursuant to the programs established pursuant to subsection 1. The procedures*
48 *must include, without limitation, a requirement that applications for allocations*
49 *of money from the Account must set forth:*

50 (a) *The proposed use of the money;*

51 (b) *The plans, projects and programs for which the money will be used;*

52 (c) *The expected benefits of the money; and*

1 (d) A statement of the short-term and long-term impacts of the use of the
2 money.

3 3. An application for an allocation from the Account must be made to the
4 nonprofit corporation for economic development. Upon receipt of an application
5 for an allocation from the Account, the nonprofit corporation for economic
6 development shall review the application and determine whether the approval of
7 the application would promote the economic development of this State and aid in
8 the implementation of the State Plan for Economic Development developed by the
9 Executive Director pursuant to subsection 2 of NRS 231.053. The nonprofit
10 corporation for economic development may approve the application if the
11 nonprofit corporation for economic development determines that:

12 (a) Approving the application will promote the economic development of this
13 State and aid in the implementation of the State Plan for Economic Development;
14 and

15 (b) The applicant has satisfied any other requirements of the program under
16 which the application was made.

17 4. The Executive Director may make an allocation of money from the
18 Account to an applicant whose application is approved by the nonprofit
19 corporation for economic development pursuant to subsection 3.

20 **Sec. 6. The Executive Director shall:**

21 1. For each program established pursuant to subsection 1 of section 5 of
22 this act, establish economic development goals which are consistent with the State
23 Plan for Economic Development developed by the Executive Director pursuant to
24 subsection 2 of NRS 231.053.

25 2. Verify that the programs established pursuant to subsection 1 of section 5
26 of this act are meeting the economic development goals established pursuant to
27 subsection 1.

28 3. Monitor the nonprofit corporation for economic development to ensure
29 that allocations from the Nevada Innovation Account are being made in
30 accordance with legislative intent and to maximize the benefit and return to this
31 State.

32 4. Develop methods and incentives to encourage investment in and
33 contributions to the programs established pursuant to subsection 1 of section 5 of
34 this act from the private sector and the Federal Government.

35 5. Establish requirements for periodic reports to be submitted by each
36 recipient of an allocation from the Account to the Executive Director and the
37 nonprofit corporation for economic development concerning the use of
38 allocations from the Account. The requirements must include, without limitation,
39 a requirement that each recipient of an allocation provide a report that includes:

40 (a) A description of each activity undertaken with money from the allocation
41 and the amount of money used for each such activity; and

42 (b) Such documentation as the Executive Director and the nonprofit
43 corporation for economic development deem appropriate to support the
44 information provided in the report.

45 6. On or before November 1, 2024, and on or before November 1 of every
46 year thereafter, submit a report to the Governor and to the Director of the
47 Legislative Counsel Bureau for transmittal to the Interim Finance Committee, if
48 the report is received during an odd-numbered year, or to the next session of the
49 Legislature, if the report is received during an even-numbered year. The report
50 must include, without limitation:

51 (a) The dollar amount of allocations awarded from the Account;

52 (b) The number of applications received for an allocation from the Account;

53 (c) The number of applicants awarded an allocation from the Account;

1 *(d) The amount of all grants, gifts, allocations and donations made to the*
2 *Account from public and private sources;*

3 *(e) The number of businesses which have been created or expanded in this*
4 *State, or relocated to this State, because of the programs established pursuant to*
5 *subsection 1 of section 5 of this act;*

6 *(f) The number of jobs created or saved as a result of the programs*
7 *established pursuant to subsection 1 of section 5 of this act; and*

8 *(g) The number of university and college students placed as interns as a*
9 *result of the programs established pursuant to subsection 1 of section 5 of this*
10 *act.*

11 **Sec. 7.** NRS 231.005 is hereby amended to read as follows:

12 231.005 1. “Development resource” means any funding or other resource
13 for economic development, including, without limitation, a structured lease of real
14 property.

15 2. The term does not include any:

16 (a) Funding for administrative or operating purposes;

17 (b) Grant or loan of money from the Catalyst Account created by NRS
18 231.1573;

19 (c) Issuance of a certificate of eligibility for transferable tax credits or a
20 certificate of transferable tax credits pursuant to NRS 231.1555; ~~for~~

21 (d) Allocation of money from the Knowledge Account created by NRS
22 231.1592 ~~for~~; *or*

23 *(e) Allocation of money from the Nevada Innovation Account created by*
24 *section 3 of this act.*

25 **Sec. 8.** The provisions of subsection 1 of NRS 218D.380 do not apply to any
26 provision of this act which adds or revises a requirement to submit a report to the
27 Legislature.

28 **Sec. 9.** This act becomes effective on July 1, 2023.