

Assembly Bill No. 528—Assemblymen Neighbors and Dini

Joint Sponsor: Senator McGinness

CHAPTER.....

AN ACT relating to local economic benefit; authorizing the creation of nonprofit regional development corporations by local governments in the area adjacent to the Nevada Test Site; and providing other matters properly relating thereto.

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

Section 1. The legislature finds as facts that:

1. The reduction of federal activity at the Nevada Test Site has affected the surrounding region in a manner and to a degree different from the effects occurring elsewhere in the state, by eliminating employment and otherwise diminishing the financial stability and economic vitality of the communities in the region.

2. The affected communities, if they are to survive, must diversify their economies by attracting new enterprises and rehabilitating existing enterprises.

3. Existing general requirements pertaining to the management of public property make the cooperative use of public property and resources for that diversification and rehabilitation impractical.

4. Cooperative use of public and private resources has shown itself in other states to be effective in economic diversification and rehabilitation.

5. The Nevada Test Site Development Corporation has been organized as a Nevada corporation not for profit under section 3161 of the National Defense Authorization Act of 1993, Public Law 102-484, to facilitate economic development in the affected region.

6. A general law cannot be made applicable for the reasons explained in the preceding subsections to enable the full cooperative use of public and private resources to achieve the desired economic diversification and rehabilitation of this region.

Sec. 2. As used in this act, the words and terms defined in sections 3 to 6, inclusive, of this act have the meanings ascribed to them in those sections.

Sec. 3. “Affected community” means:

1. Esmeralda, Lincoln and Nye Counties and any city or unincorporated town therein; and

2. The town of Indian Springs in Clark County.

Sec. 4. “Eligible,” with respect to an economic development organization not for profit, means an association or corporation recognized and operating as:

1. A reuse organization pursuant to the provisions of section 3161 of the National Defense Authorization Act of 1993, Public Law 102-484;

2. An economic development district pursuant to the provisions of the Public Works and Economic Development Act of 1965, Public Law 89-136; or

3. A local redevelopment authority pursuant to the provisions of the Base Closure Community Redevelopment and Homeless Assistance Act of 1994, Public Law 103-421, and having sufficient financial resources, fiscal responsibility and powers to propose, plan, and carry out substantial projects of economic development.

Sec. 5. “Population” has the meaning ascribed to it in NRS 0.050.

Sec. 6. “Regional development corporation” means a corporation for public benefit organized in this state pursuant to this act and chapter 82 of NRS.

Sec. 7. 1. One or more affected communities, together with the Nevada Test Site Development Corporation or another eligible economic development organization not for profit, may form a regional development corporation to ensure the continuing economic and social viability and vitality of the affected community.

2. The governing body of each affected community that desires to participate in forming such a corporation must first enact an ordinance containing:

(a) Findings that:

(1) The economy of its territory needs revitalization, diversification or stabilization, or any combination of these;

(2) The corporation will assist in satisfying those needs, in accordance with a general plan for economic development then in force;

(3) The general welfare of its residents will be best served by organizing the corporation; and

(4) The governing body has reviewed the qualifications of the economic development organization not for profit with which it intends to organize the corporation, and has found that organization to be eligible.

(b) The organization and composition of the corporation and the powers to be delegated to it.

(c) The intended duration of the agreement under which the corporation will be formed.

(d) The proposed method of financing the undertaking and providing a budget for the corporation.

(e) The proposed method of acquiring, holding and disposing of real and personal property for the undertaking, and the method by which the affected community may furnish to or exchange with the corporation personnel, property or facilities.

(f) The authorized use of any gain from the operation of the corporation.

(g) The method for terminating the agreement and the corporation in whole or in part and for disposing of property and other assets upon termination.

Sec. 8. A regional development corporation must be formed in the manner provided in NRS 82.081 to 82.116, inclusive. Except to the extent superseded, enlarged or otherwise changed in application by this act, the provisions of chapter 82 of NRS apply to such a corporation.

Sec. 9. In addition to the matters required by chapter 82 of NRS, the articles of incorporation of a regional development corporation must contain:

1. In the name of the corporation, the words “a regional development corporation” or the initials “RDC”;
2. The name and post office box or street address of each affected community, and of the eligible economic development organization not for profit, which are the incorporators;
3. The names of the members of the board of directors;
4. The purposes for which the corporation is organized;
5. A statement that the corporation may, except as otherwise provided in subsection 2 of section 11 of this act, engage in any lawful activity reasonably related to its purposes, and any desired limitation upon that power; and
6. An authorization of or prohibition against reconveyance to a member of the corporation of real or personal property contributed by the member, and any desired restriction upon reconveyance.

