

ASSEMBLY BILL NO. 459—COMMITTEE ON EDUCATION

(ON BEHALF OF THE LEGISLATIVE COMMITTEE
ON EDUCATION)

MARCH 25, 2013

Referred to Committee on Education

SUMMARY—Revises provisions relating to school property.
(BDR 34-203)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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

AN ACT relating to school property; authorizing the board of trustees of a school district to donate surplus personal property of the school district to another school district; providing that requirements relating to the establishment of oversight panels for school facilities apply only to the board of trustees of a school district in certain counties; eliminating the duty of certain boards of trustees of school districts to submit to the Legislature written recommendations for financing the costs of construction of school facilities; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law authorizes the board of trustees of a school district to donate
2 surplus personal property of the school district to any charter school that is located
3 within the school district without regard to certain notice, bidding, auction or other
4 requirements relating to the disposal of personal property of a local government.
5 (NRS 332.185) **Section 2** of this bill authorizes a board of trustees of a school
6 district likewise to donate surplus personal property to other school districts in this
7 State without regard to the notice, bidding, auction or other requirements relating to
8 the disposal of personal property of a local government. **Section 1** of this bill
9 authorizes a board of trustees of a school district to accept a donation of surplus
10 personal property of another school district.

11 Existing law requires the board of trustees of a school district in a county
12 whose population is 100,000 or more (currently Clark and Washoe Counties) to
13 establish an oversight panel for school facilities. (NRS 393.092) Such an oversight



14 panel is required to submit biennially to the Legislature written recommendations
15 for financing school construction costs. In a county whose population is less than
16 100,000 (currently all counties other than Clark and Washoe Counties), the board
17 of trustees of the school district is required to submit biennially to the Legislature
18 written recommendations for financing school construction costs. (NRS 393.097)
19 Existing law also authorizes a school district to issue general obligation bonds, after
20 obtaining the approval of the county's debt management commission, if the
21 issuance of the bonds is not expected to result in an increase in the existing property
22 tax levy and the electors have approved a question that authorizes the issuance of
23 bonds for 10 years after the date of approval. (NRS 350.020) In addition to the
24 approval of the debt management commission, in a county whose population is
25 100,000 or more, the school district must obtain the approval of the oversight panel
26 for school facilities. (NRS 350.020, 393.097) **Sections 3-6** of this bill provide that
27 requirements relating to the establishment of an oversight panel for school facilities
28 apply only to the board of trustees of a school district in a county whose population
29 is 100,000 or more but less than 700,000 (currently Washoe County). **Section 6**
30 also eliminates the requirement for the boards of trustees of school districts to
31 submit to the Legislature recommendations for financing school construction costs.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** NRS 386.390 is hereby amended to read as follows:

2 386.390 Each board of trustees shall have the power to accept
3 on behalf of and for the school district ~~any~~ :

4 1. *Any* gift or bequest of money or property for a purpose
5 deemed by the board of trustees to be suitable, and to utilize such
6 money or property for the purpose so designated ~~H~~ ; and

7 2. *Any donation of surplus personal property of another*
8 *school district made pursuant to subsection 2 of NRS 332.185.*

9 **Sec. 2.** NRS 332.185 is hereby amended to read as follows:

10 332.185 1. Except as otherwise provided in subsection 2 and
11 NRS 244.1505 and 334.070, all sales of personal property of the
12 local government must be made, as nearly as possible, under the
13 same conditions and limitations as required by this chapter in
14 the purchase of personal property. The governing body or its
15 authorized representative may dispose of personal property of the
16 local government by any manner, including, without limitation, at
17 public auction, if the governing body or its authorized representative
18 determines that the property is no longer required for public use and
19 deems such action desirable and in the best interests of the local
20 government.

21 2. The board of trustees of a school district may donate surplus
22 personal property of the school district to *any other school district*
23 *in this State or to* a charter school that is located within the school
24 district without regard to:

25 (a) The provisions of this chapter; or



1 (b) Any statute, regulation, ordinance or resolution that requires:

2 (1) The posting of notice or public advertising.

