SENATE BILL NO. 61–COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF CHURCHILL COUNTY)

PREFILED NOVEMBER 16, 2026

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to fees applicable to public utilities. (BDR 31-577)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.
Effect on the State Highway Fund: 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 public utilities; authorizing cities and counties to impose fees on public utilities that are derived from revenue that is attributable to facilities for the generation of electricity located in their jurisdiction; revising provisions governing the public utilities upon which a city or county is authorized to impose fees; revising the information which a public utility that provides electric energy is required to submit to a city or county under certain circumstances; authorizing a county or city to impose or increase certain fees during the term of a current franchise agreement; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law regulates the fees which a city or county is authorized to impose upon a public utility for a business license, franchise or right-of-way over streets or other public areas. (NRS 354.59881-354.59889) Existing law prohibits a city or county from adopting an ordinance imposing or increasing a fee upon a public utility that: (1) applies to a public utility that does not derive revenue from customers located within the jurisdiction of city or county; or (2) is based upon any revenue of the public utility other than revenue from customers located within the jurisdiction of the city or county. With certain exceptions, existing law also prohibits a city or county from adopting an ordinance imposing or increasing a fee if, after adoption of the ordinance, the total cumulative amount of all fees the city or county imposes on a public utility to which the ordinance applies will exceed 5 percent of the utility's gross revenue from customers located within the jurisdiction

of the city or county. (NRS 354.59883) **Section 3** of this bill excludes public utilities that provide electric energy from this existing limit on fees and instead prohibits a city or county from adopting an ordinance imposing or increasing a fee on a public utility that provides electric energy if, after adoption of the ordinance, the total cumulative amount of all fees the city or county imposes upon the utility will exceed the greater of: (1) five percent of the utility's gross revenue from customers located within the city or county; or (2) the combined total of 2.5 percent of the utility's gross revenue from customers located within the city or county and 2.5 percent of the utility's gross revenue that is attributable to facilities for the generation of electricity located in the city or county. **Section 3** authorizes a city or county to impose or increase a fee which applies to a public utility which derives revenue which is attributable to facilities for the generation of electricity located within the city or county, regardless of whether the public utility derives revenue from customers located within the city or county. **Section 3** prescribes the method for calculating the amount of gross revenue of a public utility that is attributable to facilities for the generation of electricity located in a city or county. **Section 1** of this bill defines a term which is relevant to this calculation and **sections 2 and 7** of this bill make that term applicable to the provisions of law regulating the fees which a city or county is authorized to impose upon a public utility. **Sections 5 and 6** of this bill limit the applicability of certain existing provisions to fees which are based on revenue derived from customers.

Existing law requires a public utility to which an ordinance imposing or increasing a fee applies, or which intends to derive revenue from customers located within the county or city, to provide certain information to the city or county with respect to the utility's operations. Existing law additionally requires each public utility to which an ordinance imposing or increasing a fee applies to provide to the city or county a quarterly statement regarding the revenue derived during that calendar quarter from customers located within the city or county. (NRS 354.59885) **Section 4** of this bill requires a public utility which intends to derive revenue from facilities for the generation of electricity in a city or county to provide the same information regarding its operations that would be required if the utility intended to derive revenue from customers in the city or county. **Section 4** requires a public utility that provides electric energy to include in its quarterly statement to the city or county the percentage of the total electricity generated in this State during the calendar quarter which was generated within the city or county.

Existing law prohibits a city or county from adopting an ordinance imposing or increasing a fee if that ordinance would alter the terms of any existing franchise agreement between the city or county and a public utility. (NRS 354.59883) **Section 8** of this bill nonetheless authorizes a city or county to impose or increase a fee on a public utility that provides electric energy in accordance with the provisions of this bill governing fees derived from gross revenue that is attributable to facilities for the generation of electricity during the term of a franchise agreement which is in effect on July 1, 2027.

