

**LCB File No. R046-06**

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

**AMENDED NOTICE OF INTENT TO ACT UPON REGULATION**

**Notice of Hearing for the Adoption of Regulations of the  
Nevada Commission on Economic Development**

The Nevada Commission on Economic Development will hold a public hearing at **1:00** p.m., on **Wednesday**, June **21**, 2006. The hearing will be video conferenced at the Nevada Legislative Counsel Bureau, 401 South Carson St, Room 2134, Carson City, Nevada, 89701 and 555 East Washington Avenue, Room V4406, Las Vegas, Nevada 89101. The purpose of the hearing is to receive comments from all interested persons regarding the adoption of regulations that pertain to Chapter 231 of the Nevada Administrative Code.

The following information is provided pursuant to the requirements of NRS 233B.0603:

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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.

The adoption of these regulations will create a beneficial economic effect on the public.

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

The Nevada Commission on Economic Development will have no additional costs incurred to administer the regulations adopted. Enforcement of the regulations can be accomplished through present resources at no additional cost.

The proposed 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.

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

Persons wishing to comment upon the proposed action of the Nevada Commission on Economic Development may appear at the scheduled public hearing or may address their comments, data,

views or arguments in written form to the Nevada Commission on Economic Development, 108 East Proctor Street, Carson City, Nevada, 89701. Written submissions must be received by the Nevada Commission on Economic Development on or before Tuesday, June 13, 2006. If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the Nevada Commission on Economic Development may proceed immediately to act upon any written submissions.

A copy of this notice and the regulations to be adopted will be on file at the State Library, 100 Stewart Street, Carson City, Nevada, 89701, for inspection by members of the public during business hours. Additional copies of the notice and the regulations to be adopted will be available at the Nevada Commission on Economic Development's offices at 108 East Proctor Street, Carson City, Nevada, 89701 and 555 East Washington Avenue, Suite 5400, Las Vegas, Nevada, 89101 and in all counties in which an office of the agency is not maintained, at the main public library, for inspection and copying by members of the public during business hours. This notice and the text of the proposed regulation are also available in the State of Nevada Register of Administrative Regulations, which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653, and on the Internet at <http://www.leg.state.nv.us>. Copies of this notice and proposed regulation will also be mailed to the members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary. This does not apply to a public body subject to the Open Meeting Law.

Upon adoption of any regulation, the agency, if requested to do so by an interested person, wither before adoption or within 30 days thereafter, will issue a concise statement of the principal reasons for and against the adoption or incorporate therein its reason for overruling the consideration urged against its adoption.

This notice of hearing has been posted at the following locations:

Nevada Commission on Economic Development	108 East Proctor Street, Carson City, NV 89701
Nevada Commission on Economic Development	555 E. Washington Ave., Ste. 5400, Las Vegas 89101
Nevada State Library	100 Stewart Street, Carson City, NV 89701
Churchill County Library	553 South Maine Street, Fallon, NV 89406
Douglas County Public Library	1625 Library Lane, Minden, NV 89423
Elko-Lander-Eureka Counties Library System	720 Court Street, Elko, NV 89801
Esmeralda County Library	P.O. Box 128, Silverpeak, NV 89047-0128
Eureka Branch Library	10190 Monroe Street, Eureka, NV 89316
Humboldt County Library	85 East 5th Street, Winnemucca, NV, 89445
Lincoln County Library	63 Main Street, Pioche, NV 89043-0330
Lyon County Library System	20 Nevin Way, Yerington, NV 89447-2399
Mineral County Library	First and A Streets, Hawthorne, NV 89415
Pershing County Library	1125 Central Avenue, Lovelock, NV 89419-0781
Storey County Library	95 South "R" Street, Virginia City, NV 89440
Tonopah Library District	171 Central Street, Tonopah, NV 89049
Washoe County Library System	301 South Center Street, Reno, NV 89501-2102
White Pine County Library	950 Campton Street, Ely, NV 89301-1965

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

AUTHORITY: §§3, NRS 231.050 and SB 1, 22<sup>nd</sup> Special Session.

A REGULATION relating to the Nevada Economic Development Fund, allowing the Nevada Commission on Economic Development to administer the fund, determine the process of application for grants from the fund, and make grants for the purpose of assisting projects of community development and economic diversification.

**Section 1.** *Chapter 231 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 12, inclusive, of this regulation.*

**Sec. 2.** *As used in sections 5 to 12, inclusive, of this regulation, unless the context otherwise requires, the words and terms defined in sections 3 to 4, inclusive, of this regulation have the meanings ascribed to them in those sections.*

**Sec. 3.** *“Commission” means the commission on economic development.*

**Sec. 4.** *“Non Profit Private Entity” means an organization who has filed with the Nevada Secretary of State’s Office and has obtained a Section 501 status from the Federal Government.*

**Sec. 5.** *“Economic development” means the process of furthering the development of regional economies in the State of Nevada. The process requires economic development practitioners to use a variety of generally accepted tools, including, but not limited to, diversification techniques, entrepreneurship development, leadership development, workforce development, and community development processes and programs.*

