

ASSEMBLY BILL NO. 277—ASSEMBLYMEN ANDERSON, SEGERBLOM, EVANS, BACHE, CARPENTER, FREEMAN, KOIVISTO, CLABORN, MORTENSON, CHOWNING, PARKS, BUCKLEY, PERKINS, DE BRAGA, ARBERRY AND GIUNCHIGLIANI

FEBRUARY 18, 1999

Referred to Committee on Government Affairs

SUMMARY—Makes various changes related to development of underground electric facilities.
(BDR 58-969)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

~

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

AN ACT relating to utilities; authorizing a local governing body to establish a fund to finance underground electric facilities; authorizing the imposition of assessments to pay for such facilities; prohibiting a local governing body from requiring the construction of or conversion to such facilities under certain circumstances; and providing other matters properly relating thereto.

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

- 1 **Section 1.** Chapter 704A of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2 to 9, inclusive, of this act.
3 **Sec. 2.** *As used in sections 2 to 9, inclusive, of this act, unless the*
4 *context otherwise requires, the words and terms defined in sections 3, 4*
5 *and 5 of this act have the meanings ascribed to them in those sections.*
6 **Sec. 3.** *“Electric facility” means any facility used or intended to be*
7 *used for the transmission of electric energy at nominal voltages in excess*
8 *of 25,000 volts.*
9 **Sec. 4.** *“Fund” means a fund established by a governing body*
10 *pursuant to section 6 of this act to finance the construction of new*
11 *underground electric facilities or the conversion of existing overhead*
12 *electric facilities to underground electric facilities.*

1 **Sec. 5.** *“Public utility” means any person, including a corporation,*
2 *that is subject to the jurisdiction of the public utilities commission of*
3 *Nevada and that provides electric service to the public by means of*
4 *electric facilities.*

5 **Sec. 6.** 1. *A governing body may, by resolution, establish a fund to*
6 *finance the construction of new underground electric facilities or the*
7 *conversion of existing overhead electric facilities to underground electric*
8 *facilities.*

9 2. *Upon the establishment of such a fund, the governing body shall,*
10 *by resolution, determine the amount to be assessed to finance the*
11 *construction of new underground electric facilities or the conversion of*
12 *existing overhead electric facilities. The assessment may include, without*
13 *limitation:*

14 (a) *A surcharge to be included on the electric bill of each customer of*
15 *the public utility located within the jurisdiction of the governing body.*
16 *The surcharge must be a percentage of the gross bill of the customer and*
17 *may be adjusted based on the type of customer, including industrial,*
18 *commercial, residential or any other special category of customer, as*
19 *agreed upon by the governing body and the public utility.*
20 *Notwithstanding any specific statute to the contrary, the amount of the*
21 *surcharge must not be included as revenue of the public utility in*
22 *determining the amount of any fee payable by the public utility to the*
23 *governing body.*

24 (b) *A fee to be included on the tax bill for all real property that is*
25 *located within the jurisdiction of the governing body.*

26 3. *The resolution must specify the amount of the assessment and the*
27 *manner in which it will be assessed.*

28 4. *Not later than 180 days after the date on which a governing body*
29 *establishes a fund pursuant to this section, the governing body may*
30 *request the public utility providing electric service to customers located in*
31 *the jurisdiction of the governing body to contribute to the fund an*
32 *amount not to exceed 1 percent of the net revenues of the public utility*
33 *collected from such customers during the fiscal year immediately*
34 *preceding the date of the request. A public utility is not required to make*
35 *any contribution pursuant to such a request.*

36 **Sec. 7.** 1. *All money derived from an assessment or contribution*
37 *made pursuant to section 6 of this act must be deposited in the fund. The*
38 *money in the fund must be used only to finance the construction of new*
39 *underground electric facilities or the conversion of existing overhead*
40 *electric facilities. The governing body shall determine:*

41 (a) *Whether a project that proposes the construction of new*
42 *underground electric facilities or the conversion of existing overhead*
43 *electric facilities qualifies for financing from the fund; and*

1 **(b) Whether to use the money in the fund to pay for the proposed**
2 **construction or conversion.**

3 **2. Except as otherwise provided in section 9 of this act, any money**
4 **remaining in the fund at the end of a fiscal year does not revert to the**
5 **general fund of the governing body and must not be transferred to any**
6 **other fund or account of the governing body.**

7 **Sec. 8. A governing body shall not require a public utility to**
8 **construct new underground electric facilities or convert existing**
9 **overhead electric facilities, unless the governing body has established a**
10 **fund pursuant to section 6 of this act and:**

11 **1. The amount in the fund is adequate to finance the entire project**
12 **for the construction or conversion of the electric facilities; or**

13 **2. If the amount in the fund is insufficient to finance the entire**
14 **project for the construction or conversion of the electric facilities:**

15 **(a) The governing body has arranged for the financing of the**
16 **remaining amount needed to finance the entire project; and**

17 **(b) The public utility has agreed to accept the terms and conditions of**
18 **the financing.**

19 **Sec. 9. 1. The governing body may, by resolution, close a fund**
20 **established pursuant to section 6 of this act if:**

21 **(a) The construction of new underground electric facilities or the**
22 **conversion of existing overhead electric facilities has been completed and**
23 **there are no outstanding claims against the fund; or**

24 **(b) The governing body determines not to proceed with the project to**
25 **construct new underground electric facilities or convert existing**
26 **overhead electric facilities and the actual construction or conversion has**
27 **not yet begun.**

28 **2. Upon the closing of a fund, all unobligated money in the fund**
29 **reverts to the general fund of the governing body.**

30 **Sec. 10. NRS 704A.050 is hereby amended to read as follows:**

31 704A.050 "Electric and communication facilities" means any works or
32 improvements used or useful in providing electric or communication
33 service, including but not limited to poles, supports, tunnels, manholes,
34 vaults, conduits, pipes, wires, conductors, guys, stubs, platforms,
35 crossarms, braces, transformers, insulators, cutouts, switches, capacitors,
36 meters, communication circuits, appliances, attachments and
37 appurtenances, but:

38 1. "Communication facilities" does not include facilities used or
39 intended to be used for the transmission of intelligence by microwave or
40 radio, apparatus cabinets or outdoor public telephones.

- 1 2. ~~["Electric]~~ *Except as otherwise provided in sections 2 to 9,*
2 *inclusive, of this act, "electric* facilities" does not include any facilities
3 used or intended to be used for the transmission of electric energy at
4 nominal voltages in excess of 25,000 volts or having a circuit capacity in
5 excess of 12,000 kilovolt amperes.

~