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

Section 1. Chapter 354 of NRS is hereby amended by adding thereto a new section to read as follows:

"Total electricity generated in this State" means the total supply of electricity of a public utility that provides electric energy which was generated in this State, regardless of whether the

electricity was generated by the public utility or purchased from another person.

Sec. 2. NRS 354.59881 is hereby amended to read as follows:

354.59881 As used in NRS 354.59881 to 354.59889, inclusive, ***and section 1 of this act,*** unless the context otherwise requires, the words and terms defined in NRS 354.598812 to 354.598818, inclusive, ***and section 1 of this act*** have the meanings ascribed to them in those sections.

Sec. 3. NRS 354.59883 is hereby amended to read as follows:

354.59883 ***1.*** A city or county shall not adopt an ordinance imposing or increasing a fee:

~~[1.]~~ ***(a)*** If that ordinance would alter the terms of any existing franchise agreement between the city or county and a public utility.

~~[2.]~~ ***(b)*** That applies to any public utility which does not derive ~~[revenue]~~ ***:***

(1) Revenue from customers located within the jurisdiction of the city or county ~~[.]~~ ***; or***

(2) If the public utility provides electric energy, revenue which is attributable to facilities for the generation of electricity located within the jurisdiction of the city or county.

~~[3.]~~ ***(c)*** If, after the adoption of the ordinance:

~~[(a)]~~ ***(1)*** Any part of a fee to which the ordinance applies will be based upon any revenue of a public utility other than ~~[its]~~ ***:***

(I) Its revenue from customers located within the jurisdiction of the city or county ~~[.]~~ ***; or***

(II) If the public utility provides electric energy, its revenue that is attributable to facilities for the generation of electricity located within the jurisdiction of the city or county.

~~[(b)]~~ ***(2)*** The total cumulative amount of all fees the city or county imposes upon a public utility ***, other than a public utility described in paragraph (d) or (e),*** to which the ordinance applies will exceed:

~~[(1)]~~ ***(I)*** Except as otherwise provided in ~~[subparagraph (2),]~~ ***sub-subparagraph (II),*** 5 percent of the utility's gross revenue from customers located within the jurisdiction of the city or county.

~~[(2)]~~ ***(II)*** For a public utility that sells or resells personal wireless services, 5 percent of its gross revenue from the first $15 charged monthly for each line of access for each of its customers whose place of primary use is located within the jurisdiction of the city or county.

(d) Except as otherwise provided in paragraph (e), the total cumulative amount of all fees the city or county imposes upon a public utility that provides electric energy will exceed:

(1) Five percent of the utility's gross revenue from customers located within the jurisdiction of the city or county; or

(2) The combination of 2.5 percent of the utility's gross revenue from customers located within the jurisdiction of the city or county and 2.5 percent of the utility's gross revenue that is attributable to facilities for the generation of electricity located within the jurisdiction of the city or county.

(e) If the total cumulative amount of all fees the city or county imposes upon a public utility that provides electric energy or gas to customers located within the jurisdiction of the city or county will exceed:

(1) Five percent of the utility's gross revenue from the provision of gas service to customers located within the jurisdiction of the city or county; and

(2) The greater of:

(I) Five percent of the utility's gross revenue from the provision of electric energy to customers located within the jurisdiction of the city or county; or

(II) The combination of 2.5 percent of the utility's gross revenue from the provision of electric energy to customers located within the jurisdiction of the city or county and 2.5 percent of the utility's gross revenue that is attributable to facilities for the generation of electricity located within the jurisdiction of the city or county.

2. For the purposes of paragraphs (d) and (e) of subsection 1, the amount of gross revenue of a public utility that is attributable to facilities for the generation of electricity located within the jurisdiction of a city or county is the product of the total gross revenue of the utility from electric customers located within this State multiplied by the percentage of the total electricity generated in this State which is generated within the jurisdiction of the city or county.

