

SENATE BILL NO. 298—SENATOR KIECKHEFER

MARCH 22, 2021

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to inland ports.
(BDR 22-536)

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 inland ports; revising provisions relating to the creation, maintenance and operation of inland ports and inland port authorities; requiring the Office of Economic Development within the Office of the Governor to conduct an interim study concerning the viability of and funding options associated with developing inland ports in certain areas in this State; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 The Inland Port Authority Act governs the creation, operation and maintenance
2 of an inland port and inland port authority. (Chapter 277B of NRS) An inland port
3 is defined in existing law as an area located away from traditional borders but
4 having direct access to highway, railway and air transport facilities and, if
5 applicable, intermodal facilities. (NRS 277B.050)

6 In addition to requiring the inclusion of certain highway, railway and air
7 transport facilities in the area in which an inland port is created, existing law
8 requires that the area be contiguous and prohibits the inclusion of residential
9 property in the area. (NRS 277B.150) **Section 6** of this bill removes the
10 requirement of contiguity and the prohibition against the inclusion of residential
11 property in the area.

12 Existing law authorizes, upon application to and approval by the Office of
13 Economic Development within the Office of the Governor, the creation, operation
14 and maintenance of an inland port and inland port authority by one or more boards
15 of county commissioners of counties or one or more governing bodies of
16 incorporated cities, or both. (NRS 277B.160) **Section 7** of this bill expands the
17 authorization to apply to create, operate and maintain an inland port and inland port
18 authority to all governmental entities and to private entities, or a combination
19 thereof. **Section 13** of this bill makes a conforming change as a result of the
20 expansion of the potential applicants. **Section 7** of this bill also provides the



21 authorization to approve applications to create, operate and maintain an inland port
22 and inland port authority specifically to the Executive Director of the Office of
23 Economic Development. **Section 2** of this bill adds a definition as a result of the
24 change in approval authority made in **section 7**. **Section 3** of this bill also requires
25 the Executive Director to adopt certain regulations concerning the creation,
26 operation and maintenance of inland ports and inland port authorities.

27 Upon approval, existing law requires the creation of an inland port by
28 ordinance and prescribes the contents of the ordinance. (NRS 277B.180) **Section 8**
29 of this bill additionally authorizes the creation of an inland port by resolution, rule,
30 or other means prescribed by regulations adopted by the Executive Director
31 pursuant to **section 3** and requires that those regulations prescribe the contents of
32 those methods of creation, with certain required elements.

33 Existing law requires an authority to be governed by a board of directors and
34 prescribes its membership. (NRS 277B.200) **Section 9** of this bill requires a board
35 to adopt a code of bylaws for the governance and management of the authority.

36 Existing law sets forth powers and duties of an inland port authority. (NRS
37 277B.300-277B.390) **Sections 10 and 12** of this bill revise these powers and duties
38 by: (1) specifically authorizing an inland port authority to enter into an agreement
39 with a regional development authority; and (2) requiring an inland port authority to
40 submit to an annual report to the Executive Director. **Section 14** of this bill requires
41 the Executive Director to perform any duties prescribed by law relating to inland
42 ports and inland port authorities. **Section 16** of this bill removes certain provisions
43 of existing law to address changes made by **sections 7, 8 and 9**.

44 **Section 15.5** of this bill requires the Office of Economic Development to
45 conduct a study during the 2021-2022 interim concerning the viability of and
46 funding options associated with developing inland ports in each megapolitan area
47 identified in Nevada's Plan for Recovery and Resilience (SRI International, at page
48 26 (December 2020)), which was prepared for the Office, and report the results of
49 such a study to the 82nd Session of the Nevada Legislature.

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

1 **Section 1.** Chapter 277B of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2 and 3 of this act.

3 **Sec. 2.** *“Executive Director” means the Executive Director*
4 *of the Office.*

5 **Sec. 3.** 1. *The Executive Director shall adopt regulations:*

6 (a) *Prescribing the criteria for eligibility to create, operate and*
7 *maintain an inland port and authority. Such criteria must include,*
8 *without limitation, a requirement that, if the boundaries of an*
9 *inland port include a municipally owned airport as described in*
10 *paragraph (a) of subsection 1 of NRS 277B.150, the municipality*
11 *that owns and operates the airport must be included in the*
12 *application to create, operate and maintain the inland port and*
13 *authority submitted pursuant to NRS 277B.160.*

14 (b) *Prescribing the required contents of an application and the*
15 *procedure for applying to create, operate and maintain an inland*
16 *port and authority pursuant to NRS 277B.160.*



1 (c) Prescribing the manner in which an inland port and
2 authority may be created, which must include, without limitation,
3 creation by ordinance, resolution, rule or order.

