

Assembly Bill No. 413–Committee  
on Government Affairs

CHAPTER.....

AN ACT relating to local governments; providing that certain actions taken by a governing body of a local government are void if the actions are taken before the governing body considers the impact on business; revising the definition of “local government”; revising the meeting at which a governing body is required to consider a business impact statement; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

Existing law requires a governing body of a local government to determine whether a proposed rule is likely to impose a direct and significant economic burden upon a business or directly restrict the formation, operation or expansion of a business. If so, the governing body or its designee must prepare a small business impact statement which must be considered by the governing body at the meeting immediately preceding the meeting held to adopt the proposed rule. A business that is aggrieved by a rule may object to all or a part of the rule if: (1) the governing body or its designee failed to prepare a business impact statement; or (2) the business impact statement is inaccurate or incomplete. (NRS 237.080, 237.090, 237.100)

**Section 1** of this bill provides that if a governing body fails to comply with such requirements to consider the potential impact on business before taking action to adopt a proposed rule, the action taken by the governing body is void. **Sections 1.3 and 1.7** of this bill make conforming changes.

**Section 1.5** of this bill revises the definition of “local government” to include a health district. **Section 1.9** of this bill requires a local government to consider the business impact statement at a public meeting held at least 10 calendar days before a meeting to adopt a proposed rule.

**Section 2** of this bill authorizes a business to file a petition objecting to a rule on the grounds that the governing body of a local government failed to comply with the requirements to consider the impact on business before adopting the rule. **Section 2** also requires the governing body to take action to readopt the rule after the governing body considers the business impact statement.

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

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

**Section 1.** Chapter 237 of NRS is hereby amended by adding thereto a new section to read as follows:

*Any action of the governing body of a local government to adopt a proposed rule in violation of the provisions of this section and NRS 237.030 to 237.150, inclusive, is void.*



**Sec. 1.3.** NRS 237.030 is hereby amended to read as follows:

237.030 As used in NRS 237.030 to 237.150, inclusive, *and section 1 of this act*, unless the context otherwise requires, the words and terms defined in NRS 237.040, 237.050 and 237.060 have the meanings ascribed to them in those sections.

**Sec. 1.5.** NRS 237.050 is hereby amended to read as follows:

237.050 "Local government" means a political subdivision of this State, including, without limitation, a city, county, *health district*, irrigation district, water district or water conservancy district.

**Sec. 1.7.** NRS 237.070 is hereby amended to read as follows:

237.070 The provisions of NRS 237.030 to 237.150, inclusive, *and section 1 of this act* do not apply with respect to a rule for which a local government does not have the authority to consider less stringent alternatives, including, without limitation, a rule that the local government is required to adopt pursuant to a federal or state statute or regulation or pursuant to a contract or agreement into which the local government has entered.

**Sec. 1.9.** 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 ~~its regular~~ *a public meeting* ~~[next preceding any regular 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 estimated economic effect of the proposed rule on the businesses which it is to regulate, including, without limitation:

- (1) Both adverse and beneficial effects; and
- (2) Both direct and indirect effects.

(c) 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) The estimated cost to the local government for enforcement of the proposed rule.

(e) 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) 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) 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. 2.** NRS 237.100 is hereby amended to read as follows:

237.100 1. A business that is aggrieved by a rule adopted by the governing body of a local government on or after January 1, 2000, may object to all or a part of the rule by filing a petition with the governing body that adopted the rule within 30 days after the date on which the rule was adopted.

2. A petition filed pursuant to subsection 1 may be based on the following grounds:

(a) The governing body of the local government or its designee failed to prepare a business impact statement as required pursuant to NRS 237.080 and 237.090; ~~or~~

(b) The business impact statement prepared by the governing body or its designee pursuant to NRS 237.080 and 237.090 is inaccurate, incomplete or did not adequately consider or significantly underestimated the economic effect of the rule on businesses ~~or~~; **or**

(c) *The governing body of the local government failed to comply with any of the requirements of NRS 237.030 to 237.150, inclusive, and section 1 of this act before adopting the proposed rule.*

3. After receiving a petition pursuant to subsection 1, the governing body of a local government shall determine whether the petition has merit. If the governing body determines that the petition has merit, the governing body ~~may~~ **must** take action to **readopt or** amend the rule to which the business objected ~~or~~ **after considering the business impact statement.**

4. Each governing body of a local government shall provide a procedure for an aggrieved business to object to a rule adopted by



the governing body. The procedure must be filed with the clerk of the local government and available upon request at no charge.

