
SENATE BILL NO. 149—SENATORS
ATKINSON, KIHUEN AND FORD

FEBRUARY 12, 2015

JOINT SPONSORS: ASSEMBLYMEN
SPRINKLE; AND CARLTON

Referred to Committee on Revenue and
Economic Development

SUMMARY—Provides for a program of matching grants to local governments for the maintenance and repair of public works. (BDR 43-669)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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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 works; requiring the State Treasurer to establish a program to provide matching grants of money to local governments in this State for the maintenance and repair of public works; authorizing for that purpose the issuance of general obligation bonds of the State of Nevada; providing for the administration of the program and authorizing the adoption of regulations; allocating a portion of the basic governmental services tax to the State General Fund and the State Highway Fund; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 **Section 2** of this bill requires the State Treasurer to establish a program to
2 provide matching grants of money to local governments in this State for the
3 maintenance and repair of public schools, streets, highways and other public works.
4 To provide money to carry out the program, **section 3** of this bill requires the State
5 Board of Finance to issue general obligation bonds of the State in an aggregate
6 amount not to exceed \$325,000,000. These bonds must be additionally secured by
7 and payable from revenues from the basic governmental services tax which are
8 deposited in the State General Fund. **Section 5** of this bill requires the State
9 Treasurer to make matching grants of money for projects in the various counties



10 from the amounts allocated for each county or group of counties. **Section 5**
11 provides generally that a grant made for a project must not exceed 70 percent of the
12 budgeted cost of the project for which bids are submitted before July 1, 2016, or 40
13 percent of that cost for a project for which bids are submitted on or after July 1,
14 2016, but before January 1, 2017.

15 In 2009, the Legislature allocated the revenue from certain increases in the
16 basic governmental services tax to the State General Fund for the period ending
17 June 30, 2013, and thereafter to the State Highway Fund. (Chapter 395, Statutes of
18 Nevada 2009, pp. 2193, 2198) In 2013, the Legislature extended until June 30,
19 2015, the period during which this revenue is to be allocated to the State General
20 Fund. (Chapter 443, Statutes of Nevada 2013, p. 2570) **Section 7** of this bill
21 requires that this revenue be divided equally between the State General Fund and
22 the State Highway Fund and provides that a portion of the revenue transferred to
23 the State General Fund is pledged to pay the principal and interest on the bonds
24 authorized for issuance pursuant to **section 3. Sections 6 and 8** of this bill make
25 conforming changes.

26 **Section 9** of this bill provides that any grant of money from the program must
27 be made before January 1, 2017, and, after that date, the State Controller must
28 transfer any remaining money to the credit of the State Public Works Division of
29 the Department of Administration for capital projects.

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

- 1 **Section 1.** The Legislature hereby finds and declares that:
2 1. The national recession has had a staggering effect on
3 Nevada's economy, and the State and local governments continue to
4 struggle as a result of the financial hardship experienced by its
5 residents;
6 2. The economic downturn that began in 2007 and
7 accompanying changing economic patterns have caused high levels
8 of unemployment in Nevada;
9 3. Many of Nevada's unemployed residents have lost jobs in
10 the construction sector as the construction industry has faltered as a
11 result of the economic downturn;
12 4. One of the most effective methods of returning unemployed
13 Nevadans to work is to revitalize the job market in the construction
14 sector;
15 5. An immediate step which may be taken to put Nevadans
16 back to work is to provide money to local governments for the
17 financing of projects for the maintenance and repair of public
18 schools, streets, highways and other public works;
19 6. The number of unemployed Nevadans varies dramatically
20 by county;
21 7. The critical infrastructure needs of each local government
22 differ substantially, particularly in the number, size and scope of
23 public works projects; and



1 8. A general law cannot be made applicable to the purposes,
2 objects, powers, rights, privileges, immunities, liabilities, duties and
3 disabilities provided in this act because of the number of atypical
4 factors and special conditions relating thereto, including the
5 economic and geographic diversity of the local governments of this
6 State and the special circumstances in each county relating to the
7 critical need to maintain and repair public schools, streets, highways
8 and other public works.

9 **Sec. 2.** 1. The State Treasurer shall establish a program to
10 provide matching grants of money to local governments in this State
11 for the maintenance and repair of public schools, streets, highways
12 and other public works as provided in sections 1 to 5, inclusive, of
13 this act.

14 2. The State Treasurer shall report semiannually to the Interim
15 Finance Committee concerning the establishment and administration
16 of the program and the expenditure of money for the program.