3 (2) The inviting or receiving of competitive bids.

4 (3) The selling or leasing of personal property by contract or
5 at a public auction.

6 3. The provisions of this chapter do not apply to the purchase,
7 sale, lease or transfer of real property by the governing body.

8 **Sec. 3.** NRS 350.020 is hereby amended to read as follows:

9 350.020 1. Except as otherwise provided by subsections 3
10 and 4, if a municipality proposes to issue or incur general
11 obligations, the proposal must be submitted to the electors of the
12 municipality at a special election called for that purpose or the next
13 general municipal election or general state election.

14 2. Such a special election may be held:

15 (a) At any time, including, without limitation, on the date of a
16 primary municipal election or a primary state election, if the
17 governing body of the municipality determines, by a unanimous
18 vote, that an emergency exists; or

19 (b) On the first Tuesday after the first Monday in June of an
20 odd-numbered year,

21 ➔ except that the governing body shall not determine that an
22 emergency exists if the special election is for the purpose of
23 submitting to the electors a proposal to refund bonds. The
24 determination made by the governing body is conclusive unless it is
25 shown that the governing body acted with fraud, a gross abuse of
26 discretion or in violation of the provisions of this subsection. An
27 action to challenge the determination made by the governing body
28 must be commenced within 15 days after the governing body's
29 determination is final. As used in this subsection, "emergency"
30 means any occurrence or combination of occurrences which requires
31 immediate action by the governing body of the municipality to
32 prevent or mitigate a substantial financial loss to the municipality or
33 to enable the governing body to provide an essential service to the
34 residents of the municipality.

35 3. If payment of a general obligation of the municipality is
36 additionally secured by a pledge of gross or net revenue of a project
37 to be financed by its issue, and the governing body determines, by
38 an affirmative vote of two-thirds of the members elected to the
39 governing body, that the pledged revenue will at least equal the
40 amount required in each year for the payment of interest and
41 principal, without regard to any option reserved by the municipality
42 for early redemption, the municipality may, after a public hearing,
43 incur this general obligation without an election unless, within 90
44 days after publication of a resolution of intent to issue the bonds, a
45 petition is presented to the governing body signed by not less than



1 5 percent of the registered voters of the municipality. Any member
2 elected to the governing body whose authority to vote is limited by
3 charter, statute or otherwise may vote on the determination required
4 to be made by the governing body pursuant to this subsection. The
5 determination by the governing body becomes conclusive on the last
6 day for filing the petition. For the purpose of this subsection, the
7 number of registered voters must be determined as of the close of
8 registration for the last preceding general election. The resolution of
9 intent need not be published in full, but the publication must include
10 the amount of the obligation and the purpose for which it is to be
11 incurred. Notice of the public hearing must be published at least 10
12 days before the day of the hearing. The publications must be made
13 once in a newspaper of general circulation in the municipality.
14 When published, the notice of the public hearing must be at least as
15 large as 5 inches high by 4 inches wide.

16 4. The board of trustees of a school district may issue general
17 obligation bonds which are not expected to result in an increase in
18 the existing property tax levy for the payment of bonds of the school
19 district without holding an election for each issuance of the bonds if
20 the qualified electors approve a question submitted by the board of
21 trustees that authorizes issuance of bonds for a period of 10 years
22 after the date of approval by the voters. If the question is approved,
23 the board of trustees of the school district may issue the bonds for a
24 period of 10 years after the date of approval by the voters, after
25 obtaining the approval of the debt management commission in the
26 county in which the school district is located and, in a county whose
27 population is 100,000 or more ~~+~~ *but less than 700,000*, the
28 approval of the oversight panel for school facilities established
29 pursuant to NRS 393.092 in that county, if the board of trustees of
30 the school district finds that the existing tax for debt service will at
31 least equal the amount required to pay the principal and interest on
32 the outstanding general obligations of the school district and the
33 general obligations proposed to be issued. The finding made by the
34 board of trustees is conclusive in the absence of fraud or gross abuse
35 of discretion. As used in this subsection, "general obligations" does
36 not include medium-term obligations issued pursuant to NRS
37 350.087 to 350.095, inclusive.

