

SENATE BILL NO. 68—SENATOR SEGERBLOM

PREFILED JANUARY 7, 2013

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to utilities.
(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; authorizing a board of county commissioners to create an underground utilities district; 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; requiring that certain utilities located within a redevelopment area be placed underground; 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** authorizes the board of county commissioners of any county to create, by
19 ordinance, an underground utilities district. If the board of county commissioners



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20 creates an underground utilities district, the boundaries of the district must include
21 the entire county, including every incorporated city located within the county and
22 the unincorporated areas of the county. **Section 5** provides that the board of county
23 commissioners creating the underground utilities district is the governing body of
24 the underground utilities district and also provides for the organization and holding
25 of meetings of the governing body. **Section 7** provides for the financing of the
26 construction and maintenance of an underground utilities district by authorizing
27 the issuance of general obligation bonds and the levy of an ad valorem tax. If the
28 governing body of the underground utilities district proposes to issue general
29 obligation bonds or levy such a tax, **section 7** authorizes the governing body to
30 submit the proposal to the registered voters of the underground utilities district at a
31 primary or general election.

32 **Section 10** of this bill requires, under certain circumstances: (1) new utilities
33 which are constructed in a redevelopment area to be constructed and maintained
34 underground; and (2) existing aboveground utilities that are located in an area
35 where a redevelopment project is undertaken to be removed and replaced with
36 utilities located underground. **Section 13** of this bill provides that these
37 requirements become effective on July 1, 2018.

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. 1.** *“Underground utilities district” means a district*
9 *created by a board of county commissioners pursuant to section 5*
10 *of this act in which all new utilities are constructed and*
11 *maintained underground or in which any existing aboveground*
12 *utilities are removed and partially or entirely replaced with utilities*
13 *located underground.*

14 **2.** *The term does not include:*

15 *(a) An underground conversion project as defined in*
16 *NRS 271.242;*

17 *(b) Any utility constructed, maintained, removed or replaced*
18 *pursuant to section 10 of this act; or*

19 *(c) A service district as defined in NRS 704A.140.*

20 **Sec. 4. 1.** *“Utilities” means any equipment or works used to*
21 *provide electric, video, broadband or telephone service, including,*
22 *without limitation, any pole, support, pipe, wire, attachment or*
23 *appurtenance used to provide that service.*



1 2. *The term does not include any electric substation or line*
2 *used for the transmission of electric energy at nominal voltages in*
3 *excess of 25,000 volts and any associated equipment or facilities.*

4 **Sec. 5.** *1. The board of county commissioners in any*
5 *county may, by ordinance, create an underground utilities district.*
6 *If the board of county commissioners creates an underground*
7 *utilities district, the boundaries of the underground utilities district*
8 *must include the entire county, including, without limitation, every*
9 *incorporated city located within the county and all unincorporated*
10 *areas of the county. The board of county commissioners is ex*
11 *officio the governing body of an underground utilities district*
12 *created pursuant to this section and may:*

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

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

15 (1) *For the administration of the internal affairs of the*
16 *underground utilities district;*

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

20 (3) *Providing for the use of revenue received by the*
21 *underground utilities district; and*

22 (c) *Hold meetings as the governing body of the underground*
23 *utilities district in conjunction with its meetings as the board of*
24 *county commissioners without posting a separate agenda or*
25 *posting additional notice of the meetings within the underground*
26 *utilities district.*

27 2. *A person who is employed to perform a function of the*
28 *underground utilities district is an employee of the county for all*
29 *purposes.*

30 **Sec. 6.** (Deleted by amendment.)

31 **Sec. 6.5.** *The governing body of an underground utilities*
32 *district:*

33 1. *Shall work cooperatively with wireless service providers for*
34 *the continued operation of existing aboveground wireless*
35 *telecommunications facilities.*

36 2. *Shall not remove or otherwise cause the removal of any*
37 *structure utilized for wireless telecommunications services without*
38 *the written consent of the wireless service provider.*

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



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

4 (a) *A proposal to issue general obligation bonds of the*
5 *underground utilities district to finance the construction and*
6 *maintenance of the underground utilities district. The amount of*
7 *the general obligation bonds must not exceed 10 percent of the*
8 *assessed valuation of the taxable property in the underground*
9 *utilities district. The ballot question for such a proposal must set*
10 *forth the principal amount of the general obligation bonds to be*
11 *issued, the purpose of the issuance of the bonds and the estimate*
12 *of the governing body of:*

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

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

19 (b) *A proposal to levy a tax ad valorem pursuant to NRS*
20 *354.5982 for the construction and maintenance of the*
21 *underground utilities district.*

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

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

27 (b) *The purpose and duration of the proposed additional*
28 *property tax; and*

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

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

36 **Sec. 8.** Chapter 279 of NRS is hereby amended by adding
37 thereto the provisions set forth as sections 9 and 10 of this act.

