

SENATE BILL NO. 158—SENATORS TITUS, MCGINNESS, RHOADS,
TOWNSEND, CARE, CARLTON, HORSFORD, MATHEWS AND
SCHNEIDER

MARCH 3, 2005

JOINT SPONSORS: ASSEMBLYMEN CLABORN, SHERER, CARPENTER,
GOICOECHEA, GRADY, HOGAN AND PIERCE

Referred to Committee on Finance

SUMMARY—Establishes fund to provide grants for economic
development in rural areas and blighted areas of
larger counties. (BDR 18-1140)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Contains Appropriation not included
in Executive Budget.

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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 economic development; establishing the
Nevada Economic Development Fund; requiring the
Lieutenant Governor to administer the Fund; providing
that certain grants for the purpose of economic
development may be made from the Fund; making an
appropriation; and providing other matters properly
relating thereto.

Legislative Counsel's Digest:

Existing law creates the Commission on Economic Development, which is
chaired by the Lieutenant Governor. (NRS 231.030, 231.040) Existing law requires
the Commission to provide and administer grants of money to local or regional
organizations for economic development in their communities. (NRS 231.067)

This bill creates the Nevada Economic Development Fund in the State
Treasury. This bill requires the Fund to be administered by the Lieutenant
Governor, and authorizes the Lieutenant Governor to accept gifts, grants and
donations for deposit in the Fund. The Lieutenant Governor may make grants of
money from the Fund to public or private entities for economic development in
rural or blighted areas of the State, but may not make grants of money for economic
development relating to the location of a federal nuclear waste repository at Yucca



- 12 Mountain. This bill requires the Lieutenant Governor to establish criteria and
13 standards of eligibility for receiving and using a grant.
14 This bill appropriates \$10 million to the Nevada Economic Development Fund.

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

- 1 **Section 1.** Chapter 231 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2, 3 and 4 of this act.
- 3 **Sec. 2.** *1. The Nevada Economic Development Fund is*
4 *hereby created in the State Treasury as a special revenue fund.*
5 *2. Except as otherwise provided in subsection 4, the Nevada*
6 *Economic Development Fund is a continuing fund without*
7 *reversion. The money in the Fund must be invested as the money*
8 *in other state funds is invested. The interest and income earned on*
9 *the money in the Fund, after deducting any applicable charges,*
10 *must be credited to the Fund. Claims against the Fund must be*
11 *paid as other claims against the State are paid.*
12 *3. The Lieutenant Governor may accept gifts, grants and*
13 *donations from any source for deposit in the Nevada Economic*
14 *Development Fund.*
15 *4. The State Board of Examiners may, upon making a*
16 *determination that any portion of any amount appropriated by the*
17 *Legislature for deposit in the Fund is necessary to meet existing or*
18 *future obligations of the State, recommend to the Interim Finance*
19 *Committee that the amount so needed be transferred from the*
20 *Fund to the State General Fund. Upon approval of the Interim*
21 *Finance Committee, the money may be so transferred.*
22 **Sec. 3.** *1. Except as otherwise provided in subsections 2*
23 *and 3, the Lieutenant Governor shall administer the Nevada*
24 *Economic Development Fund and may make grants of money to a*
25 *public agency or private entity for the purpose of economic*
26 *development in a rural area or blighted area.*
27 *2. If a private entity applies for a grant for the purpose of*
28 *economic development in a rural area or blighted area, the*
29 *Lieutenant Governor shall consult with the board of county*
30 *commissioners for the county in which the rural area or blighted*
31 *area is located before making a grant to the private entity.*
32 *3. The Lieutenant Governor shall not make a grant from the*
33 *Nevada Economic Development Fund for the purpose of any*
34 *economic development relating to the location of a federal nuclear*
35 *waste repository at Yucca Mountain.*
36 *4. As used in this section:*



1 (a) "Blighted area" means an area in a county whose
2 population is 100,000 or more which is characterized by one or
3 more of the following factors:

4 (1) The existence of buildings and structures, used or
5 intended to be used for residential, commercial, industrial or other
6 purposes, or any combination thereof, which are unfit or unsafe
7 for those purposes and are conducive to ill health, transmission of
8 disease, infant mortality, juvenile delinquency or crime because of
9 one or more of the following factors:

10 (I) Defective design and character of physical
11 construction.

12 (II) Faulty arrangement of the interior and spacing of
13 buildings.

14 (III) Overcrowding.

15 (IV) Inadequate provision for ventilation, light,
16 sanitation, open spaces and recreational facilities.

17 (V) Age, obsolescence, deterioration, dilapidation, mixed
18 character or shifting of uses.

19 (2) An economic dislocation, deterioration or disuse,
20 resulting from faulty planning.

21 (3) The subdividing and sale of lots of irregular form and
22 shape and inadequate size for proper usefulness and development.

23 (4) The laying out of lots in disregard of the contours and
24 other physical characteristics of the ground and surrounding
25 conditions.

26 (5) The existence of inadequate streets, open spaces and
27 utilities.

28 (6) The existence of lots or other areas which may be
29 submerged.

30 (7) Prevalence of depreciated values, impaired investments
31 and social and economic maladjustment to such an extent that the
32 capacity to pay taxes is reduced and tax receipts are inadequate
33 for the cost of public services rendered.

34 (8) A growing or total lack of proper utilization of some
35 parts of the area, resulting in a stagnant and unproductive
36 condition of land which is potentially useful and valuable for
37 contributing to the public health, safety and welfare.

38 (9) A loss of population and a reduction of proper use of
39 some parts of the area, resulting in its further deterioration and
40 added costs to the taxpayer for the creation of new public facilities
41 and services elsewhere.

42 (b) "Public agency" means:

43 (1) This State or any agency of this State; or

44 (2) Any local government of this State.



1 (c) “Rural area” means an area in a county whose population
2 is less than 100,000.

3 **Sec. 4.** *The Lieutenant Governor shall adopt regulations*
4 *establishing criteria and standards for the eligibility for and use of*
5 *any grants made pursuant to section 3 of this act.*

6 **Sec. 5.** There is hereby appropriated from the State General
7 Fund to the Nevada Economic Development Fund created pursuant
8 to section 2 of this act the sum of \$10,000,000.

9 **Sec. 6.** This act becomes effective on July 1, 2005.