17 **Sec. 3.** 1. Money to carry out the program established
18 pursuant to section 2 of this act must be provided for the period
19 beginning on July 1, 2015, and ending on December 31, 2016, by
20 the issuance by the State Board of Finance of one or more series of
21 general obligation bonds of the State of Nevada in an aggregate
22 amount not to exceed \$325,000,000 to pay for the cost of any
23 project in accordance with the provisions of sections 1 to 5,
24 inclusive, of this act.

25 2. The general obligation bonds must be additionally secured
26 by and payable from revenues from the basic governmental services
27 tax collected pursuant to chapter 371 of NRS that are deposited in
28 the State General Fund.

29 3. Following the issuance of bonds authorized by this act, the
30 State Controller shall transfer to the State Treasurer, for deposit into
31 the Consolidated Bond Interest and Redemption Fund, from
32 amounts deposited into the State General Fund from the revenues
33 described in subsection 2, an amount equal to the amount of
34 principal and interest which accrues on the bonds in each month
35 following each issuance of bonds. For the purposes of this section:

36 (a) The interest on each series of bonds shall be deemed to
37 accrue in equal monthly amounts from the date of each series of the
38 bonds until the date of the first interest payment on that series of
39 bonds, and thereafter each semiannual interest payment shall be
40 deemed to accrue in six equal monthly installments ending on the
41 semiannual interest payment date for that series of bonds.

42 (b) The principal on each series of bonds shall be deemed to
43 accrue in equal monthly amounts from the date of each series of the
44 bonds until the date of the first principal payment on that series of
45 bonds, and thereafter each annual principal payment shall be



1 deemed to accrue in 12 equal monthly installments ending on the
2 annual principal payment date for that series of bonds. The annual
3 principal payment for each series of bonds must occur on the date of
4 the second interest payment due on that series of bonds.

5 4. Except with respect to the first interest and principal
6 payments on each series of bonds, the interest payments on the
7 bonds must be made semiannually and the principal payments must
8 be made annually.

9 5. The provisions of the State Securities Law apply to the
10 issuance of general obligation bonds pursuant to this section.

11 **Sec. 4.** 1. All money that is collected for the use of the
12 program established pursuant to section 2 of this act, including,
13 without limitation, the proceeds of the bonds issued pursuant to
14 section 3 of this act, after deducting any applicable charges, must be
15 accounted for separately in the State General Fund.

16 2. Any interest or income earned on the money in the account
17 created pursuant to this section must be credited to the account. Any
18 money remaining in the account at the end of the fiscal year does
19 not revert to the State General Fund but must be carried over to the
20 next fiscal year.

21 3. All claims against the account must be paid as other claims
22 against the State are paid.

23 **Sec. 5.** 1. Except as otherwise provided in sections 1 to 5,
24 inclusive, of this act, money in the account created pursuant to
25 section 4 of this act must be used by the State Treasurer to make
26 matching grants of money pursuant to the program established
27 pursuant to section 2 of this act to the following counties, and local
28 governments in those counties, from the amounts allocated as
29 follows:

30	
31	Carson City..... \$6,500,000
32	Clark County 234,000,000
33	Douglas County 6,500,000
34	Elko County..... 6,500,000
35	Lyon County..... 6,500,000
36	Nye County..... 6,500,000
37	Washoe County 49,833,333
38	Other counties..... 8,666,667
39	

40 2. For each county and any local government within a county
41 or group of counties identified or described in subsection 1, the
42 State Treasurer shall consider requests for grants and make grants in
43 the order in which requests are received. The aggregate amount of
44 money granted to local governments in any such county or group of



1 counties must not exceed the amount allocated for the county or
2 group of counties by subsection 1.

3 3. A grant made for any project pursuant to sections 1 to 5,
4 inclusive, of this act must not exceed:

5 (a) Seventy percent of the budgeted cost of the project for any
6 project for which bids are submitted before July 1, 2016.

7 (b) Forty percent of the budgeted cost of the project for any
8 project for which bids are submitted on or after July 1, 2016, but
9 before January 1, 2017.

10 (c) The greater of 5 percent or \$10,000,000 of the allocation
11 provided in subsection 1 for the county or group of counties in
12 which the requesting local government is located.

13 4. A local government which requests a grant pursuant to
14 sections 1 to 5, inclusive, of this act must demonstrate that its share
15 of the budgeted cost of the project will be paid by the local
16 government and not by any other person, including, without
17 limitation, any contractor or developer interested in the project.

