

SENATE BILL NO. 110—COMMITTEE ON FINANCE

FEBRUARY 22, 2005

Referred to Committee on Government Affairs

SUMMARY—Makes various changes concerning Airport Authority of Washoe County. (BDR S-545)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: 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 airports; changing the name of the Airport Authority of Washoe County to the Reno-Tahoe Airport Authority; exempting certain contracts entered into by the Board of Trustees of the Authority from provisions requiring public bidding and certain other requirements under certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law creates the Airport Authority of Washoe County and confers various duties and powers upon the Airport Authority, including the power to levy and collect certain general taxes, borrow money and issue securities. (Chapter 474 of Statutes of Nevada 1977, as amended by Chapter 668 of Statutes of Nevada 1979)

This bill amends various sections of the Airport Authority Act for Washoe County to change the name of the Authority to the Reno-Tahoe Airport Authority.

This bill also exempts the Airport Authority from complying with provisions of law that require public bidding and other requirements generally imposed upon a public contract or project, acquisition, works or improvements in certain circumstances. This exemption applies only to a contract entered into by the Board of Trustees of the Airport Authority which is financed by issuing revenue bonds or by certain installment obligations. However, the provisions of law concerning wages and other employment matters, and certain laws concerning design professionals remain applicable to these contracts. The Board is required to adopt alternative bidding processes for those contracts which fall under the exemption.



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

Section 1. The Airport Authority Act for Washoe County, being chapter 474, Statutes of Nevada 1977, at page 968, is hereby amended by adding thereto a new section to be designated as section 9.5, immediately following section 9, to read as follows:

Sec. 9.5. 1. Except as otherwise determined by the Board or provided in subsection 2, the provisions of any law requiring public bidding or otherwise imposing requirements on any public contract, project, acquisition, works or improvements, including, without limitation, the provisions of chapters 332, 338 and 339 of NRS, do not apply to any contract entered into by the Board if the Board:

(a) Complies with the provisions of subsection 3; and

(b) Finances the contract, project, acquisition, works or improvement by means of:

(1) Revenue bonds issued by the Authority; or

(2) An installment obligation of the Authority in a transaction in which:

(I) The Authority acquires real or personal property and another person acquires or retains a security interest in that or other property; and

(II) The obligation by its terms is extinguished by failure of the Board to appropriate money for the ensuing fiscal year for payment of the amounts then due.

2. A contract entered into by the Board pursuant to this section must:

(a) Contain a provision stating that the requirements of NRS 338.010 to 338.090, inclusive, apply to any construction work performed pursuant to the contract; and

(b) If the contract is with a design professional who is not a member of a design-build team, comply with the provisions of NRS 338.155. As used in this paragraph, "design professional" has the meaning ascribed to it in subsection 7 of NRS 338.010.

3. For contracts entered into pursuant to this section that are exempt from the provisions of chapters 322, 338 and 339 of NRS pursuant to subsection 1, the Board shall adopt regulations pursuant to subsection 4 which establish:

(a) One or more competitive procurement processes for letting such a contract; and

(b) A method by which a bid on such a contract will be adjusted to give a 5 percent preference to a contractor who would qualify for a preference pursuant to NRS 338.147, if:



(1) *The estimated cost of the contract exceeds \$250,000; and*

(2) *Price is a factor in determining the successful bid on the contract.*

4. *The Board:*

(a) *Shall, before adopting, amending or repealing a permanent or temporary regulation pursuant to subsection 3, give at least 30 days' notice of its intended action. The notice must:*

(1) *Include:*

(I) *A statement of the need for and purpose of the proposed regulation.*

(II) *Either the terms or substance of the proposed regulation or a description of the subjects and issues involved.*

(III) *The estimated cost to the Board for enforcement of the proposed regulation.*

(IV) *The time when, the place where and the manner in which interested persons may present their views regarding the proposed regulation.*

(V) *A statement indicating whether the regulation establishes a new fee or increases an existing fee.*

(2) *State each address at which the text of the proposed regulation may be inspected and copied.*

(3) *Be mailed to all persons who have requested in writing that they be placed upon a mailing list, which must be kept by the Authority for that purpose.*

(b) *May adopt, if it has adopted a temporary regulation after notice and the opportunity for a hearing as provided in this subsection, after providing a second notice and the opportunity for a hearing, a permanent regulation.*

(c) *Shall, in addition to distributing the notice to each recipient of the Board's regulations, solicit comment generally from the public and from businesses to be affected by the proposed regulation.*

(d) *Shall, before conducting a workshop pursuant to paragraph (g), determine whether the proposed regulation is likely to impose a direct and significant economic burden upon a small business or directly restrict the formation, operation or expansion of a small business. If the Board determines that such an impact is likely to occur, the Board shall:*

(1) *Insofar as practicable, consult with owners and officers of small businesses that are likely to be affected by the proposed regulation.*



(2) Consider methods to reduce the impact of the proposed regulation on small businesses.

