

SENATE BILL NO. 438—COMMITTEE ON GOVERNMENT AFFAIRS

MARCH 25, 2013

Referred to Committee on Natural Resources

SUMMARY—Revises provisions governing the Colorado River Commission of Nevada. (BDR S-1091)

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 the Colorado River Commission of Nevada; authorizing the Commission to borrow and otherwise become obligated for a certain principal amount for certain purposes relating to the costs of electrical capacity and energy generated from the Hoover Dam; authorizing the Commission to issue general and special obligation securities of the State within a certain period; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 This bill authorizes the Colorado River Commission of Nevada to borrow and  
2 otherwise become obligated for a principal amount not to exceed \$35,000,000 for  
3 the purpose of: (1) prepaying certain costs of electrical capacity and energy  
4 generated from the Hoover Dam; or (2) paying, financing or refinancing a portion  
5 of the capital costs which contribute to the ongoing costs of electrical capacity and  
6 energy generated from the Hoover Dam. This bill further authorizes the  
7 Commission, within a certain period, to issue general and special obligation  
8 securities payable from certain revenue of the State.

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

1 **Section 1.** 1. The Legislature hereby finds and declares that  
2 the issuance of securities and the incurrence of indebtedness  
3 pursuant to this section are necessary for the protection and  
4 preservation of the natural resources of this State and for the  
5 purpose of obtaining the benefits thereof, and constitute an exercise



1 of the authority conferred upon the State by the second paragraph of  
2 Section 3 of Article 9 of the Nevada Constitution.

3 2. The Commission may:

4 (a) Borrow and otherwise become obligated for a principal  
5 amount not to exceed \$35,000,000 for the purpose of prepaying the  
6 cost of electrical capacity and energy generated directly from the  
7 Hoover Dam, or for the purpose of paying, financing or refinancing  
8 a portion of the capital costs which contribute to the ongoing costs  
9 of electrical capacity and energy generated from the Hoover Dam.

10 (b) Not later than June 30, 2028, issue from time to time:

11 (1) General obligation securities payable from taxes and  
12 additionally secured with pledged revenue;

13 (2) Special obligation securities constituting special  
14 obligations payable from pledged revenue; or

15 (3) Any combination of the securities identified in  
16 subparagraph (1) or (2).

17 3. The Commission may, in accordance with the limitations  
18 prescribed by subsection 2, determine the amount of securities  
19 which may be issued and the timing thereof. The limitations on the  
20 issuance of securities prescribed by subsection 2 do not apply to any  
21 securities which are issued in accordance with the State Securities  
22 Law for the purpose of refunding the securities issued pursuant to  
23 subsection 2.

24 4. The provisions of the State Securities Law and NRS 538.206  
25 apply to the issuance of securities pursuant to subsection 2.

26 5. As used in this section:

27 (a) "Commission" means the Colorado River Commission of  
28 Nevada.

29 (b) "Pledged revenue" means any revenue or payment, or  
30 portion thereof, which is:

31 (1) Derived from any source and received by the  
32 Commission from the sale or other use of electrical capacity and  
33 energy generated from the Hoover Dam; or

34 (2) Related to or otherwise received by the Commission as a  
35 result of the operation of a revenue-producing facility of the Hoover  
36 Dam.

37 **Sec. 2.** This act becomes effective on July 1, 2013.