18 5. A grant must not be made for any project which is
19 commenced or for which financing is approved before July 1, 2015.

20 6. The State Treasurer may adopt such regulations, not
21 inconsistent with the provisions of sections 1 to 5, inclusive, of this
22 act, as are necessary to carry out the provisions of those sections.

23 **Sec. 6.** NRS 482.181 is hereby amended to read as follows:

24 482.181 1. Except as otherwise provided in subsection 5,
25 after deducting the amount withheld by the Department and the
26 amount credited to the Department pursuant to subsection 6 of NRS
27 482.180, and the amount transferred to the State *General Fund and*
28 *the State* Highway Fund pursuant to NRS 482.182, the Department
29 shall certify monthly to the State Board of Examiners the amount of
30 the basic and supplemental governmental services taxes collected
31 for each county by the Department and its agents during the
32 preceding month, and that money must be distributed monthly as
33 provided in this section.

34 2. Any supplemental governmental services tax collected for a
35 county must be distributed only to the county, to be used as
36 provided in NRS 371.043, 371.045 and 371.047.

37 3. The distribution of the basic governmental services tax
38 received or collected for each county must be made to the county
39 school district within each county before any distribution is made to
40 a local government, special district or enterprise district. For the
41 purpose of calculating the amount of the basic governmental
42 services tax to be distributed to the county school district, the taxes
43 levied by each local government, special district and enterprise
44 district are the product of its certified valuation, determined
45 pursuant to subsection 2 of NRS 361.405, and its tax rate,



1 established pursuant to NRS 361.455 for the fiscal year beginning
2 on July 1, 1980, except that the tax rate for school districts,
3 including the rate attributable to a district's debt service, is the rate
4 established pursuant to NRS 361.455 for the fiscal year beginning
5 on July 1, 1978, but if the rate attributable to a district's debt service
6 in any fiscal year is greater than its rate for the fiscal year beginning
7 on July 1, 1978, the higher rate must be used to determine the
8 amount attributable to debt service.

9 4. After making the distributions set forth in subsection 3, the
10 remaining money received or collected for each county must be
11 deposited in the Local Government Tax Distribution Account
12 created by NRS 360.660 for distribution to local governments,
13 special districts and enterprise districts within each county pursuant
14 to the provisions of NRS 360.680 and 360.690.

15 5. An amount equal to any basic governmental services tax
16 distributed to a redevelopment agency in the Fiscal Year 1987-1988
17 must continue to be distributed to that agency as long as it exists but
18 must not be increased.

19 6. The Department shall make distributions of the basic
20 governmental services tax directly to county school districts.

21 7. As used in this section:

22 (a) "Enterprise district" has the meaning ascribed to it in
23 NRS 360.620.

24 (b) "Local government" has the meaning ascribed to it in
25 NRS 360.640.

26 (c) "Received or collected for each county" means:

27 (1) For the basic governmental services tax collected on
28 vehicles subject to the provisions of chapter 706 of NRS, the
29 amount determined for each county based on the following
30 percentages:

31		
32	Carson City.....	1.07 percent
33	Churchill.....	5.21 percent
34	Clark.....	22.54 percent
35	Douglas.....	2.52 percent
36	Elko.....	13.31 percent
37	Esmeralda.....	2.52 percent
38	Eureka.....	3.10 percent
39	Humboldt.....	8.25 percent
40	Lander.....	3.88 percent
41		
42	Lincoln.....	3.12 percent
43	Lyon.....	2.90 percent
44	Mineral.....	2.40 percent
45	Nye.....	4.09 percent
	Pershing.....	7.00 percent
	Storey.....	0.19 percent
	Washoe.....	12.24 percent
	White Pine.....	5.66 percent

42 (2) For all other basic and supplemental governmental
43 services tax received or collected by the Department, the amount
44 attributable to each county based on the county of registration of the
45 vehicle for which the tax was paid.



1 (d) "Special district" has the meaning ascribed to it in
2 NRS 360.650.

