

SENATE BILL NO. 68—SENATOR SEGERBLOM

PREFILED JANUARY 7, 2013

Referred to Committee on Government Affairs

SUMMARY—Provides for the creation of underground utilities districts. (BDR 20-497)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: No.

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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 utilities; requiring the board of county commissioners in certain counties to create an underground utilities district; authorizing the creation of such a district in other counties; providing for the organization, operation and budget of an underground utilities district; authorizing the issuance of general obligation bonds and the levy of a tax to construct and maintain an underground utilities district; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Under existing law, a city council, city commission, board of county
2 commissioners, board of trustees, board of directors, board of supervisors or any
3 other legislative body of a public body may, by provisional order, petition or
4 ordinance, establish a district to finance an underground conversion project for: (1)
5 the removal of existing overhead service facilities that are used for electric or
6 communication service or service from a video network; and (2) the replacement of
7 those service facilities with underground service facilities. (NRS 271.800) Existing
8 law also authorizes the creation in a city or county of a service district in which
9 certain electric and communication facilities are placed underground. The
10 establishment of such a service district is initiated by petition of not less than 60
11 percent of the owners of contiguous property within the proposed service district.
12 (NRS 704A.170) After conducting a hearing on the petition and complying with
13 other procedural requirements, the governing body of the city or county is required
14 to enact an ordinance establishing the service district. (NRS 704A.240)

15 **Sections 2-7** of this bill provide an additional method for creating, constructing
16 and maintaining a district in which electric and communication facilities are placed
17 underground, referred to in those sections as an underground utilities district.
18 **Section 5** requires the board of county commissioners in a county whose
19 population is 700,000 or more (currently Clark County) to create, by ordinance, an



20 underground utilities district within the unincorporated areas of the county. In a
21 county whose population is less than 700,000 (currently counties other than Clark
22 County), the board of county commissioners is authorized, but is not required, to
23 create such an underground utilities district. **Section 5** provides that the board of
24 county commissioners creating the underground utilities district is the governing
25 body of the underground utilities district and also provides for the organization and
26 holding of meetings of the governing body. **Section 6** requires a board of county
27 commissioners that creates an underground utilities district to establish the
28 boundaries of the district by ordinance and authorizes the board of county
29 commissioners to alter those boundaries. **Section 7** provides for the financing of the
30 construction and maintenance of an underground utilities district by authorizing
31 the issuance of general obligation bonds and the levy of an ad valorem tax. If the
32 governing body of the underground utilities district proposes to issue general
33 obligation bonds or levy such a tax, **section 7** authorizes the governing body to
34 submit the proposal to the registered voters of the underground utilities district at a
35 primary or general election.

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

1 **Section 1.** Chapter 244A of NRS is hereby amended by
2 adding thereto the provisions set forth as sections 2 to 7, inclusive,
3 of this act.

4 **Sec. 2.** *As used in sections 2 to 7, inclusive, of this act, unless*
5 *the context otherwise requires, the words and terms defined in*
6 *sections 3 and 4 of this act have the meanings ascribed to them in*
7 *those sections.*

8 **Sec. 3.** *“Underground utilities district” means an area of a*
9 *county designated by the board of county commissioners of the*
10 *county in which all new utilities are constructed and maintained*
11 *underground or in which any existing aboveground utilities are*
12 *removed and partially or entirely replaced with utilities located*
13 *underground. The term does not include an underground*
14 *conversion project as defined in NRS 271.242 or a service district*
15 *as defined in NRS 704A.140.*

16 **Sec. 4.** *“Utilities” means any equipment or works used to*
17 *provide electric or telephone service within an underground*
18 *utilities district, including, without limitation, any pole, support,*
19 *pipe, wire, attachment or appurtenance used to provide that*
20 *service.*

21 **Sec. 5. 1.** *The board of county commissioners in a county*
22 *whose population is 700,000 or more shall, by ordinance, create*
23 *an underground utilities district in the unincorporated area of the*
24 *county. The board of county commissioners is ex officio the*
25 *governing body of an underground utilities district created*
26 *pursuant to this section and may:*

