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SENATE BILL NO. 171—SENATORS ATKINSON, DENIS, JONES, FORD,  
KIHUEN; MANENDO, PARKS, SEGERBLOM, SMITH,  
SPEARMAN AND WOODHOUSE

FEBRUARY 19, 2013

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JOINT SPONSORS: ASSEMBLYMEN KIRKPATRICK, BOBZIEN,  
FRIERSON; MUNFORD, NEAL AND PIERCE

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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 43-621)

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.

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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, 2014, or 40  
13 percent of that cost for a project for which bids are submitted on or after July 1,  
14 2014, but before January 1, 2015.

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) **Section 7** of this bill requires that this revenue be  
19 divided equally between the State General Fund and the State Highway Fund and  
20 provides that a certain amount of the revenue transferred to the State General Fund  
21 is pledged to pay the principal and interest on the bonds authorized for issuance  
22 pursuant to **section 3. Sections 6 and 8** of this bill make conforming changes.

23 **Section 9** of this bill provides that any grant of money from the program must  
24 be made before January 1, 2015, and, after that date, the State Controller must  
25 transfer any remaining money to the credit of the State Public Works Division of  
26 the Department of Administration for capital projects.

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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 prolonged national recession has had a staggering effect  
3 on Nevada's economy, and the State and local governments  
4 continue to struggle as a result of the financial hardship experienced  
5 by its residents;  
6 2. The economic downturn that began in 2007 and  
7 accompanying changing economic patterns have caused high and  
8 sustained levels 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  
24 8. A general law cannot be made applicable to the purposes,  
25 objects, powers, rights, privileges, immunities, liabilities, duties and



1 disabilities provided in this act because of the number of atypical  
2 factors and special conditions relating thereto, including the  
3 economic and geographic diversity of the local governments of this  
4 State and the special circumstances in each county relating to the  
5 critical need to maintain and repair public schools, streets, highways  
6 and other public works.

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

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

15 **Sec. 3.** 1. Money to carry out the program established  
16 pursuant to section 2 of this act must be provided for the period  
17 beginning on July 1, 2013, and ending on December 31, 2014, by  
18 the issuance by the State Board of Finance of one or more series of  
19 general obligation bonds of the State of Nevada in an aggregate  
20 amount not to exceed \$325,000,000 to pay for the cost of any  
21 project in accordance with the provisions of sections 1 to 5,  
22 inclusive, of this act.

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

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

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

40 (b) The principal on each series of bonds shall be deemed to  
41 accrue in equal monthly amounts from the date of each series of the  
42 bonds until the date of the first principal payment on that series of  
43 bonds, and thereafter each annual principal payment shall be  
44 deemed to accrue in 12 equal monthly installments ending on the  
45 annual principal payment date for that series of bonds. The annual



1 principal payment for each series of bonds must occur on the date of  
2 the second interest payment due on that series of bonds.

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

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

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

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

19 3. All claims against the account must be paid as other claims  
20 against the State are paid.

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

28		
29	Carson City.....	\$6,500,000
30	Clark County .....	234,000,000
31	Douglas County .....	6,500,000
32	Elko County.....	6,500,000
33	Lyon County.....	6,500,000
34	Nye County.....	6,500,000
35	Washoe County .....	49,833,333
36	Other counties.....	8,666,667
37		

38 2. For each county and any local government within a county  
39 or group of counties identified or described in subsection 1, the  
40 State Treasurer shall consider requests for grants and make grants in  
41 the order in which requests are received. The aggregate amount of  
42 money granted to local governments in any such county or group of  
43 counties must not exceed the amount allocated for the county or  
44 group of counties by subsection 1.



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

3 (a) Seventy percent of the budgeted cost of the project for any  
4 project for which bids are submitted before July 1, 2014.

5 (b) Forty percent of the budgeted cost of the project for any  
6 project for which bids are submitted on or after July 1, 2014, but  
7 before January 1, 2015.

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

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

16 5. A grant must not be made for any project which is  
17 commenced or for which financing is approved before July 1, 2013.

