

ASSEMBLY BILL NO. 528—ASSEMBLYMEN NEIGHBORS AND DINI

MARCH 15, 1999

JOINT SPONSOR: SENATOR MCGINNESS

Referred to Committee on Government Affairs

SUMMARY—Authorizes creation of regional development corporations by local governments in area of Nevada Test Site. (BDR S-979)

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

- 1 **Section 1.** The legislature finds as facts that:
2 1. The reduction of federal activity at the Nevada Test Site has affected
3 the surrounding region in a manner and to a degree different from the
4 effects occurring elsewhere in the state, by eliminating employment and
5 otherwise diminishing the financial stability and economic vitality of the
6 communities in the region.
7 2. The affected communities, if they are to survive, must diversify their
8 economies by attracting new enterprises and rehabilitating existing
9 enterprises.
10 3. Existing general requirements pertaining to the management of
11 public property make the cooperative use of public property and resources
12 for that diversification and rehabilitation impractical.
13 4. Cooperative use of public and private resources has shown itself in
14 other states to be effective in economic diversification and rehabilitation.

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

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

9 **Sec. 2.** As used in this act, the words and terms defined in sections 3 to
10 6, inclusive, of this act have the meanings ascribed to them in those
11 sections.

12 **Sec. 3.** “Affected community” means

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

15 2. The town of Indian Springs in Clark County.

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

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

21 2. An economic development district pursuant to the provisions of the
22 Public Works and Economic Development Act of 1965, Public Law 89-
23 136; or

24 3. A local redevelopment authority pursuant to the provisions of the
25 Base Closure Community Redevelopment and Homeless Assistance Act of
26 1994, Public Law 103-421,
27 and having sufficient financial resources, fiscal responsibility and powers to
28 propose, plan, and carry out substantial projects of economic development.

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

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

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

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

41 (a) Findings that:

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

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

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

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

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

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

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

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

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

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

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

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

29 1. In the name of the corporation, the words "a regional development
30 corporation" or the initials "RDC";

31 2. The name and post office box or street address of each affected
32 community, and of the eligible economic development organization not for
33 profit, which are the incorporators;

34 3. The names of the members of the board of directors;

35 4. The purposes for which the corporation is organized;

36 5. A statement that the corporation may, except as otherwise provided
37 in subsection 2 of section 11 of this act, engage in any lawful activity
38 reasonably related to its purposes, and any desired limitation upon that
39 power; and

40 6. An authorization of or prohibition against reconveyance to a
41 member of the corporation of real or personal property contributed by the
42 member, and any desired restriction upon reconveyance.

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

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

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

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

16 (a) Assist, promote, encourage, develop and advance the economic
17 welfare of the affected communities in accordance with their general plans
18 for economic development;

19 (b) Facilitate and assist in the location of new business in the affected
20 communities, and to rehabilitate and revitalize existing business;

21 (c) Stimulate and assist in the expansion of activity that will tend to
22 promote the development and diversification of business resulting in the
23 economic stability of the affected communities;

24 (d) Provide new opportunities for employment in the affected
25 communities; and

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

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

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

39 2. After the formation of a regional development corporation, other
40 affected communities, eligible economic development organizations not for
41 profit, quasi-public agencies, including economic development authorities
42 formed by interlocal agreement, corporations whether or not for profit,
43 other business associations, or natural persons may request membership in,

1 and if accepted become members of, the regional development corporation.
2 A member so admitted may not appoint a member of the board of directors.

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

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

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

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

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

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

23 2. After the organization of a regional development corporation, an
24 incorporator or admitted member may contribute by conveying any land,
25 improvements, facilities and public works, or by providing personnel or
26 professional services, to the corporation which its governing body deems
27 necessary or desirable, without charge or competitive disposal. In dividing
28 the assets of a regional development corporation upon dissolution, each
29 member must be credited for the value of all contributions.

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

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

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

1 1. He failed to cooperate in good faith in the defense of the action;

2 2. The act or omission was not within the scope of his duty to or
3 employment with the corporation; or

4 3. The act or omission was wanton or malicious.

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

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

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