

23 2. The corporation for public benefit created pursuant to
24 subsection 1 must have a board of directors consisting of:
25 (a) Five members from the private sector who have at least 10
26 years of experience in the field of investment, finance or banking
27 and who are appointed for a term of 4 years as follows:
28 (1) One member appointed by the Governor;
29 (2) One member appointed by the Senate Majority Leader;
30 (3) One member appointed by the Speaker of the Assembly;
31 (4) One member appointed by the Senate Minority Leader;
32 and
33 (5) One member appointed by the Assembly Minority
34 Leader;
35 (b) The Chancellor of the Nevada System of Higher Education
36 or his or her designee;
37 (c) The State Treasurer; and
38 (d) With the approval a majority of the members of the board
39 of directors described in subparagraphs (1), (2) and (3), up to 5
40 additional members who are direct investors in the corporation for
41 public benefit.
42 3. Vacancies in the appointed positions on the board of
43 directors of the corporation for public benefit created pursuant to
44 subsection 1 must be filled by the appointing authority for the
45 unexpired term.

1 4. The State Treasurer shall serve as chair of the board of
2 directors of the corporation for public benefit created pursuant to
3 subsection 1.

4 5. The members of the board of directors of the corporation
5 for public benefit must serve without compensation but are
6 entitled to be reimbursed for actual and necessary expenses
7 incurred in the performance of their duties, including, without
8 limitation, travel expenses.

9 6. A member of the board of directors of the corporation for
10 public benefit created pursuant to subsection 1 must not have an
11 equity interest in any:

12 (a) External asset manager or venture capital or private equity
13 investment firm contracting with the board pursuant to section 5.7
14 of this act; or

15 (b) Business which receives private equity funding pursuant to
16 sections 2 to 7, inclusive, of this act.

17 7. The board of directors of the corporation for public benefit
18 created pursuant to subsection 1 shall:

19 (a) Comply with the provisions of chapter 281A of NRS.

20 (b) Meet at least quarterly and conduct any meetings of the
21 board of directors in accordance with chapter 241 of NRS.

22 (c) Review the performance of all external asset managers and
23 venture capital and private equity investment firms contracting
24 with the corporation for public benefit pursuant to section 5.7 of
25 this act.

26 (d) On or before December 1 of each year, provide an annual
27 report to the Governor and the Director of the Legislative Counsel
28 Bureau for transmission to the next session of the Legislature, if
29 the report is submitted in an even-numbered year or to the
30 Legislative Commission, if the report is submitted in an odd-
31 numbered year. The report must include, without limitation:

32 (1) An accounting of all money received and expended by
33 the corporation for public benefit, including, without limitation,
34 any matching grant funds, gifts or donations; and

35 (2) *The name and a brief description of all businesses*
36 *receiving an investment of money pursuant to the provisions of*
37 *sections 2 to 7, inclusive, of this act.*

38 Sec. 5.7. 1. *The corporation for public benefit may place*
39 *investments through the use or assistance of:*

40 (a) *External asset managers; or*

41 (b) *Private equity investment firms.*

42 2. *Money received pursuant to section 6 of this act by the*
43 *corporation for public benefit may be used to make venture capital*
44 *investments.*

1 3. *May adopt regulations which include, without limitation,*
2 *criteria for determining eligibility for and use of private equity*
3 *funding, but the Commission must have sole authority for the*
4 *approval of applications for and the management of private equity*
5 *funding provided pursuant to sections 2 to 7, inclusive, of this act.*

6 4. *May, by regulation, establish a Business Leadership*
7 *Council. The members of the Business Leadership Council must*
8 *serve without compensation and are subject to the provisions of*
9 *chapter 281A of NRS.*

10 5. *Shall provide the corporation for public benefit with such*
11 *assistance as is necessary to carry out the provisions of sections 2*
12 *to 7, inclusive, of this act and comply with the regulations adopted*
13 *pursuant to this section.*

14 6. *Shall ensure that businesses receiving venture capital*
15 *investments pursuant to sections 2 to 7, inclusive, of this act have*
16 *a presence in this State as evidenced by:*

17 (a) *Being domiciled in this State;*

18 (b) *Having a headquarters in this State;*

19 (c) *Having a significant percentage of employees residing in*
20 *this State; or*

21 (d) *Being in the process of expanding in this State or*
22 *relocating to this State.*

1 Sec. 6. *If the State Treasurer obtains the judicial*
2 *determination required by subsection 3 of NRS 355.060, the State*
3 *Treasurer may transfer an amount not to exceed \$50 million from*
4 *the State Permanent School Fund to the corporation for public*
5 *benefit. Such a transfer must be made pursuant to an agreement*
6 *that requires the corporation for public benefit to:*

7 1. *Provide, through the limited partnerships or limited-*
8 *liability companies described in subsection 1 of section 5.3 of this*
9 *act, private equity funding; and*

10 2. *Ensure that at least 70 percent of all private equity funding*
11 *provided by the corporation for public benefit is provided to*
12 *businesses:*

13 (a) *Located in this State or seeking to locate in this State; and*

14 (b) *Engaged primarily in one or more of the following*
15 *industries:*

16 (1) *Health care and life sciences.*

17 (2) *Cyber security.*

18 (3) *Homeland security and defense.*

19 (4) *Alternative energy.*

20 (5) *Advanced materials and manufacturing.*

21 (6) *Information technology.*

22 (7) *Any other industry that the board of directors of the*
23 *corporation for public benefit determines will likely meet the*
24 *targets for investment returns established by the corporation for*
25 *public benefit for investments authorized by sections 2 to 7,*
26 *inclusive, of this act and comply with sound fiduciary principles.*

27 Sec. 7. *The State Treasurer:*

28 1. *May adopt such regulations as he or she deems necessary*
29 *to carry out the provisions of sections 2 to 7, inclusive, of this act.*

30 2. *Shall adopt regulations:*

31 (a) *Requiring the performance of audits and the submission of*
32 *reports to ensure compliance with the provisions of sections 2 to 7,*
33 *inclusive, of this act and the regulations adopted pursuant to this*
34 *section;*

35 (b) *Providing for appropriate leveraging of investments to*
36 *ensure that investments consist of money transferred from the*
37 *State Permanent School Fund pursuant to section 6 of this act and*
38 *money from private sources;*

39 (c) *Establishing a range or cap on servicing fees;*

40 (d) *Establishing limits on the amount or percentage of*
41 *investment in a single venture capital project or by a fund*
42 *manager; and*

43 (e) *Requiring the return of the corpus of investments after a*
44 *defined investment period.*