

**INFORMATION STATEMENT FOR ADOPTION OF REGULATION FOR NRS386.612  
TO 386.649 – CHARTER SCHOOL FINANCING LAW**

**DATE:** June 18, 2014

**TO:** All Interested Parties

**FROM:** Nevada Department of Business and Industries, Director's Office

**1. A clear and concise explanation of the need for the adopted regulation.**

The proposed regulations promulgated under NRS 386.612 to 386.649 facilitate and help meet the critical need for access to capital for Charter Schools in Nevada Businesses by providing them the ability to get tax-free bonds. These regulations establish a procedure for requesting the issuance of bonds by the Director of the Department of Business and Industry to finance a project for the benefit of a charter school.

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

Copies of the proposed regulations, notices of workshop and notices of intent to act upon the regulations were sent by U.S. mail and email to persons who were known to have an interest in the subject of Charter School Financing Law as well as any persons who had specifically requested such notice. These documents were also made available at the website of the Department of Business and Industry, [www.business.nv.gov](http://www.business.nv.gov), mailed to all county libraries in Nevada and posted at the following locations:

- Nevada State Library & Archives, 100 North Stewart Street, Carson City, NV 89701
- Legislative Building, 401 South Carson Street, Carson City, NV 89701
- Grant Sawyer State Building, 555 East Washington Avenue, Las Vegas, NV 89101
- Department of Administration, 209 East Musser Street, Room 200, Carson City, Nevada 89701-4298
- Department of Business & Industry, 555 East Washington Avenue, Suite 4900, Las Vegas, NV. 89101
- Department of Business & Industry, 1830 College Pkwy, Suite 100, Carson City, NV. 89706

A workshop was held pursuant to NRS 233B.061 on January 14, 2014 and the minutes of that meeting, attached hereto, contain a summary of the discussion held regarding the proposed amendments. Thereafter, on or about January 22, 2014, the Director of the Department of Business and Industry issued a Notice of Intent to Act Upon a Regulation which incorporated the proposed regulations reviewed by the parties attending the January 14th workshop.

A public hearing was held on February 25, 2014. At that hearing no comments were given on the proposed regulations. A copy of this summary of the public response to the proposed regulation

may be obtained from the Department of Business and Industry, 555 East Washington Avenue, Suite 4900, Las Vegas, NV 89101 or telephone Kent Steadman at (702) 486-3755 or email at [ksteadman@business.nv.gov](mailto:ksteadman@business.nv.gov).

**3. The number of persons who:**

**(a) Attended each hearing:** January 14, 2014: 10; February 25, 2014: 5

**(b) Testified at each hearing:** January 14, 2014: 0; February 25, 2014: 0

**(c) Submitted to the agency written comments:** Attached written comments were received from Ballard Spahr LLP and GreenbergTraurig Law firm. Email comments from a Mr. Bill Evans are also included. Mr. Evans felt that the statute was unfair in the way it treated start up charter schools.

**4. For each person identified in paragraphs (b) and (c) of number 3 above, the following information if provided to the agency conducting the hearing: Name, Telephone number, Business address, Business telephone number, Electronic mail address, Name of entity or organization represented:**

Name	Company	Email	Address	Phone Number
Arthur Ziev	ACADEMICA NEVADA	aziev@yahoo.com	9 Osprey Drive, Ocean Ridge, FL 33435	561-736-1687
Clayton Howell	ACADEMICA NEVADA	chowell@academicanv.com	8235 S. Eastern Ave Ste 150, Las Vegas, NV 89123	(702) 431-6260
Robert Howell	ACADEMICA NEVADA	bhowell54@yahoo.com	8235 S. Eastern Ave Ste 150, Las Vegas, NV 89123	(702) 431-6260
Ryan Seeves	ACADEMICA NEVADA	rreeves@academicanv.com	8235 S. Eastern Ave Ste 150, Las Vegas, NV 89123	(702) 431-6260
Bill Evans	Atalyst Capital Markets	bill@atalyst.com	3883 Howard Hughes Pkwy., Suite 800, Las Vegas, NV 89169	(702) 504-6362
Jackie Delaney	Atalyst Commercial Mortgage	jackie@atalystcommercial.com	3883 Howard Hughes Pkwy., Suite 800, Las Vegas, NV 89169	702-529-0200
Jacob Carlton	Ballard Spahr LLP	carltonj@ballardspahr.com	One Utah Center, Suite 800, 201 South Main St., SLC, UT 84111	801.517.6821
Ryan Warburton	Ballard Spahr LLP	warburton@ballardspahr.com	One Utah Center, Suite 800, 201 South Main St., SLC, UT 84111	801.531.3072
Abbe Mattson	Explore Knowledge Academy	amattson@ekacademy.org	5871 Mountain Vista St., Las Vegas, NV 89120	702.870.5032

