

**ADOPTED REGULATION OF THE
COMMISSION ON ECONOMIC DEVELOPMENT**

LCB File No. R046-06

Effective June 28, 2006

EXPLANATION – Matter in *italics* is new; matter in brackets ~~[omitted material]~~ is material to be omitted.

AUTHORITY: §§1-16, NRS 231.155.

A REGULATION relating to economic development; establishing procedures for the issuance of grants for economic development in rural areas and blighted urban areas; and providing other matters properly relating thereto.

Section 1. Chapter 231 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 16, inclusive, of this regulation.

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

Sec. 3. *“Commission” means the Commission on Economic Development.*

Sec. 4. *“Economic development” means the process of furthering the development of regional economies in the State of Nevada through the use, singularly or in combination, of the methods that practitioners of economic development generally accept. These methods include, without limitation, the diversification of the economy, the development and support of entrepreneurs, the development and support of business leaders, the education and training of the workforce and the establishment of programs for the development of a community.*

Sec. 5. *“Executive Director” means the Executive Director of the Commission.*

Sec. 6. *“Nonprofit private entity” means an entity which:*

1. Has registered with the Office of the Secretary of State as a nonprofit corporation pursuant to chapter 82 of NRS; and

2. Is exempt from federal income tax pursuant to 26 U.S.C. § 501.

Sec. 7. As used in sections 7 to 16, inclusive, of this regulation, unless the context otherwise requires, the words and terms defined in sections 8 to 11, inclusive, of this regulation have the meanings ascribed to them in those sections.

Sec. 8. “Blighted urban area” has the meaning ascribed to it in NRS 231.154.

Sec. 9. “Nevada Economic Development Fund” means the Nevada Economic Development Fund created by NRS 231.153 to provide grants of money for economic development in rural areas or blighted urban areas.

Sec. 10. “Public agency” has the meaning ascribed to it in NRS 231.154.

Sec. 11. “Rural area” has the meaning ascribed to it in NRS 231.154.

Sec. 12. 1. To receive a grant from the Nevada Economic Development Fund for the purpose of funding a project or program of economic development in a rural area or blighted urban area, an entity must:

(a) Be a public agency or nonprofit private entity whose primary purpose is the economic development of this State or the rural areas or blighted urban areas of this State; and

(b) Submit an application to the Commission on a form prescribed by the Executive Director.

2. A public agency or nonprofit private entity that wishes to apply for a grant from the Nevada Economic Development Fund must submit the application required by paragraph (b) of subsection 1 to the Commission not later than 30 days before the meeting at which the Commission will consider the application.

3. The application required by paragraph (b) of subsection 1 must contain the following information:

(a) The name, mailing address, phone number, facsimile number and electronic mail address of the person responsible for the administration of the money received from the grant.

(b) The name, mailing address, phone number, facsimile number and electronic mail address of the person responsible for the administration of the project or program that will be funded with the money from the grant.

(c) The name and contact information of the auditing firm responsible for the audit of the books and records of the public agency or nonprofit private entity that is applying for the grant.

(d) A description of the projects and programs of economic development in which the applicant has engaged, unless the Commission has previously received such information.

(e) A description of the rural area or blighted urban area that will benefit from the project, including, without limitation, data relating to the level of employment in the area, the median household income in the area, the population of the area, the tax revenue in the area and the stagnation or decline of the economy of the area.

(f) The amount of money the applicant is requesting and the source and amount of any matching funds the applicant will receive.

(g) A description of the project or program that the applicant will fund with the money from the grant, including, without limitation, information concerning:

(1) The work the applicant will complete during the course of the project or program;

(2) The specific benchmarks of performance by which the Commission and the applicant will measure the progress of the project or program;

(3) The dates by which the applicant expects to complete the specific benchmarks of performance and the project or program; and

(4) The dates on which the applicant expects to draw money from the grant and the amount of money the applicant expects to draw from the grant on each date that the applicant expects to draw money from the grant.

(h) A description of how the proposed project will enhance or improve the economy of the rural area or blighted urban area described in paragraph (e).

4. If an applicant is a nonprofit private entity, the applicant must include with the application:

(a) The most recent audit of the books and records of the applicant; and

(b) A letter from the governing body of any county and incorporated city in which the rural area or blighted urban area is located. This letter must state that:

(1) The governing body approves of and supports the project or program that the applicant will fund with money from the grant; and

(2) The resources of the county will be available to provide for the financial administration of the grant money if the applicant, the Commission, the board of county commissioners or the governing body of the incorporated city requests that the county provide for the financial administration of the grant money.

Sec. 13. 1. In determining whether to award a grant, the Commission will:

(a) Determine whether sufficient funds are available in the Nevada Economic Development Fund to provide the grant which the applicant has requested;

(b) Give priority to applications for grants which indicate that the applicant has matching funding for the project or program that will be funded with the grant; and

(c) Consider whether the project or program is reasonably designed to further the economic development of a rural area or blighted urban area.

2. If the Commission finds that there is not a sufficient amount of money in the Nevada Economic Development Fund to provide the grant which the applicant has requested, the Commission may postpone or decline approval of the grant.

3. If the Commission finds that the project or program is not reasonably designed to further the economic development of a rural area or blighted urban area, the Commission may postpone or decline approval of the grant.

