

Assembly Bill 301: General Improvement Districts Trustee Compensation NRS Chapter 318

SENATE COMMITTEE ON GOVERNMENT AFFAIRS

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Nevada Active GIDs Statewide

- According to recent state data 75 General Improvement Districts (GIDs) have been established and are active statewide in Nevada.
- GIDs are commonly used as an economic development and infrastructure tool.
- At least 1 active GID in most Nevada counties, with a few exceptions.
- Overall decrease in active GIDs statewide from 84 in 2013 to 75 in 2023



Source: Nev. Dep't of Tax'n. Div. of Local Gov't Svcs. *Annual Local Gov't Indebtedness As of June 30, 2023*, Appendix A-6 (2023).

Nevada GID Functions– NRS Chapter 318

NRS 318.116 outlines basic powers of a GID:

- Electric light & power (NRS 318.117)
- Pest abatement (NRS 318.118)
- Public cemeteries (NRS 318.119)
- Public swimming pools (NRS 318.1191)
- Television & Radio facilities (NRS 318.1187, 318.1192)
- Streets and Alleys (NRS 318.120)
- Curbs, gutters, sidewalks (NRS 318.125, 318.130)
- Storm drainage & flood control (NRS 318.135)
- Sewage facilities (NRS 318.140)
- Streetlighting (NRS 318.141)
- Garbage collection (NRS 318.142)
- Recreational facilities (NRS 318.143)
- Water facilities (NRS 318.144)
- Fencing (NRS 318.1195)
- Fire protection (NRS 318.1181) (also governed under NRS Chapter 474)
- Space heating (NRS 318.1175)
- Emergency medical services (NRS 318.1185)
- Weed control (NRS Chapter 555)



Source: Nev. Dep't of Tax'n. Div. of Local Gov't Svcs. *Annual Local Gov't Indebtedness As of June 30, 2023*, Appendix A-6 (2023).

GID Legislative History

NRS Chapter 318 Pertinent Legislative History

- **SB 20 (1959)** enacts the General Improvement District Law
- **AB 163 (1977)** enacts reforms to GID statute, requiring service plans for new GIDs and emphasizing use of GIDs for public services rather than private development; GID trustee compensation set at \$6,000 per year
- **AB 475 (2005)** sets \$9,000 compensation cap for GIDs that provide water, sewer services, or garbage collection under NRS 318.085(5)



Source: Nev. Dep't of Tax'n. Div. of Local Gov't Svcs. *Annual Local Gov't Indebtedness As of June 30, 2023*, Appendix A-6 (2023).

Assembly Bill 301

AB 301 makes the following adjustment to GID Board Trustee Compensation limits under NRS 318.085(5):

- Adjusts the 2005 \$9,000 cap to \$14,500 for GIDs that offer water, sewer, or garbage collection services (NRS 318.140, NRS 318.142, NRS 318.144)
- U.S. Dept. of Labor's Bureau of Labor Statistics CPI inflation portal measures average change in prices over time, and estimates the value of \$9,000 in 2005 is approx. \$14,992 today. (U.S. BLS CPI Inflation Calculator (https://www.bls.gov/data/inflation_calculator.htm))
- AB 301 would apply to about 1/3 of the 75 total GIDs statewide



Source: Nev. Dep't of Tax'n. Div. of Local Gov't Svcs. *Annual Local Gov't Indebtedness As of June 30, 2023*, Appendix A-6 (2023).

Statutory Safeguards

Existing statute (NRS 318.085(5)) imposes limits on any compensation adjustments:

- GID budget must be adequate
- Board-level majority vote required
- No additional compensation is permitted, as board employee, or otherwise
- Mandated compensation parity among members
- Must take effect after next biennial election



Source: Nev. Dep't of Tax'n. Div. of Local Gov't Svcs. *Annual Local Gov't Indebtedness As of June 30, 2023*, Appendix A-6 (2023).