Sec. 10. 1. The number of members of the board of directors of a regional development corporation must be an odd number, not more than 11, that is equal to the number of incorporating members or a multiple of the number of incorporating members plus one or two members elected pursuant to subsection 3.

2. The governing body of each affected community which joined in organizing the corporation shall appoint at least one member to the board of directors and may agree to appoint an equal number of additional members, not to exceed the sum of 11 when combined with the member or members elected pursuant to subsection 3.

3. The appointed members shall by a two-thirds vote elect one or two additional members.

Sec. 11. 1. Except as otherwise provided in subsection 2, the purposes for which a regional development corporation is organized must be to:

- (a) Assist, promote, encourage, develop and advance the economic welfare of the affected communities in accordance with their general plans for economic development;
- (b) Facilitate and assist in the location of new business in the affected communities, and to rehabilitate and revitalize existing business;
- (c) Stimulate and assist in the expansion of activity that will tend to promote the development and diversification of business resulting in the economic stability of the affected communities;
- (d) Provide new opportunities for employment in the affected communities; and

(e) Cooperate and act in conjunction with governmental agencies and public or private organizations whose objectives are the support and advancement of commercial, industrial, agricultural or recreational activity that would advance the economic welfare of the affected communities, promote economic diversification, and effectuate their plans for economic development.

2. A regional development corporation must not be organized for the purpose of engaging in any activity which promotes, facilitates or otherwise relates to the transportation, disposal or storage of high-level radioactive waste.

Sec. 12. 1. Each affected community and eligible economic development organization not for profit which joins in the organization of a regional development corporation is a member of the corporation.

2. After the formation of a regional development corporation, other affected communities, eligible economic development organizations not for profit, quasi-public agencies, including economic development authorities formed by interlocal agreement, corporations whether or not for profit, other business associations, or natural persons may request membership in, and if accepted become members of, the regional development corporation. A member so admitted may not appoint a member of the board of directors.

3. The articles of incorporation or bylaws of the regional development corporation must establish:

(a) Criteria or procedures for admission, but may not dispense with contribution of assets, personnel or services to the corporation; and

(b) The scope of participation for admitted members, which may vary according to the nature of the admitted member.

4. An admitted member may be expelled or suspended, or the membership terminated, in accordance with the provisions of NRS 82.251. If a member is admitted for a fixed term, the membership expires at the end of the term.

5. If the board of directors determines that the actions of an incorporator require its expulsion or the termination of its membership, the regional development corporation must be dissolved in the manner provided in NRS 82.491 to 82.521, inclusive, for involuntary dissolution.

Sec. 13. 1. An affected community that is an incorporator of a regional development corporation may furnish or exchange personnel, equipment, property or facilities to or with the corporation, and commit itself to the payment of money for the formation and operation of the corporation, to the extent provided in the ordinance adopted pursuant to section 7 of this act.

2. After the organization of a regional development corporation, an incorporator or admitted member may contribute by conveying any land, improvements, facilities and public works, or by providing personnel or professional services, to the corporation which its governing body deems necessary or desirable, without charge or competitive disposal. In dividing

the assets of a regional development corporation upon dissolution, each member must be credited for the value of all contributions.

3. Contributions of real property may be made on the condition that upon dissolution of the corporation, if the contributed real property is still held by the corporation, it will be reconveyed to the contributor, but such a condition is not effective if, because of subsequent development of the property or for any other reason, reconveyance would result in an unfair division of assets among the members.

4. Reconveyance of real property or return of personal property to a member is not a distribution of gain or profit to the member for the purposes of NRS 82.136.

Sec. 14. In a civil action brought against an officer, employee, director or agent of a regional development corporation based on an act or omission related to his duty or employment, the corporation shall provide or reimburse the costs of his defense and indemnify him if a judgment is rendered against him, unless:

1. He failed to cooperate in good faith in the defense of the action;
2. The act or omission was not within the scope of his duty to or employment with the corporation; or
3. The act or omission was wanton or malicious.

Sec. 15. A regional development corporation shall not engage in any activity which promotes, facilitates or otherwise relates to the transportation, disposal or storage of high-level radioactive waste.

Sec. 16. This act becomes effective upon passage and approval.

~