**Sec. 6. 1. Organizations eligible for grants of money from the Nevada Economic Development Fund may include any agency of a local government, or any nonprofit private entity whose primary purpose is the economic development of the state, or regions thereof, in the rural or blighted urban areas of the state as described in SB 1, Sec. 3, (4)(c) and SB 1, Sec. 3, (4)(a) respectively.**

**Sec. 7. 1. A public agency or nonprofit private agency that wishes to qualify for grant funding from the Nevada Economic Development Fund must apply for the grant not later than 30 days prior to the meeting of the Commission at which the application will be considered.**

**Sec. 8. 1. The application must be on a form approved by the executive director of the commission.**

**2. An application for receiving grant funding by a local agency or a non-profit private entity pursuant to SB 1 must contain information showing:**

- (a) the person responsible for administration of the grant funding;**
- (b) the person responsible for administration of the project if different from (a);**
- (c) contact information, including mailing address, phone number, facsimile number, and e-mail address;**
- (d) the name and contact information of the auditing firm responsible for the audit of the books and records of the requesting public agency or nonprofit private entity;**
- (e) a general description of the economic development programs and projects in which the local agency or nonprofit private entity has previously engaged, unless already on file with the Commission;**

*(f) a description of the regional economy expected to benefit from the project, including data such as, but not limited to, the level of employment, median household income, population, and tax revenues and whether the data show stagnation or decline;*

*(g) the amount of grant funding requested;*

*1. source and amounts of matching funds and other resources, if any;*

*(h) A description of the project to be funded including:*

*1. the scope of work included in the project;*

*2. a description of the benchmarks of accomplishment by which the progress of the project will be measured;*

*3. A time-line for the completion of the described benchmarks and overall project, including expected dates and amounts of probable draws of funds from the proposed grant funding;*

*(i) A description of how the proposed project is expected to enhance or improve the regional economy described in (2)(f) of these regulations.*

*3. Except counties and/or incorporated cities in the State of Nevada, the following additional documentation must also be attached to the application unless already on file with the Commission:*

*The strategic plan, mission statement and organizational structure of the entity showing how the entity is engaged in economic development, including the names of the members of the governing body;*

*(a) the most recent audit of the books and records of the local agency or nonprofit private entity.*

*(b) A letter of verification from the Board of County Commissioners in the county in which the project will occur which states:*

- 1. The Board of County Commissioners approves and supports the project; and*
- 2. The resources of the County will be available to provide financial administration of the grant funding, if so requested by the nonprofit private entity or the commission.*

*Sec. 9. In determining whether a grant shall be awarded to the public agency or nonprofit entity, the Commission shall first determine whether sufficient funds are available in the Nevada Economic Development Fund, and not committed to other previously approved projects. The Commission may postpone or decline approval of grants until such time as the Fund can support the requested grant funding.*

*Sec. 10. The Commission shall give priority to requests for grant funding in which the qualified public agency or nonprofit entity provides match funding or other commitment of resources which provide leverage for the grant funding from the Nevada Economic Development Fund.*

*Sec. 11. The Commission shall consider whether the project to which the proposed grant will be applied is reasonably designed to meet the goals of economic development in a rural area or blighted urban area. The Commission may decline or postpone grant funding upon a finding the project does not reasonably meet the goals of economic development in a rural area or blighted urban area.*

*Sec. 12. 1. A successful grant applicant shall enter into an agreement which will stipulate:*

- (a) The amount of the grant;*

*(b) The date the grant was approved by the commission;*

*(c) An agreement the recipient of the grant will report to the Commission on a quarterly basis, said report to include:*

*1. Specific benchmarks of performance required by the Commission; and*

*2. A time-line of the above referenced benchmarks with expected dates and amounts of probable draws of funds from the approved grant on the actual progress of the project being funded;*

*(d) The right of the commission or its designee to be allowed access to, and review, any document which the commission, its staff or designee, determines is necessary for the appropriate fiscal oversight of the project being funded.*

*(e) The date the grant will be closed.*

*2. The agreement shall be approved as to form by the Attorney General's Office and the commission as represented by the executive director.*

**Sec. 13.** *1. Funds from the approved grant may not be disbursed by the executive director of the commission until the agreement is signed by all parties and a draw request is received from the public agency or nonprofit private entity. The draw request must be on a form provided by the executive director of the commission and must contain information showing:*

*(a) the date specific amounts of funds will be needed by the organization previously approved for the grant;*

*(b) evidence of the obligation, including but not limited to copies of contracts, receipts, or invoices;*

*(c) the executive director of the commission shall review and either approve or reject the draw request in no more than 10 working days after receipt. The executive director of the commission shall then either:*

- 1) cause a check to be issued to the grant recipient in the amount requested, or;*
- 2) reject the request with a written explanation of what the recipient must do in order to receive approval and issuance of a check, or;*
- 3) reject the request with a statement noting why the request does not qualify as a funding request.*

**Sec. 14. 1.** *If, during the examination allowed in this regulation Sec. 11, subsection 1(d), the commission finds funds are not being applied per the agreement allowed for in this regulation, the grant funding provided in the funding agreement shall immediately stop, with no additional draws of cash allowed. In such a case, with such a finding, the agreement may be determined to be void at the sole discretion of the commission.*