4 (d) Prescribing the required contents of an ordinance,
5 resolution, rule, order or other means authorized to create an
6 inland port and authority, which must include, without limitation:

- 7 (1) A description of the boundaries of the inland port;
- 8 (2) The location of the principal office of the authority;
- 9 (3) The name of the inland port and authority; and
- 10 (4) The number of directors who will compose the board.

11 (e) Prescribing requirements for the operation of an inland
12 port and authority.

13 (f) Prescribing the powers an authority may exercise, which
14 must include, without limitation, the powers and limitations
15 prescribed by NRS 277B.300 to 277B.390, inclusive.

16 (g) Prescribing the conditions for revocation of approval to
17 create, operate and maintain an inland port and authority.

18 (h) To ensure compliance with any applicable federal law
19 governing inland ports.

20 2. The Executive Director may adopt such other regulations
21 as he or she determines to be necessary or advisable to carry out
22 the provisions of this chapter.

23 **Sec. 4.** NRS 277B.020 is hereby amended to read as follows:

24 277B.020 As used in this chapter, unless the context otherwise
25 requires, the words and terms defined in NRS 277B.030 to
26 ~~[277B.070.] 277B.060~~, inclusive, *and section 2 of this act* have the
27 meanings ascribed to them in those sections.

28 **Sec. 5.** NRS 277B.030 is hereby amended to read as follows:

29 277B.030 “Authority” means an inland port authority created
30 pursuant to ~~[this chapter.] NRS 277B.180~~.

31 **Sec. 6.** NRS 277B.150 is hereby amended to read as follows:

32 277B.150 1. ~~[Subject to the requirements set forth in NRS~~
33 ~~277B.150 to 277B.180, inclusive, an] An~~ inland port may be created
34 only in ~~[a contiguous] an~~ area that ~~[~~

35 ~~—(a) Includes] includes~~ at least two of the following:

36 ~~[(1)] (a)~~ A municipally owned airport with a runway of at
37 least 4,500 feet.

38 ~~[(2)] (b)~~ A portion of a highway that is part of the National
39 Highway System.

40 ~~[(3)] (c)~~ Operating assets of at least one Class I railroad as
41 classified by the Surface Transportation Board.

42 ~~[(b) Does not include any residential property.]~~

43 2. ~~[All areas within the boundaries of an inland port must be~~
44 ~~within the boundaries of the county or counties and incorporated~~
45 ~~city or cities, as applicable, of the one or more participating entities~~



1 ~~which apply to the Office pursuant to NRS 277B.160 for the~~
2 ~~creation of the inland port.~~

3 ~~—3. If the~~ *The* boundaries of an inland port ~~[will include a~~
4 ~~municipally owned airport as described in subparagraph (1) of~~
5 ~~paragraph (a) of subsection 1:~~

6 ~~—(a) The municipality that owns and operates the airport must be~~
7 ~~a participating entity; or~~

8 ~~—(b) If the municipality that owns and operates the airport is not a~~
9 ~~participating entity, the municipality, by ordinance, must approve of~~
10 ~~the inclusion of the airport within the boundaries of the inland port.]~~

11 *may:*

12 *(a) Be non-contiguous.*

13 *(b) Include residential property.*

14 **Sec. 7.** NRS 277B.160 is hereby amended to read as follows:

15 277B.160 1. One or more ~~[participating]~~ *persons or*
16 *governmental entities, or a combination thereof,* may apply to the
17 ~~[Office]~~ *Executive Director* to create, operate and maintain an
18 inland port and authority.

19 2. ~~[A participating entity is eligible to apply to the Office~~
20 ~~pursuant to subsection 1 if the county or incorporated city, as~~
21 ~~applicable, of the participating entity is located in whole or in part~~
22 ~~within the proposed boundaries of the inland port.~~

23 ~~—3.]~~ The ~~[Office]~~ *Executive Director* may approve the creation
24 of an inland port and authority if ~~[the Office]~~ :

25 *(a) The boundaries of the inland port comply with the*
26 *requirements prescribed by NRS 277B.150;*

27 *(b) The applicant meets the eligibility criteria prescribed by the*
28 *regulations adopted pursuant to section 3 of this act; and*

29 *(c) The Executive Director* determines that the ~~[proposed]~~
30 *creation of the* inland port and authority ~~[will]~~ :

31 *(1) Is consistent with the State Plan for Economic*
32 *Development developed pursuant to NRS 231.053; and*

33 *(2) Will* serve the economic interests of this State.

