

SENATE BILL NO. 194—SENATORS RAWSON, AMODEI, JAMES, MCGINNESS,
O'DONNELL, PORTER AND TITUS

FEBRUARY 16, 1999

JOINT SPONSORS: ASSEMBLYMEN CEGAVSKE, GOLDWATER,
MANENDO AND TIFFANY

Referred to Committee on Government Affairs

SUMMARY—Authorizes local government to establish disaster relief fund. (BDR 31-83)

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 financial administration; authorizing a local government to establish a disaster relief fund to pay for expenses incurred because of a disaster; authorizing money received from certain property taxes to be deposited in the fund; 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.** NRS 353.2755 is hereby amended to read as follows:
2 353.2755 1. A state agency or local government may submit a
3 request to the state board of examiners for a grant or loan from the fund as
4 provided in NRS 353.2705 to 353.2771, inclusive, if:
5 (a) The agency or local government finds that, because of a disaster, it is
6 unable to pay for an expense or grant match specified in NRS 353.274,
7 353.2745 or 353.2751 from money appropriated or otherwise available to
8 the agency or local government; and
9 (b) The request has been approved by the chief administrative officer of
10 the state agency or the governing body of the local government.
11 2. A request for a grant or loan submitted pursuant to subsection 1
12 must include:
13 (a) A statement setting forth the amount of money requested by the state
14 agency or local government;

1 (b) An assessment of the need of the state agency or local government
2 for the money requested; ~~and~~

3 (c) ***If the request is submitted by a local government that has***
4 ***established a disaster relief fund pursuant to section 2 of this act, a***
5 ***statement of the amount of money that is available in that fund, if any,***
6 ***for the payment of expenses incurred by the local government as a result***
7 ***of a disaster; and***

8 (d) A determination of the type, value and amount of resources the state
9 agency or local government may be required to provide as a condition for
10 the receipt of a grant or loan from the fund.

11 3. Upon the receipt of a request for a grant or loan submitted pursuant
12 to subsection 1, the state board of examiners:

13 (a) Shall consider the request; and

14 (b) May require any additional information that it determines is
15 necessary to make a recommendation.

16 4. If the state board of examiners finds that a grant or loan is
17 appropriate, it shall include in its recommendation to the interim finance
18 committee the proposed amount of the grant or loan. If the state board of
19 examiners recommends a loan for a local government, it shall include the
20 information required pursuant to subsection 1 of NRS 353.2765. If the state
21 board of examiners finds that a grant or loan is not appropriate, it shall
22 include in its recommendation the reason for its determination.

23 5. The provisions of this section do not prohibit a state agency or local
24 government from submitting more than one request for a grant or loan from
25 the fund.

26 **Sec. 2.** Chapter 354 of NRS is hereby amended by adding thereto a
27 new section to read as follows:

28 ***1. The governing body of a local government may, by resolution,***
29 ***establish a disaster relief fund. The balance in the fund must not exceed***
30 ***10 percent of the expenditures from the general fund for the previous***
31 ***fiscal year, excluding any federal funds expended by the local***
32 ***government.***

33 ***2. Any interest and income earned on the money in the fund must,***
34 ***after deducting any applicable charges, be credited to the fund.***

35 ***3. The money in the fund may not be expended until the governing***
36 ***body of the local government issues a formal declaration that a disaster***
37 ***exists. Upon the issuance of such a declaration, the money in the fund***
38 ***may be used for the payment of the following expenses incurred by the***
39 ***local government as a result of the disaster:***

40 (a) ***The repair or replacement of roads, streets, bridges, water control***
41 ***facilities, public buildings, public utilities, recreational facilities and***
42 ***parks owned by the local government and damaged by the disaster;***

1 **(b) Any emergency measures undertaken to save lives, protect public**
2 **health and safety or protect property within the jurisdiction of the local**
3 **government;**

4 **(c) The removal of debris from publicly or privately owned land and**
5 **waterways within the jurisdiction of the local government that was**
6 **undertaken because of the disaster;**

7 **(d) Expenses incurred by the local government for any overtime**
8 **worked by an employee of the local government because of the disaster**
9 **or any other extraordinary expenses incurred by the local government**
10 **because of the disaster;**

11 **(e) Expenses incurred by the local government for any projects to**
12 **reduce or prevent the possibility of damage to persons or property from**
13 **similar disasters in the future; and**

