

SENATE BILL NO. 347—SENATOR HARDY

MARCH 20, 2017

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Imposes penalties on electric utilities that fail to comply with provisions governing surplus assets. (BDR 58-269)

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 utilities; imposing penalties on an electric utility that fails to comply with certain requirements relating to the identification, decommissioning and disposal of surplus assets; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Existing law requires any electric utility which owns certain generation assets  
2 in this State to provide the Public Utilities Commission of Nevada with a list of  
3 certain nonproductive assets and to create a plan for the decommissioning and  
4 disposal of surplus assets. (NRS 704.733-704.7341) Existing law authorizes the  
5 Commission to impose on any person that violates a provision of existing law  
6 within the jurisdiction of the Commission an administrative fine of not more than  
7 \$1,000 per day for the violation. (NRS 703.380) **Section 2** of this bill requires the  
8 Commission to impose such an administrative fine on an electric utility that fails to  
9 comply with the requirement to provide the Commission with a list of  
10 nonproductive assets, create a plan for the decommissioning and disposal of surplus  
11 assets or carry out such a plan. Under **section 2**, any fine imposed by the  
12 Commission constitutes a lien on the asset that is the subject of the violation and  
13 the property on which that asset is located. **Section 3** of this bill enacts provisions  
14 based on existing law governing delinquent property taxes to authorize the sale of  
15 the asset that is the subject of the violation and the property on which that asset is  
16 located to satisfy an administrative fine that is not paid within the time prescribed  
17 by the Commission.



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

1       **Section 1.** Chapter 704 of NRS is hereby amended by adding  
2 thereto the provisions set forth as sections 2 and 3 of this act.

3       **Sec. 2.** *The Commission shall, after notice and the*  
4 *opportunity for a hearing, impose on an electric utility that*  
5 *violates any applicable provisions of NRS 704.733 to 704.7341,*  
6 *inclusive, and sections 2 and 3 of this act an administrative fine*  
7 *pursuant to NRS 703.380 in an amount not to exceed \$1,000 per*  
8 *day for each day of the violation. Any administrative fine imposed*  
9 *pursuant to this subsection constitutes a lien on the asset to which*  
10 *the violation relates and the property on which that asset is*  
11 *located.*

12       **Sec. 3. 1.** *If an electric utility violates any applicable*  
13 *provision of NRS 704.733 to 704.7341, inclusive, and sections 2*  
14 *and 3 of this act and fails to pay an administrative fine imposed*  
15 *pursuant to section 2 of this act within the time prescribed by the*  
16 *Commission, the Commission must mail to the electric utility by*  
17 *first class mail a citation setting forth the nature of the violation,*  
18 *the amount of the administrative fine remaining unpaid and a*  
19 *notice that the failure of the electric utility to comply with the*  
20 *provisions of NRS 704.733 to 704.7341, inclusive, and sections 2*  
21 *and 3 of this act may result in the sale of the asset to which*  
22 *the violation relates and the property on which that asset is*  
23 *located.*

24       **2.** *If, within 90 days after the mailing of a citation pursuant*  
25 *to subsection 1, the electric utility has not paid the administrative*  
26 *fine, the Commission must notify the tax receiver of the county*  
27 *and the tax receiver must make out a certificate that describes the*  
28 *asset to which the violation relates and the property on which that*  
29 *asset is located and record the certificate with the recorder of each*  
30 *county in which any portion of the property is situated. The*  
31 *certificate authorizes the county treasurer, as trustee for the State,*  
32 *to hold each property described in the certificate for the period*  
33 *of 2 years after the date of the certificate. The certificate must*  
34 *state:*

35       **(a)** *The name of the owner of the property;*

36       **(b)** *That the property described in the certificate may be*  
37 *redeemed within 2 years after the date of the certificate; and*

38       **(c)** *That the title to each property not redeemed vests in the*  
39 *county for the benefit of the State and county.*

40       **↪** *Notwithstanding any other provision of law, property held*  
41 *pursuant to the certificate must be assessed annually to the owner*  
42 *of the property for the purpose of the taxes imposed pursuant to*



1 *chapter 361 of NRS and any costs to abate a nuisance on property*  
2 *pursuant to the certificate are legally chargeable against the*  
3 *property.*

4 3. *When the time allowed by law for the redemption of*  
5 *property described in a certificate has expired and no redemption*  
6 *has been made, the tax receiver who issued the certificate, or his*  
7 *or her successor in office, shall execute and deliver to the county*  
8 *treasurer a deed of the property in trust for the use and benefit of*  
9 *the State and county. The county treasurer may sell and convey*  
10 *the property in the manner prescribed in subsections 3 to 9,*  
11 *inclusive, of NRS 361.595.*

12 4. *Not later than the third business day before the day of the*  
13 *sale by the county treasurer, any person specified in subsection 4*  
14 *of NRS 361.585 is entitled to have the property reconveyed upon*  
15 *receipt by the county treasurer of the amount of the administrative*  
16 *fine. The county treasurer must transfer any payment received*  
17 *pursuant to this subsection to the Commission.*

18 5. *A sale pursuant to subsection 4 has the same effect as a*  
19 *sale of property pursuant to NRS 361.595.*

20 6. *After the sale, the Commission shall apply the proceeds of*  
21 *the sale in the following order:*

22 (a) *The reasonable expenses of the sale;*

23 (b) *The reasonable expenses of securing possession before the*  
24 *sale, holding, maintaining and preparing the property for sale,*  
25 *including payment of taxes and other governmental charges,*  
26 *premiums on hazard and liability insurance, and reasonable*  
27 *attorney's fees and other legal expenses incurred by the*  
28 *Commission;*

29 (c) *Satisfaction of any fines imposed by the Commission*  
30 *pursuant to section 2 of this act;*

31 (d) *Satisfaction in the order of priority of any subordinate*  
32 *claim of record; and*

33 (e) *Remittance of any excess to the owner of the property.*

34 7. *If the deed when regularly issued is not recorded in the*  
35 *office of the county recorder, the deed, and all proceedings*  
36 *relating thereto, is void as against any subsequent purchaser in*  
37 *good faith and for a valuable consideration of the same property,*  
38 *or any portion thereof, when his or her own conveyance is first*  
39 *recorded.*

40 **Sec. 4.** NRS 704.733 is hereby amended to read as follows:

41 704.733 As used in NRS 704.733 to 704.7341, inclusive, *and*  
42 *sections 2 and 3 of this act*, unless the context otherwise requires,  
43 the words and terms defined in NRS 704.7331 to 704.7337,  
44 inclusive, have the meanings ascribed to them in those sections.



1     **Sec. 5.** This act becomes effective on July 1, 2017.

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