34 3. *The Executive Director may consult with state and local*
35 *agencies in determining whether to approve the creation of an*
36 *inland port and authority.*

37 **Sec. 8.** NRS 277B.180 is hereby amended to read as follows:

38 277B.180 If ~~[a participating entity]~~ *an applicant* obtains
39 approval of the ~~[Office]~~ *Executive Director* for the creation of an
40 inland port and authority pursuant to NRS 277B.160, the
41 ~~[participating entity]~~ *applicant* shall create the inland port and
42 authority by ordinance ~~[. The ordinance must include, without~~
43 ~~limitation:~~

44 ~~—1. A description of the boundaries of the inland port;~~

45 ~~—2. The location of the principal office of the authority;~~



1 ~~3. The name of the inland port and authority; and~~
2 ~~4. The number of directors who will compose the board of the~~
3 ~~authority pursuant to NRS 277B.200.] , resolution, rule, order or~~
4 ~~other means prescribed by the regulations adopted pursuant to~~
5 ~~section 3 of this act.~~

6 **Sec. 9.** NRS 277B.200 is hereby amended to read as follows:

7 277B.200 1. An authority must be governed by a board of
8 directors with an odd-numbered membership set by the
9 ~~[participating entity or entities. If there is more than one~~
10 ~~participating entity, the membership of the board of directors must~~
11 ~~be agreed to by all of the participating entities.]~~ *applicant that*
12 *created the inland port and authority pursuant to NRS 277B.180.*

13 The board of directors must be composed of:

14 (a) One director appointed by each county ~~[that is a participating~~
15 ~~entity, if any;]~~ *within the boundaries of the inland port;*

16 (b) One director appointed by each city ~~[that is a participating~~
17 ~~entity,]~~ *within the boundaries of the inland port, if any;*

18 (c) If ~~[the authority includes]~~ a municipally owned airport
19 described in ~~[subparagraph (1) of]~~ paragraph (a) of subsection 1 of
20 NRS 277B.150 ~~[;]~~ *is within the boundaries of the inland port,* one
21 director appointed by:

22 (1) In a county whose population is 700,000 or more, the
23 department of aviation of the county; or

24 (2) In a county whose population is less than 700,000, the
25 governing body of the airport authority, if any, and if there is not an
26 airport authority, by the governing body of the municipality which
27 owns the airport; and

28 (d) Any other directors appointed in accordance with this
29 section and as provided in ~~[an]~~ *the* ordinance ~~[adopted by a~~
30 ~~participating entity pursuant to NRS 277B.180.] , resolution, rule,~~
31 ~~order or other means used to create the inland port and authority.~~

32 2. A director must reside within the boundaries of the
33 ~~[participating entity that appoints him or her].~~ *inland port and*
34 *authority governed by the board.*

35 3. ~~[The following persons are not eligible to be appointed to a~~
36 ~~board:~~

37 ~~—(a)]~~ An elected official of any governmental entity ~~[-~~

38 ~~—(b) An employee of a participating entity.]~~ *is not eligible to be*
39 *appointed to a board.*

40 4. Except as otherwise provided in this section, the directors
41 described in subsection 1 must be appointed to terms of 4 years. The
42 terms must be staggered in such a manner that, to the extent
43 possible, the terms of one-half of the directors will expire every 2
44 years. The initial directors of the authority shall, at the first meeting
45 of the board after their appointment, draw lots to determine which



1 directors will initially serve terms of 2 years and which will serve
2 terms of 4 years. A director may be reappointed.

3 5. A vacancy occurring during the term of a director must be
4 filled by the appointing ~~[participating entity]~~ *authority* for the
5 unexpired term as soon as is reasonably practicable.

6 *6. As soon as reasonably practicable after the directors have*
7 *been appointed pursuant to subsection 1, the board shall adopt a*
8 *code of bylaws for the governance and management of the*
9 *authority.*

10 **Sec. 10.** NRS 277B.310 is hereby amended to read as follows:

11 277B.310 *1.* An authority may enter into an agreement with
12 any person ~~[]~~ *or governmental entity*, including, without limitation,
13 the United States or ~~[any other governmental entity,]~~ *a regional*
14 *development authority*, for any purpose of the authority.

15 *2. As used in this section, "regional development authority"*
16 *has the meaning ascribed to it in NRS 231.009.*

17 **Sec. 11.** (Deleted by amendment.)

18 **Sec. 12.** NRS 277B.360 is hereby amended to read as follows:

19 277B.360 ~~[At the request of the Office, an]~~ *An authority shall :*

20 *1. Annually prepare and submit to the Executive Director a*
21 *report regarding the operations and activities of the inland port*
22 *and authority.*

23 *2. At the request of the Executive Director, report to the*
24 ~~[Office]~~ *Executive Director* on all issues and activities necessary for
25 the administration of the authority.