Collin Seale	Greenberg Traurig Law	sealec@gtlaw.com	3773 Howard Hughes Parkway, Suite 400, North Las Vegas, NV 89169	702.599.8074
Allyson Kellogg	State Public Charter School Authority	akellogg@spsca.nv.gov	1749 North Stewart Street Suite 40, Carson City, NV 89706	775-687-9178
Brian Flanner	State Public Charter School Authority	bflanner@spsca.nv.gov	1749 North Stewart Street Suite 40, Carson City, NV 89706	775-687-9170
Steve Canavero	State Public Charter School Authority	scanavero@spsca.nv.gov	1749 North Stewart Street Suite 40, Carson City, NV 89706	775-687-9160
Tom McCormack	State Public Charter School Authority	tmccormack@spsca.nv.gov	1749 North Stewart Street Suite 40, Carson City, NV 89706	775-687-9149
Russell Caldwell	The Russell Caldwell Company	caldwell1@me.com	5444 Stoneybrook Dr, Broomfield, CO 80020	303.726.1791
Colleen Platt	Office of Attorney General Office	cplatt@ag.nv.gov	100 N. Carson Street, Carson City, NV 89701	775-684-1222
Keith Marcher	Office of Attorney General Office	kmarcher@ag.nv.gov	100 N. Carson Street, Carson City, NV 89701	775-684-1201

**5. A description of how comments were solicited from affected businesses, a summary of their response, and an explanation how other interested persons may obtain a copy of the summary.**

Comments were solicited from affected businesses in the same manner as they were solicited from the public. The summary may be obtained as instructed in the response to question #1.

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

In response to concerns expressed at the Legislative Commission meeting on March 28, 2014, the revised adopted version of the regulation eliminates language in section 11 referring to a grant of relief from the other provisions of the regulation.

These regulations promulgated under NRS 386.612 to 386.649 facilitate and helps meet the critical need for access to capital for Charter Schools in Nevada businesses by providing them the ability to get tax-free bonds.

**7. 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; and**
- (b) Both immediate and long-term effects.**

1. The estimated economic effect of the regulation on the businesses, which it is to regulate:
  - a. Adverse effect:
    - i. Immediate effect - No adverse effect due to the promulgation of this regulation.
    - ii. Long-term effect - No adverse effect due to the promulgation of this regulation.
  - b. Beneficial effect:
    - i. Immediate effect – Charter schools will be able to apply for and potentially receive low interest bond financing, which will enable them to construct and own their own buildings rather than leasing their buildings. This may enable them to offer a broader range of services because they will not be spending most of their money on the lease of the building.
    - ii. Long-term effect - Charter schools will have more stability and potentially lower costs because they will own their buildings and will not be subject to the whims of a landlord who could raise the rental prices unnecessarily.
2. The estimated economic effect of the regulation on the public:
  - a. Adverse effect:
    - i. Immediate effect - No adverse effect due to the promulgation of this regulation.
    - ii. Long-term effect - No adverse effect due to the promulgation of this regulation.
  - b. Beneficial effect:
    - i. Immediate effect – The public may become aware of low-interest bond financing for charter schools and encourage a charter school to be built in their neighborhood.
    - ii. Long-term effect – With charter school in a potentially more stable situation with regards to their buildings, the public will likely feel better about those schools and perhaps enroll their children there.

#### **8. The estimated cost to the agency for enforcement of the adopted regulation.**

There is no additional cost to the agency for enforcement of this regulation.

#### **9. A description of any regulations of other state or government agencies of 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.**

There are no other state or government agency regulations that the proposed amendments duplicate.

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

N/A

**11. 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.**

N/A