3 **Sec. 7.** NRS 482.182 is hereby amended to read as follows:

4 482.182 1. After deducting the amount withheld by the
5 Department and the amount credited to the Department pursuant to
6 subsection 6 of NRS 482.180 and before carrying out the provisions
7 of NRS 482.181 each month, the Department shall direct the State
8 Controller to transfer to the State *General Fund and the State*
9 *Highway Fund , in equal shares,* from the proceeds of the basic
10 governmental services tax collected by the Department and its
11 agents during the preceding month , the amounts indicated pursuant
12 to this section. *There is hereby pledged, from the money*
13 *transferred to the State General Fund pursuant to this subsection,*
14 *the amount necessary to pay the principal and interest on the*
15 *general obligation bonds authorized for issuance by the State*
16 *Board of Finance pursuant to section 3 of this act, and the*
17 *amount so pledged must not be used for any other purpose.*

18 2. Except as otherwise provided in subsection 3, the amount
19 required to be transferred pursuant to subsection 1 from the
20 proceeds of the basic governmental services tax imposed on vehicles
21 depreciated in accordance with:

22 (a) Subsection 1 of NRS 371.060 based upon an age of:

23 (1) One year, is a sum equal to 11 percent of those proceeds;

24 (2) Two years, is a sum equal to 12 percent of those
25 proceeds;

26 (3) Three years, is a sum equal to 13 percent of those
27 proceeds;

28 (4) Four years, is a sum equal to 15 percent of those
29 proceeds;

30 (5) Five years, is a sum equal to 18 percent of those
31 proceeds;

32 (6) Six years, is a sum equal to 22 percent of those proceeds;

33 (7) Seven years, is a sum equal to 29 percent of those
34 proceeds;

35 (8) Eight years, is a sum equal to 40 percent of those
36 proceeds; and

37 (9) Nine years or more, is a sum equal to 67 percent of those
38 proceeds; and

39 (b) Subsection 2 of NRS 371.060 based upon an age of:

40 (1) One year, is a sum equal to 12 percent of those proceeds;

41 (2) Two years, is a sum equal to 14 percent of those
42 proceeds;

43 (3) Three years, is a sum equal to 18 percent of those
44 proceeds;



- 1 (4) Four years, is a sum equal to 21 percent of those
2 proceeds;
3 (5) Five years, is a sum equal to 26 percent of those
4 proceeds;
5 (6) Six years, is a sum equal to 30 percent of those proceeds;
6 (7) Seven years, is a sum equal to 33 percent of those
7 proceeds;
8 (8) Eight years, is a sum equal to 37 percent of those
9 proceeds;
10 (9) Nine years, is a sum equal to 40 percent of those
11 proceeds; and
12 (10) Ten years or more, is a sum equal to 43 percent of those
13 proceeds.

14 3. The amount required to be transferred pursuant to subsection
15 1 from the proceeds of the basic governmental services tax imposed
16 on vehicles to which the minimum amount of that tax applies
17 pursuant to paragraph (b) of subsection 3 of NRS 371.060 is a sum
18 equal to 63 percent of those proceeds.

19 **Sec. 8.** Section 20 of chapter 395, Statutes of Nevada 2009, as
20 last amended by chapter 518, Statutes of Nevada 2013, at page
21 3426, is hereby amended to read as follows:

22 Sec. 20. 1. This section and section 19 of this act
23 become effective upon passage and approval.

24 2. Sections 1 and 2 of this act become effective on
25 July 1, 2009.

26 3. Section 3 of this act becomes effective on July 1,
27 2009, and expires by limitation on June 30, 2011.

28 4. Sections 6 to 12, inclusive, of this act become
29 effective on July 1, 2009, and expire by limitation on June 30,
30 2015.

31 5. Sections 4, 5, 13, 14, 15, 16, 17 and 18 of this act
32 become effective:

33 (a) Upon passage and approval for the purpose of
34 performing any preparatory administrative tasks that are
35 necessary to carry out the provisions of this act; and

36 (b) On September 1, 2009, for all other purposes.

37 6. Sections 15.5 and 18.5 of this act become effective on
38 July 1, 2015.

39 ~~{7. Section 18 of this act expires by limitation on~~
40 ~~June 30, 2015.}~~

41 **Sec. 9.** Any grant made pursuant to sections 1 to 5, inclusive,
42 of this act must be made before January 1, 2017. Upon the
43 expiration of that period, the State Controller shall transfer any
44 money remaining in the account created pursuant to section 4 of this
45 act to the credit of the State Public Works Division of the



1 Department of Administration for use on capital projects approved
2 by the Legislature, or by the Interim Finance Committee if the
3 Legislature is not in session.

4 **Sec. 10.** 1. This section and sections 1 to 5, inclusive, and 8
5 and 9 of this act become effective upon passage and approval.

6 2. Sections 6 and 7 of this act become effective on July 1,
7 2015.