(3) Prepare a small business impact statement and make copies of the statement available to the public at the workshop conducted pursuant to paragraph (g) and the public hearing held pursuant to paragraph (h).

(e) Shall ensure that a small business impact statement prepared pursuant to subparagraph (3) of paragraph (d) sets forth the following information:

(1) A description of the manner in which comment was solicited from affected small businesses, a summary of their response and an explanation of the manner in which other interested persons may obtain a copy of the summary.

(2) The estimated economic effect of the proposed regulation on the small businesses which it is to regulate, including, without limitation:

(I) Both adverse and beneficial effects; and

(II) Both direct and indirect effects.

(3) A description of the methods that the Board considered to reduce the impact of the proposed regulation on small businesses and a statement regarding whether the Board actually used any of those methods.

(4) The estimated cost to the Board for enforcement of the proposed regulation.

(5) If the proposed regulation provides a new fee or increases an existing fee, the total annual amount the Board expects to collect and the manner in which the money will be used.

(f) Shall afford a reasonable opportunity for all interested persons to submit data, views or arguments upon the proposed regulation, orally or in writing.

(g) Shall, before holding a public hearing pursuant to paragraph (h), conduct at least one workshop to solicit comments from interested persons on the proposed regulation. Not less than 15 days before the workshop, the Board shall provide notice of the time and place set for the workshop:

(1) In writing to each person who has requested to be placed on a mailing list; and

(2) In any other manner reasonably calculated to provide such notice to the general public and any business that may be affected by a proposed regulation which addresses the general topics to be considered at the workshop.



(h) Shall set a time and place for an oral public hearing, but if no one appears who will be directly affected by the proposed regulation and requests an oral hearing, the Board may proceed immediately to act upon any written submissions. The Board shall consider fully all written and oral submissions respecting the proposed regulation.

(i) Shall keep, retain and make available for public inspection written minutes of each public hearing held pursuant to paragraph (h) in the manner provided in subsections 1 and 2 of NRS 241.035.

(j) May record each public hearing held pursuant to paragraph (h) and make those recordings available for public inspection in the manner provided in subsection 4 of NRS 241.035.

(k) Shall ensure that a small business which is aggrieved by a regulation adopted pursuant to this subsection may object to all or a part of the regulation by filing a petition with the Board within 90 days after the date on which the regulation was adopted. Such petition may be based on the following:

(1) The Board failed to prepare a small business impact statement as required pursuant to subparagraph (3) of paragraph (d); or

(2) The small business impact statement prepared by the Board did not consider or significantly underestimated the economic effect of the regulation on small businesses.

➤ After receiving a petition pursuant to this paragraph, the Board shall determine whether the petition has merit. If the Board determines that the petition has merit, the Board may, pursuant to this subsection, take action to amend the regulation to which the small business objected.

5. The determinations made by the Board pursuant to this section are conclusive unless it is shown that the Board acted with fraud or a gross abuse of discretion.

Sec. 2. The title of the Airport Authority Act for Washoe County, being chapter 474, Statutes of Nevada 1977, at page 968, is hereby amended to read as follows:

AN ACT creating the *Reno-Tahoe* Airport Authority ; ~~for Washoe County;~~ making legislative findings and declarations; defining certain words and terms; providing for the appointment, number, terms, compensation, duties and powers of a board of trustees; specifying the powers of the Authority, including the power to levy and collect general (ad valorem) taxes, borrow money and issue securities



to evidence such borrowing; requiring the transfer of airport properties, functions and outstanding obligations of the City of Reno to the Authority; providing penalties; and providing other matters properly relating thereto.

Sec. 3. Section 1 of the Airport Authority Act for Washoe County, being chapter 474, Statutes of Nevada 1977, as amended by chapter 668, Statutes of Nevada 1979, at page 1644, is hereby amended to read as follows:

Section 1. This act may be cited as the *Reno-Tahoe* Airport Authority Act. ~~{for Washoe County.}~~

Sec. 4. Section 2 of the Airport Authority Act for Washoe County, being chapter 474, Statutes of Nevada 1977, as amended by chapter 668, Statutes of Nevada 1979, at page 1645, is hereby amended to read as follows:

Sec. 2. 1. The Legislature finds that:

(a) The airport of the City of Reno has traditionally been operated by the City as a municipal function and originally served primarily the city residents.

(b) With the development of multiple contiguous communities, suburban living and rapid increases in recreational pursuits by the traveling public, the airport of the City of Reno is now serving the inhabitants of a large geographical area and ever-increasing numbers of tourists.

(c) What was once a municipal airport in both name and fact is now a regional airport.

(d) The financial problems of the airport have become more complex and administrative activities are required to be more responsive to the community at large and the directly paying airport tenants and users.

(e) The City of Reno is unable to operate the airport effectively within the traditional framework of local government, evidencing the need to create a special governmental corporation to provide specific facilities and services to the public.

(f) Development of the modern airport requires the expenditure of vast sums of money for land acquisitions and capital improvements not available to the City of Reno through the issuance of municipal securities secured by general obligation tax receipts.

