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(Reprinted with amendments adopted on April 24, 2023)

SECOND REPRINT

S.B. 261

SENATE BILL NO. 261—SENATOR NEAL

MARCH 13, 2023

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to local governments.  
(BDR 19-793)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.  
Effect on the State: No.

CONTAINS UNFUNDED MANDATE (§ 4)  
(NOT REQUESTED BY AFFECTED LOCAL GOVERNMENT)

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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 governments; revising the definitions of the terms “business” and “local government” for purposes of provisions relating to the adoption of rules by local governments that affect businesses; revising the notice requirements relating to the adoption of such rules; requiring the governing body of a local government to hold a workshop before the adoption of such rules in certain circumstances; revising the requirements for a business impact statement; revising provisions relating to when an action of the governing body of a local government to adopt rules that affect local governments is void; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

Existing law requires that before a governing body of a local government adopts a proposed rule that is likely to impose a direct and significant economic burden upon a business or directly restrict the formation, operation or expansion of a business, the governing body or its designee must notify trade associations or owners and officers of businesses likely to be affected by the rule. (NRS 237.080) **Section 4** of this bill requires a governing body of a local government to also notify chambers of commerce of any such proposed rule. **Section 4** requires that the notification of chambers of commerce and associations includes notice by electronic mail when an address is provided. **Section 4** also requires a governing body of a local government to maintain an electronic mailing list of local chambers of commerce, trade associations and owners and officers of businesses and to



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update the list not later than January 31 of each year. **Section 4** further requires, that a governing body of a local government hold a workshop to solicit comments from persons on one or more general topics to be addressed in a proposed rule upon the timely request of two or more local chambers of commerce or trade associations, or any combination thereof.

Existing law requires that if a proposed rule is determined to likely impose a direct and significant economic burden upon a business or directly restrict the formation, operation or expansion of a business, the governing body or its designee must prepare a business impact statement which must be considered by the governing body at a public meeting held at least 10 calendar days before the meeting held to adopt the proposed rule. (NRS 237.080, 237.090) **Section 5** of this bill requires that the business impact statement include: (1) the total number of businesses likely to be affected by the proposed rule; (2) a list of the chambers of commerce and trade associations notified of the proposed rule pursuant to **section 4**; and (3) a summary of any workshop held pursuant to **section 4**.

Existing law provides that any action of the governing body of a local government to adopt a proposed rule in violation of certain provisions of the Nevada Revised Statutes is void. (NRS 237.140) **Section 6** of this bill clarifies that any such action is void if the governing body does not, under certain circumstances: (1) determine whether a petition objecting to a rule has merit; or (2) take action to readopt or amend the rule to which a business has objected. (NRS 237.100)

**Section 1** of this bill revises the definition of "business" to mean any trade or occupation conducted for profit, regardless of whether the trade or occupation is a small business. **Section 2** of this bill revises the definition of "local government" to include a quasi-municipal agency, a special improvement district, a municipal utility and a regional transportation commission.

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

**Section 1.** NRS 237.040 is hereby amended to read as follows:  
237.040 **1.** "Business" means ~~any~~ *any* trade or occupation conducted for profit ~~and~~ *, regardless of whether the trade or occupation is a small business.*

**2.** *As used in this section, "small business" has the meaning ascribed to it in NRS 233B.0382.*

**Sec. 2.** NRS 237.050 is hereby amended to read as follows:  
237.050 "Local government" means a political subdivision of this State ~~or a quasi-municipal agency, including, and includes,~~ *or a quasi-municipal agency, including, and includes,* without limitation, a city, county, ~~health district,~~ *local health district, municipal utility, regional transportation commission, special improvement district,* water district or water conservancy district.

**Sec. 3.** (Deleted by amendment.)

**Sec. 4.** NRS 237.080 is hereby amended to read as follows:  
237.080 **1.** Before a governing body of a local government adopts a proposed rule, the governing body or its designee must make a concerted effort to determine whether the proposed rule will impose a direct and significant economic burden upon a business or




1 directly restrict the formation, operation or expansion of a business.  
2 The governing body of a local government or its designee must  
3 notify *chambers of commerce*, trade associations or owners and  
4 officers of businesses which are likely to be affected by the  
5 proposed rule that they may submit data or arguments to the  
6 governing body or its designee as to whether the proposed rule will:

7 (a) Impose a direct and significant economic burden upon a  
8 business; or

9 (b) Directly restrict the formation, operation or expansion of a  
10 business.

11 ➤ Notification provided pursuant to this subsection must include  
12 the date by which the data or arguments must be received by the  
13 governing body or its designee, which must be at least 15 working  
14 days after the notification is sent.