Sec. 4. NRS 354.59885 is hereby amended to read as follows:

354.59885 If a city or county adopts an ordinance imposing or increasing a fee:

1. Each public utility to which the ordinance applies or which intends to derive revenue from customers ***or facilities for the generation of electricity*** located within the jurisdiction of the city or county shall, not later than 60 calendar days after the effective date of the ordinance or 30 calendar days before the public utility begins to provide electric energy, gas or a telecommunication service to those customers ~~[,]~~ ***or generate or purchase electricity generated at such a facility,*** whichever occurs later, provide to the city or county:

(a) An acknowledgment that the public utility is operating or intends to operate within the jurisdiction of that city or county; and

(b) The date when the public utility began or intends to begin to derive revenue from customers ***or facilities for the generation of electricity*** located within the jurisdiction of the city or county.

2. In addition to the requirements of subsection 1, each public utility to which the ordinance applies shall, not later than 30 calendar days after the end of each calendar quarter, provide to the city or county a statement of ~~[the]~~ ***:***

(a) The amount of revenue the public utility derived during that calendar quarter from the sale of electric energy, gas or a telecommunication service to each of its customers located within the jurisdiction of that city or county ~~[.]~~ ***; and***

(b) If the public utility provides electric energy, the percentage of the total electricity generated in this State during that calendar quarter which was generated within the jurisdiction of that city or county.

3. The city or county shall, at no charge, provide to each public utility to which the ordinance applies any information that is necessary to identify each customer that is affected by the fee imposed or increased by the city or county, including the address of each customer. If the public utility requests the city or county to provide the information in a specific form, the city or county may charge a fee for the cost of providing the information in that form.

4. Upon receipt of the information that the city or county is required to provide pursuant to the provisions of subsection 3, the public utility may indicate on the bills that it sends to its customers the fee that is imposed or increased by the city or county.

5. A public utility that indicates the fee on the bills it sends to its customers pursuant to the provisions of subsection 4:

(a) Shall be deemed to have complied with the provisions of this section and NRS 354.59887; and

(b) Is not liable to the city or county for any damages for the failure to comply with the provisions of this section and NRS 354.59887,

➥ if it reasonably relies upon the information that it receives from the city or county pursuant to the provisions of subsection 3.

Sec. 5. NRS 354.59887 is hereby amended to read as follows:

354.59887 If a city or county adopts an ordinance imposing or increasing a fee:

1. The entire amount of any fee to which the ordinance applies must be:

(a) Imposed at the same rate upon each public utility that provides similar services within the jurisdiction of the city or county; and

(b) Paid by the public utility to the city or county in legal tender of the United States or in a check, draft or note that is payable in legal tender of the United States.

2. The city or county:

(a) Shall require each public utility to which the ordinance applies to pay quarterly the fees imposed upon it that it has collected from its customers.

(b) May, to the extent it determines that it is impracticable to collect from a public utility to which the ordinance applies any of the fees imposed upon the public utility ~~[,]~~ ***which are based on revenue derived from customers,*** collect any of those fees directly from the customers of the public utility located within the jurisdiction of the city or county in proportion to the amount of revenue the public utility derives from each of those customers.

(c) May, except as otherwise provided in this paragraph, assess combined penalties and interest of not more than 2 percent per month of the delinquent amount of any fee to which the ordinance applies. If a city annexes any land, it may not assess any penalties or interest pursuant to this paragraph regarding any fee imposed for the operation of a public utility within the annexed land during any period:

(1) Before the effective date of the annexation; or

(2) More than 30 days before the city provides the public utility with notice of the annexation,

➥ whichever occurs later.

(d) May provide, by ordinance, that the fees imposed upon the public utility ***which are based on revenue derived from customers*** may be collected from a governmental entity of the State if that entity is a customer of the public utility.

3. A public utility to which the ordinance applies shall, except for any fees collected by the city or county pursuant to paragraph (b) of subsection 2, collect the aggregate of all its fees imposed by the city or county ***which are based on revenue derived from customers*** directly from its customers located within the jurisdiction of the city or county in proportion to the amount of revenue the public utility derives from each of those customers. The fees may be shown on a customer's bill individually or collectively.