38 5. At the time of issuance of bonds authorized pursuant to
39 subsection 4, the board of trustees shall establish a reserve account
40 in its debt service fund for payment of the outstanding bonds of the
41 school district. The reserve account must be established and
42 maintained in an amount at least equal to the lesser of:

43 (a) For a school district located in a county whose population is
44 100,000 or more, 25 percent; and



1 (b) For a school district located in a county whose population is
2 less than 100,000, 50 percent,
3 ↪ of the amount of principal and interest payments due on all of the
4 outstanding bonds of the school district in the next fiscal year or
5 10 percent of the outstanding principal amount of the outstanding
6 bonds of the school district.

7 6. If the amount in the reserve account falls below the amount
8 required by subsection 5:

9 (a) The board of trustees shall not issue additional bonds
10 pursuant to subsection 4 until the reserve account is restored to the
11 level required by subsection 5; and

12 (b) The board of trustees shall apply all of the taxes levied by
13 the school district for payment of bonds of the school district that
14 are not needed for payment of the principal and interest on bonds of
15 the school district in the current fiscal year to restore the reserve
16 account to the level required pursuant to subsection 5.

17 7. A question presented to the voters pursuant to subsection 4
18 may authorize all or a portion of the revenue generated by the debt
19 rate which is in excess of the amount required:

20 (a) For debt service in the current fiscal year;

21 (b) For other purposes related to the bonds by the instrument
22 pursuant to which the bonds were issued; and

23 (c) To maintain the reserve account required pursuant to
24 subsection 5,

25 ↪ to be transferred to the county school district's fund for capital
26 projects established pursuant to NRS 387.328 and used to pay the
27 cost of capital projects which can lawfully be paid from that fund.
28 Any such transfer must not limit the ability of the school district to
29 issue bonds during the period of voter authorization if the findings
30 and approvals required by subsection 4 are obtained.

31 8. A municipality may issue special or medium-term
32 obligations without an election.

33 **Sec. 4.** NRS 393.092 is hereby amended to read as follows:

34 393.092 1. The board of trustees of a school district in a
35 county whose population is 100,000 or more *but less than 700,000*
36 shall establish an oversight panel for school facilities, consisting of
37 11 members selected as follows:

38 (a) Six members who are elected representatives of local
39 government, to be determined as follows:

40 (1) One member of the board of county commissioners
41 appointed by a majority vote of the board of county commissioners;

42 (2) One member of the governing body of each incorporated
43 city in the county, each of whom is appointed by a majority vote of
44 the governing body of which he or she is a member; and



1 (3) If the membership determined pursuant to subparagraphs
2 (1) and (2) is less than six, one additional member of the board of
3 county commissioners appointed by a majority vote of the board of
4 county commissioners and, if applicable, additional members of the
5 governing bodies of incorporated cities in the county, each of whom
6 must be appointed by a majority vote of the governing body of
7 which he or she is a member, until six members have been
8 appointed. If the membership determined pursuant to this paragraph
9 would result in an unequal number of representatives among the
10 incorporated cities, the membership of the incorporated cities on the
11 oversight panel must be rotated and the board of county
12 commissioners shall draw lots to determine which city or cities will
13 be first represented, which next, and so on.

14 (b) Five members appointed by the board of trustees of the
15 county school district to be determined as follows:

16 (1) One member who has experience in structural or civil
17 engineering;

18 (2) One member who has experience in matters relating to
19 the construction of public works projects;

20 (3) One member who has experience in the financing or
21 estimation of the cost of construction projects;

22 (4) One member who is a representative of the gaming
23 industry; and

24 (5) One member who is a representative of the general public
25 who has an interest in education.

