

**Carson City Board of Supervisors
Agenda Report**

Date Submitted: February 21, 2013

Agenda Date Requested: March 7, 2013

Time Requested: 10 Minutes

To: Mayor and Supervisors

From: Public Works

Subject Title: For Possible Action: To direct staff to support S.B. 171, which would provide for a program of matching grants to local governments for the maintenance and repair of public works. (Patrick Pittenger)

Staff Summary: Staff will review the proposed legislation and request direction to support it during the current legislative session.

Type of Action Requested: (check one)

☐ Resolution

☐ Ordinance

☒ Formal Action/Motion

☐ Other (Specify)

Does This Action Require A Business Impact Statement: ☐ Yes ☒ No

Recommended Board Action: I move to direct staff to support S.B. 171, which would provide for a program of matching grants to local governments for the maintenance and repair of public works.

Explanation for Recommended Board Action: Senate Bill 171 as proposed by eleven State senators and jointly sponsored by six State assemblymen would provide a matching grants to local governments, including Carson City, for the maintenance and repair of public works. A total of \$325,000,000 of funds would be bonded and secured by and payable from the basic governmental services tax which is already being collected. The amount of funds specifically for Carson City would be \$6,500,000. The funds would be available to match local funds, with the match varying by fiscal year utilized. Projects for which bids are submitted before July 1, 2014, would be eligible for up to 70 percent funding, while projects in the next fiscal year would be eligible for up to 40 percent funding. Eligible projects would include maintenance and repair of public schools, streets, highways, and other public works. Carson City has documented public works-related funding deficiencies, and these funds, should they become available, could be used to help meet a portion of the maintenance and repair needs facing the City.

Applicable Statute, Code, Policy, Rule or Regulation: S. B. 171 proposed to modify Nevada Revised Statutes.

Fiscal Impact: Proposed positive impact of \$6,500,000.

Explanation of Impact: Enactment of the proposed legislation would result in \$6,500,000 in matching grant funding available to Carson City.

Funding Source: Basic Governmental Services Tax collected by the State of Nevada.

Alternatives: Direct staff to support the proposed legislation as proposed, direct staff to support modifications to the proposed legislation, or not direct staff to support the proposed legislation.

Supporting Material: S.B. 171

Prepared By: Patrick Pittenger, Transportation Manager

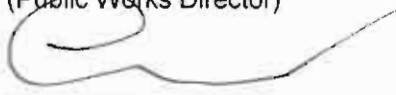
Reviewed By:



(Public Works Director)

Date:

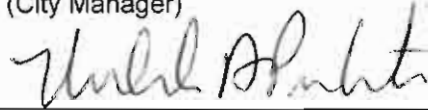
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(City Manager)

Date:

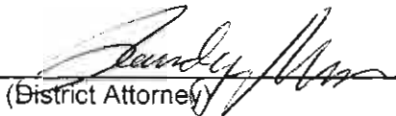
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(Finance Director)

Date:

2/26/13



(District Attorney)

Date:

2/26/13

Board Action Taken:

Motion: _____

1)

2)

3)

4)

5)

Aye/Nay

(Vote Recorded By)

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

FEBRUARY 19, 2013

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

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 ~~to be omitted~~ is material to be omitted.

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



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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.

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.



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,



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

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

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

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

7. As used in this section:

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

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

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

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

Carson City.....	1.07 percent	Lincoln.....	3.12 percent
Churchill.....	5.21 percent	Lyon.....	2.90 percent
Clark.....	22.54 percent	Mineral.....	2.40 percent
Douglas.....	2.52 percent	Nye.....	4.09 percent
Elko.....	13.31 percent	Pershing.....	7.00 percent
Esmeralda.....	2.52 percent	Storey.....	0.19 percent
Eureka.....	3.10 percent	Washoe.....	12.24 percent
Humboldt.....	8.25 percent	White Pine.....	5.66 percent
Lander.....	3.88 percent		

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

(d) "Special district" has the meaning ascribed to it in 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;



(5) Five years, is a sum equal to 26 percent of those proceeds;

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

(7) Seven years, is a sum equal to 33 percent of those proceeds;

(8) Eight years, is a sum equal to 37 percent of those proceeds;

(9) Nine years, is a sum equal to 40 percent of those proceeds; and

(10) Ten years or more, is a sum equal to 43 percent of those proceeds.

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

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

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

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

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

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

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

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

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

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

Sec. 10. 1. This section and sections 1 to 5, inclusive, and 8 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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