14 **(f) The payment of any grant match the local government must**
15 **provide to obtain a grant from a federal disaster assistance agency for an**
16 **eligible project to repair damage caused by the disaster within the**
17 **jurisdiction of the local government.**

18 **4. The money in the fund at the end of the fiscal year may not revert**
19 **to any other fund or be a surplus for any purpose other than the purposes**
20 **set forth in subsection 3.**

21 **5. The annual budget and audit report of the local government**
22 **prepared pursuant to NRS 354.624 must specifically identify the fund**
23 **and:**

24 **(a) Indicate in detail the manner in which money in the fund was**
25 **expended during the previous fiscal year;**

26 **(b) Specify the amount of money, if any, that will be deposited in the**
27 **fund for the next fiscal year; and**

28 **(c) Identify any planned accumulation of the money in the fund.**
29 **The audit report must include a statement by the auditor whether the**
30 **local government has complied with the provisions of this subsection.**

31 **6. As used in this section:**

32 **(a) “Disaster” means a fire, flood, earthquake, drought, explosion,**
33 **civil disturbance or any other occurrence or threatened occurrence that,**
34 **regardless of cause:**

35 **(1) Results in, or may result in, widespread or severe damage to**
36 **property or injury to or the death of persons within the jurisdiction of the**
37 **local government; and**

38 **(2) As determined by the governing body of the local government,**
39 **requires immediate action to protect the health, safety and welfare of**
40 **persons residing within the jurisdiction of the local government.**

41 **(b) “Eligible project” has the meaning ascribed to it in NRS 353.2715.**

42 **(c) “Grant match” has the meaning ascribed to it in NRS 353.2725.**

1 **Sec. 3.** NRS 354.470 is hereby amended to read as follows:

2 354.470 NRS 354.470 to 354.626, inclusive, **and section 2 of this act**,
3 may be cited as the Local Government Budget Act.

4 **Sec. 4.** NRS 354.474 is hereby amended to read as follows:

5 354.474 1. Except as otherwise provided in subsections 2 and 3, the
6 provisions of NRS 354.470 to 354.626, inclusive, **and section 2 of this act**,
7 apply to all local governments. For the purpose of NRS 354.470 to
8 354.626, inclusive ~~{-}~~, **and section 2 of this act**:

9 (a) "Local government" means every political subdivision or other entity
10 which has the right to levy or receive money from ad valorem or other taxes
11 or any mandatory assessments, and includes, without limitation, counties,
12 cities, towns, boards, school districts and other districts organized pursuant
13 to chapters 244A, 309, 318, 379, 474, 541, 543 and 555 of NRS, NRS
14 450.550 to 450.750, inclusive, and any agency or department of a county or
15 city which prepares a budget separate from that of the parent political
16 subdivision.

17 (b) "Local government" does not include the Nevada rural housing
18 authority.

19 2. An irrigation district organized pursuant to chapter 539 of NRS shall
20 fix rates and levy assessments as provided in NRS 539.667 to 539.683,
21 inclusive. The levy of such assessments and the posting and publication of
22 claims and annual financial statements as required by chapter 539 of NRS
23 shall be deemed compliance with the budgeting, filing and publication
24 requirements of NRS 354.470 to 354.626, inclusive, **and section 2 of this**
25 **act**, but any such irrigation district which levies an ad valorem tax shall
26 comply with the filing and publication requirements of NRS 354.470 to
27 354.626, inclusive, **and section 2 of this act**, in addition to the
28 requirements of chapter 539 of NRS.

29 3. An electric light and power district created pursuant to chapter 318
30 of NRS shall be deemed to have fulfilled the requirements of NRS 354.470
31 to 354.626, inclusive, **and section 2 of this act**, for a year in which the
32 district does not issue bonds or levy an assessment if the district files with
33 the department of taxation a copy of all documents relating to its budget for
34 that year which the district submitted to the Rural ~~Electrification~~
35 ~~Administration~~ **Utilities Service** of the United States Department of
36 Agriculture.

37 **Sec. 5.** NRS 354.476 is hereby amended to read as follows:

38 354.476 As used in NRS 354.470 to 354.626, inclusive, **and section 2**
39 **of this act**, unless the context otherwise requires, the words and terms
40 defined in NRS 354.478 to 354.580, inclusive, have the meanings ascribed
41 to them in those sections.