26 2. After the initial terms, the term of each member of the
27 oversight panel is 2 years. Members of the oversight panel are
28 eligible for reappointment.

29 **Sec. 5.** NRS 393.095 is hereby amended to read as follows:

30 393.095 The board of trustees of a school district in a county
31 whose population is 100,000 or more *but less than 700,000* shall:

32 1. Provide administrative support to the oversight panel for
33 school facilities established by the board of trustees pursuant to
34 NRS 393.092; and

35 2. Comply with all requests by the oversight panel for
36 information.

37 **Sec. 6.** NRS 393.097 is hereby amended to read as follows:

38 393.097 1. On or before July 1 of each even-numbered year,
39 each oversight panel for school facilities established in a county
40 whose population is 100,000 or more *but less than 700,000*
41 pursuant to NRS 393.092 ~~and each board of trustees of a school~~
42 ~~district in a county whose population is less than 100,000~~ shall
43 submit to the Director of the Legislative Counsel Bureau for
44 transmittal to the next regular session of the Legislature written



1 recommendations for financing the costs of new construction,
2 design, maintenance and repair of school facilities.

3 2. In a county whose population is 100,000 or more **H** *but less*
4 *than 700,000*, the oversight panel for school facilities shall review
5 and approve or disapprove a request by the board of trustees of the
6 school district for the issuance of general obligation bonds pursuant
7 to subsection 4 of NRS 350.020.

8 **Sec. 7.** NRS 393.096 is hereby repealed.

9 **Sec. 8.** This act becomes effective on July 1, 2013.

TEXT OF REPEALED SECTION

393.096 Oversight panel for school facilities: Authority of board of trustees to expand duties of panel in larger counties.

1. The board of trustees of a school district in a county whose population is 700,000 or more may, by a vote of not less than two-thirds of the total membership of the board of trustees, expand the duties of the oversight panel for school facilities established for the school district pursuant to NRS 393.092.

2. If the board of trustees votes to expand the duties of the oversight panel, the board of trustees shall:

(a) Prepare a 3-year plan for the renovation of school facilities and a 5-year plan for the construction of school facilities within the school district for submission to the oversight panel for its review and recommendations;

(b) Appoint the assistant superintendent of school facilities or his or her designee, if the board of trustees has employed a person to serve in that capacity, or otherwise appoint an employee of the school district who has knowledge and experience in school construction, to act as a liaison between the school district and the oversight panel;

(c) Consider each recommendation made by the oversight panel and, if the board of trustees does not adopt a recommendation, state in writing the reason for its action and include the statement in the minutes of the board of trustees, if applicable; and

(d) In addition to the administrative support required pursuant to NRS 393.095, provide such administrative support to the oversight panel as is necessary for the oversight panel to carry out its expanded duties.

3. If the board of trustees votes to expand the duties of the oversight panel, the oversight panel shall:



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(a) Work cooperatively with the board of trustees of the school district to ensure that the program of school construction and renovation is responsive to the educational needs of pupils within the school district;

(b) Review the 3-year plan for the renovation of school facilities and the 5-year plan for the construction of school facilities submitted by the board of trustees of the school district and make recommendations to the board of trustees for any necessary revisions to the plans;

(c) On a quarterly basis, or more frequently if the oversight panel determines necessary, evaluate the program of school construction and renovation that is designed to carry out the 3-year plan and the 5-year plan and make recommendations to the board of trustees concerning the program;

(d) Make recommendations for the management of construction and renovation of school facilities within the school district in a manner that ensures effective and efficient expenditure of public money; and

(e) Prepare an annual report that includes a summary of the progress of the construction and renovation of school facilities within the school district and the expenditure of money from the proceeds of bonds for the construction and renovation, if such information is available to the oversight panel.