(g) Because of special circumstances and conditions a general law cannot be made applicable, and this special act will allow the tax burden to spread over Washoe County rather than coming to rest solely upon the principal municipality of Washoe County.



(h) This act will accommodate the expanding urban population patterns, provide adequate funding and establish the administrative machinery necessary to insure adequate air service to the region.

2. It is hereby declared as a matter of legislative determination that:

(a) The organization of the *Reno-Tahoe* Airport Authority ~~[of Washoe County]~~ having the purposes, powers, rights, privileges and immunities provided in this act will serve a public use and will promote the general welfare by facilitating safe and convenient air travel and transport to and from the Reno area.

(b) The acquisition, operation and financing of airports and related facilities by the *Reno-Tahoe* Airport Authority ~~[of Washoe County]~~ is for a public and governmental purpose and a matter of public necessity.

(c) The *Reno-Tahoe* Airport Authority ~~[of Washoe County]~~ is a body corporate and politic and a quasi-municipal corporation, the geographical boundaries of which are coterminous with the boundaries of Washoe County.

(d) For the accomplishment of the purposes stated in this subsection, the provisions of this act shall be broadly construed.

Sec. 5. Section 3 of the Airport Authority Act for Washoe County, being chapter 474, Statutes of Nevada 1977, as amended by chapter 668, Statutes of Nevada 1979, at page 1646, is hereby amended to read as follows:

Sec. 3. As used in this act the following words or phrases are defined as follows:

1. "Airport" means any one or more airports or heliports and related facilities, including but not limited to land and interests in land, facilities for storage of air and space craft, navigation and landing aids, taxiways, pads, aprons, control towers, passenger and cargo terminal buildings, hangars, administration and office buildings, garages, parking lots and such other structures, facilities and improvements as are necessary or convenient to the development and maintenance of airports and heliports and for the promotion and accommodation of air and space travel, commerce and navigation.

2. "Authority" means the *Reno-Tahoe* Airport Authority ~~[of Washoe County]~~ created pursuant to the provisions of this act.

3. "Board of Trustees" and "Board" each means the Board of Trustees of the Authority.



1 4. "Carrier" means any person or corporation engaged in
2 the air or space transportation of passengers or cargo.

3 5. "City of Reno" means the municipal corporation in
4 Washoe County, Nevada, created and existing pursuant to the
5 provisions of chapter 662, Statutes of Nevada 1971, as
6 amended.

7 6. "City of Sparks" means the municipal corporation in
8 Washoe County, Nevada, created and existing pursuant to the
9 provisions of chapter 470, Statutes of Nevada 1975, as
10 amended.

11 7. "Washoe County" means the county created by and
12 described in NRS 243.340.

13 **Sec. 6.** Section 4 of the Airport Authority Act for Washoe
14 County, being chapter 474, Statutes of Nevada 1977, as last
15 amended by chapter 508, Statutes of Nevada 1985, at page 1554, is
16 hereby amended to read as follows:

17 Sec. 4. 1. The *Reno-Tahoe* Airport Authority ~~for~~
18 ~~Washoe County~~ is hereby created.

19 2. The property and revenues of the Authority, any
20 interest of any creditor therein, and any possessory interest in
21 or right to use that property which the Authority may grant,
22 are exempt from all state, county and municipal taxation.

23 **Sec. 7.** Section 9 of the Airport Authority Act for Washoe
24 County, being chapter 474, Statutes of Nevada 1977, as last
25 amended by chapter 374, Statutes of Nevada 2001, at page 1828, is
26 hereby amended to read as follows:

27 Sec. 9. 1. Except as otherwise provided in subsection
28 2 ~~and~~ *and section 9.5 of this act*, the Board shall comply with
29 the provisions of the Local Government Purchasing Act and
30 the Local Government Budget and Finance Act.

31 2. Except as otherwise provided in section 10.2 of this
32 act, any concession agreement entered into by the Authority
33 in conformity with the provisions of that section need not
34 conform to the requirements of the Local Government
35 Purchasing Act.

36 **Sec. 8.** Any reference to the Airport Authority of Washoe
37 County in any written agreement, contract, record or official
38 document created before July 1, 2005, shall be deemed to be a
39 reference to the Reno-Tahoe Airport Authority, and any such
40 agreement, contract, record or official document remains valid and
41 enforceable.

42 **Sec. 9.** The Legislative Counsel shall:

43 1. In preparing the reprint and supplements to the Nevada
44 Revised Statutes, appropriately change any references to an officer,
45 agency or other entity whose name is changed or whose



1 responsibilities are transferred pursuant to the provisions of this act
2 to refer to the appropriate officer, agency or other entity.

3 2. In preparing supplements to the Nevada Administrative
4 Code, appropriately change any reference to an officer, agency or
5 other entity whose name is changed or whose responsibilities are
6 transferred pursuant to the provisions of this act to refer to the
7 appropriate officer, agency or other entity.

8 **Sec. 10.** This act becomes effective on July 1, 2005.