Sec. 14. 1. *If the Commission approves an application for a grant from the Nevada Economic Development Fund, the public agency or nonprofit private entity receiving the grant must enter into an agreement with the Commission. The agreement must specify:*

(a) The amount of the grant;

(b) The proper use of the money obtained from the grant;

(c) The date on which the Commission approved the grant;

(d) The specific benchmarks of performance by which the Commission and the recipient of the grant will measure the progress of the project or program;

(e) A requirement that the recipient of the grant report to the Commission on a quarterly basis and that the report include a statement of:

(1) The specific benchmarks of performance mentioned in paragraph (d);

(2) The progress that the recipient of the grant has made toward the completion of the specific benchmarks of performance;

(3) The expected dates by which the recipient of the grant will complete the specific benchmarks of performance; and

(4) The amount of money the recipient expects to draw from the grant and the dates on which the recipient of the grant expects to draw money from the grant;

(f) The right of the Commission or its designee to review any document which the Commission or its designee determines is necessary for the appropriate fiscal oversight of the project or program; and

(g) The date on which the grant will end.

2. The Executive Director and the Office of the Attorney General shall review the form of the agreement entered into by the Commission and the recipient of the grant pursuant to subsection 1. No agreement will take effect unless the Executive Director and the Office of the Attorney General approve the form of the agreement.

Sec. 15. 1. *The Executive Director may not disburse any money from the grant until:*

(a) The recipient of the grant and a representative of the Commission have signed the agreement required by section 14 of this regulation; and

(b) The Executive Director has received a request to draw money from the grant from the recipient of the grant.

2. The recipient of the grant must make a request to draw money from the grant on a form prescribed by the Executive Director. The request must include:

(a) A statement of the amount of money the recipient wants to draw from the grant;

(b) A statement of the dates on which the recipient of the grant wants to draw money from the grant;

(c) A statement of the amount of money the recipient of the grant wants to draw from the grant on each date that the recipient of the grant wants to draw money from the grant; and

(d) Evidence of the expenses incurred by the recipient of the grant during the course of the project or program. This evidence includes, without limitation, copies of contracts, receipts or invoices.

3. The Executive Director shall review and either approve or deny a request to draw money from the grant within 10 working days after the date on which the Executive Director receives the request.

4. If the Executive Director approves a request to draw money from the grant, the Executive Director shall cause a check to be issued to the recipient of the grant in the amount requested by the recipient.

5. If the Executive Director denies a request to draw money from the grant, the Executive Director shall provide the recipient who made the request with a written statement:

(a) Stating the reason for the denial of the request; and

(b) Describing any actions the recipient must take to receive approval of the request from the Executive Director.

Sec. 16. *If the Commission finds that the recipient of the grant is not using money from the grant in accordance with the provisions of the agreement set forth in section 14 of this regulation, the Commission will immediately cease providing the recipient with money from the grant and the Commission may, in its sole discretion, determine that the agreement is void.*

NOTICE OF ADOPTION OF PROPOSED REGULATION
LCB File No. R046-06

The Nevada Commission on Economic Development adopted regulations assigned LCB File No. R046-06 which pertain to chapter 231 of the Nevada Administrative Code on June 21, 2006.

Notice date: May 4, 2006, May 16, 2006 (Amended for location and time.)

Hearing date: June 21, 2006

Date of adoption by agency: June 21, 2006

Filing date: June 28, 2006

INFORMATIONAL STATEMENT

- 1. A description of how public comment was solicited, a summary of public response, and explanation how other interested persons may obtain a copy of the summary.**

A Notice of Public Hearing was posted May 4, 2006. Public comment was solicited on June 5, 2006 at a meeting of the Nevada Commission on Economic Development. A discussion was held, and minor clarification was made to the regulations. The regulations were adopted as amended. A copy of the minutes is available through the Nevada Commission on Economic Development, 108 East Proctor Street, Carson City, Nevada 89701. Nevada Administrative Rulemaking procedures were followed.

- 2. The number of persons who: (a) attended each hearing; (b) testified at each hearing; and (c) submitted to the agency written statement.**

No written statements were received. The individuals participating in the June 21, 2006 meeting—Lt. Governor Lorraine Hunt; NCED Commissioner Berlyn Miller; NCED Commissioner LeRoy Goodman; NCED Commissioner Phil Peckman; NCED Commissioner Otto Merida; NCED Commissioner Peter Thomas; NCED Executive Director, Tim Rubald; NCED Deputy Director, Jerry Sandstrom; Deputy AG Shane Chesney.

- 3. A description of how comment was solicited from affected businesses, a summary of their response and an explanation how other interested persons may obtain a copy of the summary.**

There are no immediate or long-term economic effects of the adoption these regulations anticipated with respect to the general public.

- 4. If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.**

The regulations were adopted as amended. The change reflects a clarification of the affected community notification and letters of support.

- 5. The estimated economic effect of the adopted regulation on the businesses which it is to regulate and on the public. These must be stated separately, and each case must include:**
- (a) Both adverse and beneficial effects;**
 - (b) Both immediate and long-term effects;**

The adopted regulation establishes procedures for the awarding of grants to assist economic development projects in rural areas and blighted urban areas. Communities will benefit as a result of diversification.

- 6. The estimated cost to the agency for enforcement of the adopted regulation.**

None.

- 7. A description of any regulation of other state or government agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.**

The adoption of these regulations does not overlap or duplicate any regulations of other state or local agencies, nor do they overlap or duplicate a federal regulation, nor are they required pursuant to federal law.

- 8. If the regulation includes provisions that are more stringent than a federal regulation which regulates the same activity, a summary of such provisions.**

Not applicable.

- 9. If the regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.**

The proposed adoption of these regulations does not establish a new fee or increase an existing fee.