4. A public utility to which the ordinance applies shall not collect from a customer any penalties or interest assessed pursuant to paragraph (c) of subsection 2.

Sec. 6. NRS 354.59889 is hereby amended to read as follows:

354.59889 1. A city or county shall not change any of its fees ***which are based on revenue derived from customers*** except through the adoption of an ordinance which provides that the change does not become effective until at least 90 days after the city

or county complies with the provisions of subsection 3 of NRS 354.59885.

2. The cumulative amount of any increases in fees imposed by a city or county ***which are based on revenue derived from customers*** during any period of 24 months must not exceed 1 percent of the gross revenue of any public utility to which the increase applies from customers located within the jurisdiction of that city or county.

Sec. 7. NRS 455.125 is hereby amended to read as follows:

455.125 If an operator of a sewer main receives notice through an association for operators pursuant to paragraph (a) of subsection 1 of NRS 455.110:

1. For a proposed excavation or demolition, the operator of the sewer main shall provide the person responsible for the excavation or demolition with the operator's best available information regarding the location of the connection of the sewer service lateral to the sewer main. The operator shall convey the information to the person responsible for the excavation or demolition in such manner as is determined by the operator which may include any one or more of the following methods, without limitation:

(a) Identification of the location of the connection of the sewer service lateral to the sewer main;

(b) Providing copies of documents relating to the location of the sewer service lateral within 2 working days; or

(c) Placement of a triangular green marking along the sewer main or the edge of the public right-of-way, pointing toward the real property serviced by the sewer service lateral to indicate that the location of the sewer service lateral is unknown.

2. The operator of a sewer main shall make its best efforts to comply with paragraph (a) or (c) of subsection 1 within 2 working days. If an operator of a sewer main cannot complete the requirements of paragraph (a) or (c) of subsection 1 within 2 working days, then the operator and the person responsible for the excavation or demolition must mutually agree upon a reasonable amount of time within which the operator must comply.

3. A government, governmental agency or political subdivision of a government that operates a sewer main:

(a) Except as otherwise provided in subsection 4, in a county with a population of 52,000 or more may not charge a person responsible for excavation or demolition in a public right-of-way for complying with this section.

(b) In a county with a population of less than 52,000 may charge a person responsible for excavation or demolition in a public right-of-way for complying with this section in an amount that does not exceed the actual costs for the operator for compliance with this

section. Costs assessed pursuant to this paragraph are not subject to the provisions of NRS 354.59881 to 354.59889, inclusive ~~.~~ ***, and section 1 of this act.***

4. A government, governmental agency or political subdivision that operates a sewer main in a county with a population of 52,000 or more may charge a person responsible for excavation or demolition in a public right-of-way for complying with this section in an amount that does not exceed the actual costs for the operator for compliance with this section if:

(a) The sewer system of the operator services not more than 260 accounts; and

(b) There is no natural gas pipeline located within the service area of the operator of the sewer main.

➥ Costs assessed pursuant to this subsection are not subject to the provisions of NRS 354.59881 to 354.59889, inclusive ~~.~~ ***, and section 1 of this act.***

5. If the operator of a sewer main has received the information required pursuant to NRS 455.131 or has otherwise identified the location of the sewer service lateral in the public right-of-way, then the operator of the sewer main shall be responsible thereafter to identify the location of the sewer service lateral from that information.

Sec. 8. 1. Notwithstanding the provisions of subsection 1 of NRS 354.59883, a city or county may adopt or amend an ordinance imposing or increasing a fee imposed on a public utility that provides electric energy in accordance with the amendatory provisions of section 3 of this act during the term of a franchise agreement which is in effect on July 1, 2027.

2. As used in this section:

(a) "Fee" has the meaning ascribed to it in NRS 354.598814.

(b) "Public utility" has the meaning ascribed to it in NRS 354.598817.

Sec. 9. This act becomes effective on July 1, 2027.

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