15 2. After the period for submitting data or arguments specified  
16 in the notification provided pursuant to subsection 1 has expired   
17 *and, if applicable, after a workshop held pursuant to subsection 5*,  
18 the governing body or its designee shall determine whether the  
19 proposed rule is likely to:

20 (a) Impose a direct and significant economic burden upon a  
21 business; or

22 (b) Directly restrict the formation, operation or expansion of a  
23 business.

24 ➤ If no data or arguments were submitted pursuant to subsection 1,  
25 the governing body or its designee shall make its determination  
26 based on any information available to the governing body or its  
27 designee.

28 3. If the governing body or its designee determines pursuant to  
29 subsection 2 that a proposed rule is likely to impose a direct and  
30 significant economic burden upon a business or directly restrict the  
31 formation, operation or expansion of a business, the governing body  
32 or its designee shall consider methods to reduce the impact of the  
33 proposed rule on businesses, including, without limitation:

34 (a) Simplifying the proposed rule;

35 (b) Establishing different standards of compliance for a  
36 business; and

37 (c) Modifying a fee or fine set forth in the rule so that a business  
38 is authorized to pay a lower fee or fine.

39 4. After making a determination pursuant to subsection 2, the  
40 governing body or its designee shall prepare a business impact  
41 statement.

42 *5. A governing body of a local government shall hold a*  
43 *workshop to solicit comments from persons on one or more*  
44 *general topics to be addressed in a proposed rule if two or more*  
45 *local chambers of commerce or trade associations, or any*



combination thereof, submit a request for the holding of a workshop on the proposed rule to the governing body on or before the date by which data or arguments must be received on the proposed rule as specified in the notification provided pursuant to subsection 1. The governing body or its designee must notify chambers of commerce, trade associations or owners and officers of businesses which are likely to be affected by the proposed rule of the date, time and location of the workshop.

6. The governing body of a local government shall maintain an electronic mailing list of chambers of commerce, trade associations and owners and officers of businesses. The electronic mailing list must be updated on or before January 31 of each year. The governing body of a local government must provide notification pursuant to this section to each chamber of commerce and trade association by electronic mail regardless of whether the chamber of commerce or trade association has requested that it be placed on the electronic mailing list. Nothing in this section prohibits the governing body from also providing notification pursuant to this section by mail.

**Sec. 5.** NRS 237.090 is hereby amended to read as follows:

237.090 1. A business impact statement prepared pursuant to NRS 237.080 must be considered by the governing body at a public meeting held at least 10 calendar days before the public meeting of the governing body held to adopt the proposed rule. The business impact statement must set forth the following information:

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

(b) *The total number of businesses likely to be affected by the proposed rule.*

(c) *A list of the chambers of commerce and trade associations notified of the proposed rule pursuant to NRS 237.080.*

(d) *A summary of any workshop held pursuant to NRS 237.080.*

~~[(b)]~~ (e) The estimated economic effect of the proposed rule on the businesses which it is to regulate . ~~[-including-]~~ *The statement of estimated economic effect must include,* without limitation:

(1) Both adverse and beneficial effects; and

(2) Both direct and indirect effects.

~~[(e)]~~ (f) A description of the methods that the governing body of the local government or its designee considered to reduce the impact of the proposed rule on businesses and a statement regarding whether the governing body or its designee actually used any of those methods.



~~(d)~~ (g) The estimated cost to the local government for enforcement of the proposed rule.

~~(e)~~ (h) If the proposed rule provides a new fee or increases an existing fee, the total annual amount the local government expects to collect and the manner in which the money will be used.

~~(f)~~ (i) If the proposed rule includes provisions which duplicate or are more stringent than federal, state or local standards regulating the same activity, an explanation of why such duplicative or more stringent provisions are necessary.

~~(g)~~ (j) The reasons for the conclusions regarding the impact of the proposed rule on businesses.

2. The county manager, city manager or other chief executive officer for the governing body of a local government shall sign the business impact statement certifying that, to the best of his or her knowledge or belief, the information contained in the statement was prepared properly and is accurate.

3. The governing body of a local government shall not include the consideration of a business impact statement on the agenda for a public meeting unless the statement has been prepared and is available for public inspection at the time the agenda is first posted.

**Sec. 6.** NRS 237.140 is hereby amended to read as follows:

237.140 Any action of the governing body of a local government to adopt a proposed rule in violation of the provisions of NRS 237.030 to 237.150, inclusive, is void ~~(f)~~ , *including, without limitation, if the governing body does not comply with the provisions of subsection 3 of NRS 237.100.*

**Sec. 7.** The provisions of NRS 354.599 do not apply to any additional expenses of a local government that are related to the provisions of this act.