27 (a) *Organize and maintain the underground utilities district;*



1 (b) *Establish, by ordinance, regulations:*

2 (1) *For the administration of the internal affairs of the*
3 *underground utilities district;*

4 (2) *For the employment of professional, technical, clerical*
5 *and other personnel required to carry out the duties of the*
6 *underground utilities district;*

7 (3) *For the establishment and alteration of the boundaries*
8 *of the underground utilities district; and*

9 (4) *Providing for the use of revenue received by the*
10 *underground utilities district; and*

11 (c) *Hold meetings as the governing body of the underground*
12 *utilities district in conjunction with its meetings as the board of*
13 *county commissioners without posting a separate agenda or*
14 *posting additional notice of the meetings within the underground*
15 *utilities district.*

16 2. *The board of county commissioners in a county whose*
17 *population is less than 700,000 may, by ordinance, create an*
18 *underground utilities district pursuant to sections 2 to 7, inclusive,*
19 *of this act.*

20 3. *A person who is employed to perform a function of the*
21 *underground utilities district is an employee of the county for all*
22 *purposes.*

23 **Sec. 6.** 1. *Except as otherwise provided in subsection 2, a*
24 *board of county commissioners that creates an underground*
25 *utilities district shall establish the boundaries of the underground*
26 *utilities district and may alter those boundaries by ordinance.*

27 2. *The boundaries of an underground utilities district must*
28 *not be established or altered to include any territory within the*
29 *boundaries of an incorporated city, except that any annexation or*
30 *incorporation occurring after the effective date of the ordinance*
31 *creating or altering the boundaries of the underground utilities*
32 *district does not affect the boundaries of the underground utilities*
33 *district.*

34 **Sec. 7.** 1. *The budget of an underground utilities district*
35 *must comply with the provisions of NRS 354.470 to 354.626,*
36 *inclusive, but need not be separately prepared and may be*
37 *included within the county budget. The underground utilities*
38 *district is not entitled to any share of revenue from the*
39 *supplemental city-county relief tax.*

40 2. *The governing body of an underground utilities district*
41 *may submit to the registered voters of the underground utilities*
42 *district at a primary or general election:*

43 (a) *A proposal to issue general obligation bonds of the*
44 *underground utilities district to finance the construction and*
45 *maintenance of the underground utilities district. The amount of*



1 *the general obligation bonds must not exceed 10 percent of the*
2 *assessed valuation of the taxable property in the underground*
3 *utilities district. The ballot question for such a proposal must set*
4 *forth the principal amount of the general obligation bonds to be*
5 *issued, the purpose of the issuance of the bonds and the estimate*
6 *of the governing body of:*

7 (1) *The duration of the levy of property tax that will be used*
8 *to pay the general obligation bonds; and*

9 (2) *The average annual increase, if any, in the amount of*
10 *property taxes that an owner of a new home with a fair market*
11 *value of \$100,000 will pay for debt service on the general*
12 *obligation bonds to be issued.*

13 (b) *A proposal to levy a tax ad valorem pursuant to NRS*
14 *354.5982 for the construction and maintenance of the*
15 *underground utilities district.*

16 3. *The ballot question for a proposal submitted to the*
17 *registered voters pursuant to paragraph (b) of subsection 2 must*
18 *set forth:*

19 (a) *The rate of the proposed additional property tax stated in*
20 *dollars and cents per \$100 of assessed valuation;*

21 (b) *The purpose and duration of the proposed additional*
22 *property tax; and*

23 (c) *An estimate established by the governing body of the*
24 *increase in the amount of property taxes that an owner of a new*
25 *home with a fair market value of \$100,000 will pay per year as a*
26 *result of the passage of the question.*

27 4. *If the proposal to issue bonds is approved by the voters, the*
28 *county may issue bonds of the underground utilities district as*
29 *provided in chapter 350 of NRS.*

30 **Sec. 8.** This act becomes effective:

31 1. Upon passage and approval for the purpose of performing
32 any preparatory administrative tasks required to carry out the
33 provisions of this act; and

34 2. On July 1, 2013, for all other purposes.