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

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

22 482.181 1. Except as otherwise provided in subsection 5,  
23 after deducting the amount withheld by the Department and the  
24 amount credited to the Department pursuant to subsection 6 of NRS  
25 482.180, and the amount transferred to the State *General Fund and*  
26 *the State* Highway Fund pursuant to NRS 482.182, the Department  
27 shall certify monthly to the State Board of Examiners the amount of  
28 the basic and supplemental governmental services taxes collected  
29 for each county by the Department and its agents during the  
30 preceding month, and that money must be distributed monthly as  
31 provided in this section.

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

35 3. The distribution of the basic governmental services tax  
36 received or collected for each county must be made to the county  
37 school district within each county before any distribution is made to  
38 a local government, special district or enterprise district. For the  
39 purpose of calculating the amount of the basic governmental  
40 services tax to be distributed to the county school district, the taxes  
41 levied by each local government, special district and enterprise  
42 district are the product of its certified valuation, determined  
43 pursuant to subsection 2 of NRS 361.405, and its tax rate,  
44 established pursuant to NRS 361.455 for the fiscal year beginning  
45 on July 1, 1980, except that the tax rate for school districts,



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

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

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

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

19 7. As used in this section:

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

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

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

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

29				
30	Carson City.....	1.07 percent	Lincoln .....	3.12 percent
31	Churchill.....	5.21 percent	Lyon .....	2.90 percent
32	Clark .....	22.54 percent	Mineral.....	2.40 percent
33	Douglas.....	2.52 percent	Nye.....	4.09 percent
34	Elko .....	13.31 percent	Pershing.....	7.00 percent
35	Esmeralda .....	2.52 percent	Storey .....	0.19 percent
36	Eureka.....	3.10 percent	Washoe.....	12.24 percent
37	Humboldt.....	8.25 percent	White Pine.....	5.66 percent
38	Lander.....	3.88 percent		
39				

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

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



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

2       482.182 1. After deducting the amount withheld by the  
3 Department and the amount credited to the Department pursuant to  
4 subsection 6 of NRS 482.180 and before carrying out the provisions  
5 of NRS 482.181 each month, the Department shall direct the State  
6 Controller to transfer to the State *General Fund and the State*  
7 *Highway Fund , in equal shares*, from the proceeds of the basic  
8 governmental services tax collected by the Department and its  
9 agents during the preceding month , the amounts indicated pursuant  
10 to this section. *There is hereby pledged, from the money*  
11 *transferred to the State General Fund pursuant to this subsection,*  
12 *the amount necessary to pay the principal and interest on the*  
13 *general obligation bonds authorized for issuance by the State*  
14 *Board of Finance pursuant to section 3 of this act, and the*  
15 *amount so pledged must not be used for any other purpose.*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

43           (4) Four years, is a sum equal to 21 percent of those  
44 proceeds;



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

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

17 **Sec. 8.** Section 20 of chapter 395, Statutes of Nevada 2009, at  
18 page 2199, is hereby amended to read as follows:

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

21 2. Sections 1, 2, 3 and 6 to 12, inclusive, of this act  
22 become effective on July 1, 2009, and expire by limitation on  
23 June 30, 2011.

24 3. Sections 4, 5, 13, 14, 15, 16, 17 and 18 of this act  
25 become effective:

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

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

30 4. Sections 15.5 and 18.5 of this act become effective on  
31 July 1, 2013.

32 ~~{5. Section 18 of this act expires by limitation on~~  
33 ~~June 30, 2013.}~~

34 **Sec. 9.** Any grant made pursuant to sections 1 to 5, inclusive,  
35 of this act must be made before January 1, 2015. Upon the  
36 expiration of that period, the State Controller shall transfer any  
37 money remaining in the account created pursuant to section 4 of this  
38 act to the credit of the State Public Works Division of the  
39 Department of Administration for use on capital projects approved  
40 by the Legislature, or by the Interim Finance Committee if the  
41 Legislature is not in session.

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





1        2. Sections 6 and 7 of this act becomes effective on July 1,  
2 2013.

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