1 **Sec. 6.** NRS 354.6116 is hereby amended to read as follows:

2 354.6116 A local government, except a school district, that receives
3 revenue from taxes ad valorem from a lessee or user of property which is
4 taxable pursuant to NRS 361.157 or 361.159 shall deposit the revenue in or
5 transfer the revenue to one or more of the funds established by the local
6 government pursuant to NRS 354.611, 354.6113 or 354.6115 **or section 2**
7 **of this act**, and use that revenue only for the purposes authorized by those
8 sections if the revenue was received in:

9 1. A fiscal year after the fiscal year the taxes were owed; or

10 2. The fiscal year the taxes are owed and the taxes were excluded from
11 the estimate of revenue from taxes ad valorem for the local government
12 pursuant to NRS 354.597.

13 **Sec. 7.** NRS 354.6117 is hereby amended to read as follows:

14 354.6117 1. Except as otherwise provided in subsection 2, the total
15 amount of money which may be transferred in a fiscal year from the general
16 fund of a local government to the funds established pursuant to NRS
17 354.611, 354.6113 and 354.6115 **and section 2 of this act**, must not exceed
18 10 percent of the total amount of the budgeted expenditures of the general
19 fund, plus any money transferred from the general fund, other than the
20 money transferred to those funds, for that fiscal year.

21 2. Any money that a local government, pursuant to NRS 354.6116,
22 deposits in or transfers to one or more of the funds established by the local
23 government pursuant to NRS 354.611, 354.6113 or 354.6115 ~~[-]~~ **or section**
24 **2 of this act**:

25 (a) Is not subject to the limitation on the amount of money that a local
26 government may transfer to those funds pursuant to subsection 1.

27 (b) Must not be included in the determination of the total amount of
28 money transferred to those funds for the purposes of the limitation set forth
29 in subsection 1.

30 **Sec. 8.** NRS 361.0687 is hereby amended to read as follows:

31 361.0687 1. A person who intends to locate or expand a business in
32 this state may apply to the commission on economic development for a
33 partial abatement from the taxes imposed by this chapter on the personal
34 property of the new or expanded business.

35 2. The commission on economic development may approve an
36 application for a partial abatement if the commission makes the following
37 determinations:

38 (a) The goals of the business are consistent with the goals of the
39 commission and the community concerning industrial development and
40 diversification.

41 (b) The abatement is a significant factor in the decision of the applicant
42 to locate or expand a business in this state or the appropriate affected local

1 government determines that the abatement will be beneficial to the
2 economic development of the community.

3 (c) The average hourly wage which will be paid by the new or expanded
4 business to its employees in this state is at least 125 percent of the average
5 statewide industrial hourly wage as established by the employment security
6 division of the department of employment, training and rehabilitation on
7 July 1 of each fiscal year.

8 (d) The business will provide a health insurance plan for all employees
9 that includes an option for health insurance coverage for dependents of the
10 employees.

11 (e) The cost to the business for the benefits the business provides to its
12 employees in this state will meet the minimum requirements for benefits
13 established by the commission pursuant to subsection ~~{8.}~~ 9.

14 (f) A capital investment for personal property will be made to locate or
15 expand the business in Nevada which is at least:

16 (1) If the personal property directly related to the establishment of the
17 business in this state is primarily located in a county whose population:

18 (I) Is 100,000 or more, \$50,000,000.

19 (II) Is less than 100,000, \$20,000,000.

20 (2) If the personal property directly related to the expansion of the
21 business is primarily located in a county whose population:

22 (I) Is 100,000 or more, \$10,000,000.

23 (II) Is less than 100,000, \$4,000,000.

24 (g) The business will create at least the following number of new, full-
25 time and permanent jobs in the State of Nevada by the fourth quarter that it
26 is in operation:

27 (1) If a new business will be primarily located in a county whose
28 population:

29 (I) Is 100,000 or more, 100 jobs.

30 (II) Is less than 100,000, 35 jobs.

31 (2) If an expanded business will be primarily located in a county
32 whose population:

33 (I) Is 100,000 or more, and the business has at least 100 employees
34 in this state, 20 jobs. An expanded business primarily located in such a
35 county that has less than 100 employees is not eligible for a partial
36 abatement pursuant to this section.