38 **Sec. 9.** *“Utilities” has the meaning ascribed to it in section 4*
39 *of this act.*

40 **Sec. 10.** 1. *Except as otherwise provided in subsection 2:*

41 (a) *All new utilities that are constructed in a redevelopment*
42 *area must be constructed and maintained underground.*

43 (b) *All existing aboveground utilities that are located within an*
44 *area where a redevelopment project is undertaken must be*
45 *removed and replaced with utilities located underground.*



1 **2. An agency may waive the requirements of subsection 1 for**
2 **good cause shown.**

3 **Sec. 11.** NRS 279.384 is hereby amended to read as follows:

4 279.384 As used in NRS 279.382 to 279.685, inclusive, **and**
5 **sections 9 and 10 of this act**, unless the context otherwise requires,
6 the words and terms defined in NRS 279.386 to 279.414, inclusive,
7 **and section 9 of this act** have the meanings ascribed to them in
8 those sections.

9 **Sec. 12.** NRS 279.519 is hereby amended to read as follows:

10 279.519 1. A redevelopment area need not be restricted to
11 buildings, improvements or lands which are detrimental or inimical
12 to the public health, safety or welfare, but may consist of an area in
13 which such conditions predominate and injuriously affect the entire
14 area. A redevelopment area ~~may~~ :

15 (a) **May** include, in addition to blighted areas, lands, buildings
16 or improvements which are not detrimental to the public health,
17 safety or welfare, but whose inclusion is found necessary for the
18 effective redevelopment of the area of which they are a part.

19 (b) **Must include all existing aboveground utilities located in**
20 **the redevelopment area.**

21 2. At least 75 percent of the area included within a
22 redevelopment area must be improved land and may include,
23 without limitation:

24 (a) Public land upon which public buildings have been erected
25 or improvements have been constructed.

26 (b) Land on which an abandoned mine, landfill or other similar
27 use is located and which is surrounded by or directly abuts the
28 improved land.

29 3. The area included within a redevelopment area may be
30 contiguous or noncontiguous.

31 4. If the subject of the redevelopment is an eligible railroad or
32 facilities related to an eligible railroad, the area included within a
33 redevelopment area may consist of contiguous or noncontiguous
34 vacant land that:

35 (a) Is located near the eligible railroad; and

36 (b) May accommodate commercial or industrial facilities that
37 may use the eligible railroad.

38 5. The taxable property in a redevelopment area must not be
39 included in any subsequently created redevelopment area until at
40 least 50 years after the effective date of creation of the first
41 redevelopment area in which the property was included.

42 6. As used in this section, "improved land" means:

43 (a) Land that contains structures which:

44 (1) Are used for residential, commercial, industrial or
45 governmental purposes; and



1 (2) Have been connected to water facilities, sewer facilities
2 or roads, or any combination thereof;

3 (b) Any areas related to the structures described in paragraph
4 (a), including, without limitation, landscaping areas, parking areas,
5 parks and streets; and

6 (c) If the subject of the redevelopment is an eligible railroad or
7 facilities related to an eligible railroad:

8 (1) Land on which the eligible railroad is located; and

9 (2) Any areas related to the eligible railroad, including,
10 without limitation, land on which is located railroad tracks, a
11 railroad right-of-way or a facility related to the eligible railroad.

12 **Sec. 13.** 1. This section and sections 1 to 7, inclusive, of this
13 act become effective:

14 (a) Upon passage and approval for the purpose of performing
15 any preparatory administrative tasks required to carry out the
16 provisions of this act; and

17 (b) On July 1, 2013, for all other purposes.

18 2. Sections 8 to 12, inclusive, of this act become effective:

19 (a) Upon passage and approval for the purpose of performing
20 any preparatory administrative tasks required to carry out the
21 provisions of this act; and

22 (b) On July 1, 2018, for all other purposes.