26 **Sec. 13.** NRS 277B.380 is hereby amended to read as follows:

27 277B.380 An authority may not provide retail utility services
28 or duplicate a service or facility of ~~[another]~~ *a governmental entity.*

29 **Sec. 14.** NRS 231.053 is hereby amended to read as follows:

30 231.053 After considering any advice and recommendations of
31 the Board, the Executive Director:

32 1. Shall direct and supervise the administrative and technical
33 activities of the Office.

34 2. Shall develop and may periodically revise a State Plan for
35 Economic Development, which:

36 (a) Must include a statement of:

37 (1) New industries which have the potential to be developed
38 in this State;

39 (2) The strengths and weaknesses of this State for business
40 incubation;

41 (3) The competitive advantages and weaknesses of this State;

42 (4) The manner in which this State can leverage its
43 competitive advantages and address its competitive weaknesses;



1 (5) A strategy to encourage the creation and expansion of
2 businesses in this State and the relocation of businesses to this State;
3 and

4 (6) Potential partners for the implementation of the strategy,
5 including, without limitation, the Federal Government, local
6 governments, local and regional organizations for economic
7 development, chambers of commerce, and private businesses,
8 investors and nonprofit entities; and

9 (b) Must not include provisions for the granting of any
10 abatement, partial abatement or exemption from taxes or any other
11 incentive for economic development to a person who will locate or
12 expand a business in this State that is subject to the tax imposed
13 pursuant to NRS 362.130 or the gaming license fees imposed by the
14 provisions of NRS 463.370.

15 3. Shall develop criteria for the designation of regional
16 development authorities pursuant to subsection 4.

17 4. Shall designate as many regional development authorities
18 for each region of this State as the Executive Director determines to
19 be appropriate to implement the State Plan for Economic
20 Development. In designating regional development authorities, the
21 Executive Director must consult with local governmental entities
22 affected by the designation. The Executive Director may, if he or
23 she determines that such action would aid in the implementation of
24 the State Plan for Economic Development, remove the designation
25 of any regional development authority previously designated
26 pursuant to this section and declare void any contract between the
27 Office and that regional development authority.

28 5. Shall establish procedures for entering into contracts with
29 regional development authorities to provide services to aid, promote
30 and encourage the economic development of this State.

31 6. *Shall perform any duties prescribed in chapter 277B of*
32 *NRS.*

33 7. May apply for and accept any gift, donation, bequest, grant
34 or other source of money to carry out the provisions of NRS
35 231.020 to 231.139, inclusive, and 231.1555 to 231.1597, inclusive.

36 ~~7.1~~ 8. May adopt such regulations as may be necessary to
37 carry out the provisions of NRS 231.020 to 231.139, inclusive, and
38 231.1555 to 231.1597, inclusive.

39 ~~8.1~~ 9. In a manner consistent with the laws of this State, may
40 reorganize the programs of economic development in this State to
41 further the State Plan for Economic Development. If, in the opinion
42 of the Executive Director, changes to the laws of this State are
43 necessary to implement the economic development strategy for this
44 State, the Executive Director must recommend the changes to the
45 Governor and the Legislature.



1 **Sec. 15.** (Deleted by amendment.)

2 **Sec. 15.5.** The Office of Economic Development within the
3 Office of the Governor shall conduct a study during the 2021-2022
4 interim concerning the viability of and funding options associated
5 with developing inland ports in each megapolitan area identified in
6 Nevada's Plan for Recovery and Resilience (SRI International, at
7 page 26 (December 2020)), which was prepared for the Office, and
8 report the results of such a study to the 82nd Session of the Nevada
9 Legislature.

10 **Sec. 16.** NRS 277B.070, 277B.170, 277B.190 and 277B.210
11 are hereby repealed.

12 **Sec. 17.** 1. This section becomes effective upon passage and
13 approval.

14 2. Sections 1 to 16, inclusive, of this act become effective:

15 (a) Upon passage and approval for the purpose of adopting any
16 regulations and performing any other preparatory administrative
17 tasks that are necessary to carry out the provisions of this act; and

18 (b) On October 1, 2021, for all other purposes.

LEADLINES OF REPEALED SECTIONS

277B.070 **“Participating entity” defined.**

277B.170 **Creation: Public hearings after approval; notice.**

277B.190 **Withdrawal; dissolution.**

277B.210 **Officers; per diem and travel expenses.**