37 (II) Is less than 100,000, and the business has at least 35 employees
38 in this state, 10 jobs. An expanded business primarily located in such a
39 county that has less than 35 employees is not eligible for a partial
40 abatement pursuant to this section.

41 (h) For the expansion of a business primarily located in a county whose
42 population:

1 (1) Is 100,000 or more, the book value of the assets of the business in
2 this state is at least \$20,000,000.

3 (2) Is less than 100,000, the book value of the assets of the business
4 in this state is at least \$5,000,000.

5 (i) The business is registered pursuant to the laws of this state or the
6 applicant commits to obtain a valid business license and all other permits
7 required by the county, city or town in which the business operates.

8 (j) The proposed abatement has been approved by the governing body of
9 the appropriate affected local government as determined pursuant to the
10 regulations adopted pursuant to subsection ~~{8.}~~ 9. In determining whether to
11 approve a proposed abatement, the governing body shall consider whether
12 the taxes to be paid by the business are sufficient to pay for any investment
13 required to be made by the local government for services associated with
14 the relocation or expansion of the business, including, without limitation,
15 costs related to the construction and maintenance of roads, sewer and water
16 services, fire and police protection, and the construction and maintenance
17 of schools.

18 (k) The applicant has executed an agreement with the commission which
19 states that the business will continue in operation in *the State of* Nevada for
20 10 or more years after the date on which a certificate of eligibility for the
21 abatement is issued pursuant to subsection 5 and will continue to meet the
22 eligibility requirements contained in this subsection. The agreement must
23 bind the successors in interest of the business for the required period.

24 3. An applicant shall, upon the request of the executive director of the
25 commission on economic development, furnish him with copies of all
26 records necessary to verify that the applicant meets the requirements of
27 subsection 2.

28 4. The percentage of the abatement must be 50 percent of the taxes
29 payable each year.

30 5. If an application for a partial abatement is approved, the commission
31 on economic development shall immediately forward a certificate of
32 eligibility for the abatement to:

33 (a) The department; and

34 (b) The county assessor of each county in which personal property
35 directly related to the establishment or expansion of the business will be
36 located.

37 6. Upon receipt by the department of the certificate of eligibility, the
38 taxpayer is eligible for an abatement from the tax imposed by this chapter
39 for 10 years:

40 (a) For the expansion of a business, on all personal property of the
41 business that is located in Nevada and directly related to the expansion of
42 the business in this state.

1 (b) For a new business, on all personal property of the business that is
2 located in Nevada and directly related to the establishment of the business
3 in this state.

4 7. If a business for which an abatement has been approved is not
5 maintained in this state in accordance with the agreement required in
6 subsection 2, for at least 10 years after the commission on economic
7 development approved the abatement, the person who applied for the
8 abatement shall repay to the county treasurer or treasurers who would have
9 received the taxes but for the abatement the total amount of all taxes that
10 were abated pursuant to this section. The person who applied for the
11 abatement shall pay interest on the amount due at the rate of 10 percent per
12 annum for each month, or portion thereof, from the last day of the month
13 following the period for which the payment would have been made if the
14 abatement had not been granted until the date of the actual payment of the
15 tax.

16 8. A county treasurer:

17 (a) Shall deposit any money that he receives pursuant to subsection 7 in
18 one or more of the funds established by a local government of the county
19 pursuant to NRS 354.611, 354.6113 or 354.6115 ~~[-]~~ **or section 2 of this**
20 **act;** and

21 (b) May use the money deposited pursuant to paragraph (a) only for the
22 purposes authorized by ~~[NRS 354.611, 354.6113 and 354.6115.]~~ **those**
23 **sections.**

24 9. The commission on economic development shall adopt regulations
25 necessary to carry out the provisions of this section. The regulations must
26 include, but not be limited to:

27 (a) A method for determining the appropriate affected local government
28 to approve a proposed abatement and the procedure for obtaining such
29 approval; and

30 (b) Minimum requirements for benefits that a business applying for a
31 partial abatement must offer to its employees to be approved for the partial
32 abatement.

33 10. The department shall adopt regulations concerning how county
34 assessors shall administer partial abatements approved pursuant to this
35 section.

36 11. An applicant for an abatement who is aggrieved by a final decision
37 of the commission on economic development may petition for judicial
38 review in the manner provided in chapter 233B of NRS.

39 **Sec. 9.** This act becomes effective on July 1, 1999.