

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

LCB File No. R047-06

Effective June 28, 2006

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

AUTHORITY: §§1-9, NRS 231.065.

A REGULATION relating to economic development; establishing procedures for the awarding of grants to assist economic diversification projects in counties with economies subject to dramatic fluctuations because of a dependence on mining; 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 9, inclusive, of this regulation.

Sec. 2. *As used in sections 2 to 9, inclusive, of this regulation, unless the context otherwise requires, the words and terms defined in sections 3 and 4 of this regulation have the meanings ascribed to them in those sections.*

Sec. 3. *“County with an economy subject to dramatic fluctuations because of a dependence on mining” means a county where data from the last decennial census or special census conducted by the Bureau of the Census of the United States Department of Commerce indicate that the mining industry is one of the top two employers in the county.*

Sec. 4. *“Project of economic diversification” includes, without limitation, any project that analyzes industrial property, conducts feasibility studies, constructs industrial park infrastructure or purchases publicly owned industrial property.*

Sec. 5. 1. To receive a grant to assist a project of economic diversification in a county with an economy subject to dramatic fluctuations because of a dependence on mining, an entity must:

(a) Be a political subdivision of the State or a local or regional organization for economic development; and

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

2. 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 board of county commissioners of the county in which the project is located. This letter must state that:

(1) The board of county commissioners approves of and supports the project 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 or the board of county commissioners requests that the county provide for the financial administration of the grant money.

3. The Commission will accept applications at any time, except the Commission will not accept an application submitted on a date in a fiscal year after which the Commission has spent or committed for expenditure the entire amount of money appropriated by the Legislature for that fiscal year for grants to assist projects of economic diversification in counties with economies subject to dramatic fluctuations because of a dependence on mining.

Sec. 6. A political subdivision of the State or a local or regional organization for economic development is eligible for a grant to assist a project of economic diversification in a county with an economy subject to dramatic fluctuations because of a dependence on mining if the political subdivision or organization:

- 1. Submits the application required by section 5 of this regulation;*
- 2. Seeks the grant for the purpose of funding a project of economic diversification in a county with an economy subject to dramatic fluctuations because of a dependence on mining;*
- 3. Has matched or will match funds for the project in the form of cash only and in an amount equal to at least four times the amount of the grant the political subdivision or organization is requesting; and*
- 4. Will not use the grant to fund a project of economic diversification in a county that qualifies for funding from the Economic Development Administration of the United States Department of Commerce.*

Sec. 7. 1. If the Commission approves an application for a grant to assist a project of economic diversification in a county with an economy subject to dramatic fluctuations because of a dependence on mining, the 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;*

(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; 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. 8. 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 7 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. 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. 9. *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 7 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. R047-06**

The Commission on Economic Development adopted regulations assigned LCB File No. R047-06 which pertain to chapter 231 of the Nevada Administrative Code on June 5, 2006.

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

Hearing date: June 5, 2006

Date of adoption by agency: June 5, 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. Nine individuals participated in the June 5, 2006 meeting—Lt. Governor Lorraine Hunt; NCED Commissioner Berlyn Miller; NCED Commissioner SaraBeth Brown; NCED Commissioner Phil Peckman; NCED Executive Director, Tim Rubald; NCED Deputy Director, Jerry Sandstrom; Julene Smith; Susan Haas; and Renne Schrieber.

- 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 matching funds required.

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 counties with economies subject to dramatic fluctuations because of a dependence on mining. 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.