

Assembly Bill No. 34—Committee on Natural
Resources, Agriculture, and Mining

CHAPTER.....

AN ACT relating to government land; reducing the number of independent appraisals of state land required before such land may be offered for sale or lease; revising certain restrictions on the performance of an appraisal of certain government land by an appraiser; revising provisions relating to the Revolving Account for Land Management; removing an exemption from procedural requirements for the sale or lease of state land for a lease of residential property with a term of 1 year or less; revising provisions relating to the requirement that the Administrator of the Division of State Lands of the State Department of Conservation and Natural Resources develop and make certain information useful to land use planning available to cities and counties; repealing obsolete provisions regarding the Lincoln County Pilot Land Development and Disposal Law; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, the Division of State Lands of the State Department of Conservation and Natural Resources must acquire and hold in the name of the State all land and interests in land owned or required by the State, with certain exceptions. (NRS 321.001) The Administrator of the Division is, ex officio, the State Land Registrar. (NRS 321.010)

Existing law requires, with certain exceptions, the State Land Registrar to obtain two independent appraisals of any state land before offering the land for sale or lease. (NRS 321.007) **Section 1** of this bill decreases to one the number of independent appraisals that the State Land Registrar is required to obtain before offering state land for sale or lease.

Existing law also prohibits an appraiser from appraising state land if the appraiser or a person related to the appraiser within the first degree of consanguinity or affinity has an interest in the land or an adjoining property. **Section 1** expands the prohibited degree of consanguinity or affinity of the appraiser's relative to the third degree of consanguinity or affinity.

Existing law creates the Revolving Account for Land Management as a special account in the State General Fund. Money in the Account must be used to pay the expenses relating to the management of land held by the Division of State Lands, including, without limitation, expenses for appraisals and surveys, construction of fences and barriers for vehicles and the cleanup and maintenance of the land. (NRS 321.067) **Section 2** of this bill authorizes money in the Account also to be used to pay expenses relating to the acquisition of or interests in land. **Section 2** also provides that the expenses for which money in the Account may be used may include land surveys, required assessments of the land, including surveys of the biological, environmental and cultural conditions and resources of the land, and any required mitigation of the land.

Existing law authorizes the State Land Registrar to request an allocation to the Revolving Account from the Contingency Account in the State General Fund if the



balance in the Revolving Account is below \$5,000. **Section 2** of this bill raises that amount to \$20,000.

Existing law provides procedural requirements for the sale or lease of state land and exempts from those requirements any lease of residential property with a term of 1 year or less. (NRS 321.335) **Section 3** of this bill removes that exemption.

Existing law requires the Administrator of the Division of State Lands to: (1) administer the activities of the State Land Use Planning Agency; and (2) develop and distribute information that is useful to land use planning. Existing law also gives priority to the activities of the State Land Use Planning Agency in the provision of technical assistance in areas of this State where such assistance is requested. (NRS 321.710) **Section 3.5** of this bill limits the entities to which priority in the provision of technical assistance must be given to counties and cities.

Existing law requires the Administrator of the Division of State Lands to develop and make available to cities and counties certain specified information useful to land use planning. (NRS 321.720) **Section 4** of this bill removes the requirement that the Administrator develop and make available to cities and counties: (1) statewide data relating to population densities and trends, economic and environmental characteristics and trends, and directions and extent of urban and rural growth; (2) projections of the nature and quantity of land needed and suitable for various purposes; and (3) a continuously revised inventory of the environmental, geological and physical conditions which influence the desirability of various uses of land. **Section 4** also requires the Administrator, to the extent practicable, to compile the information developed and make the compilation available to counties and cities.

Existing law prohibits an appraiser who appraises any real property that is offered for sale or lease by a board of county commissioners or the governing body of an incorporated city from conducting the appraisal if the appraiser or a person related to the appraiser within the first degree of consanguinity or affinity has an interest in the real property or an adjoining property. (NRS 244.2795, 268.059) **Sections 6 and 7** of this bill expand the prohibited degree of consanguinity or affinity of the person from the first degree of consanguinity or affinity to the third degree of consanguinity or affinity and, in certain circumstances, the second degree of consanguinity or affinity.

Section 9 of this bill repeals obsolete provisions relating to the Lincoln County Pilot Land Development and Disposal Law. (NRS 321.540-321.590)

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

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

Section 1. NRS 321.007 is hereby amended to read as follows:
321.007 1. Except as otherwise provided in subsection 5, NRS 321.008, 322.061, 322.063, 322.065 or 322.075, except as otherwise required by federal law, except for land that is sold or leased to a public utility, as defined in NRS 704.020, to be used for a public purpose, except for land that is sold or leased to a state or local governmental entity, except for a lease which is part of a contract entered into pursuant to chapter 333 of NRS and except for



land that is sold or leased pursuant to an agreement entered into pursuant to NRS 277.080 to 277.170, inclusive, when offering any land for sale or lease, the State Land Registrar shall:

(a) ~~Except as otherwise provided in this paragraph, obtain two~~ **Obtain an** independent ~~appraisals~~ **appraisal** of the land before selling or leasing it. ~~If the Interim Finance Committee grants its approval after discussion of the fair market value of the land, one independent appraisal of the land is sufficient before selling or leasing it.~~ The appraisal ~~for appraisals, as applicable.~~ must have been prepared not more than 6 months before the date on which the land is offered for sale or lease.

(b) Notwithstanding the provisions of chapter 333 of NRS, select ~~the one~~ **an** independent appraiser ~~for two independent appraisers, as applicable.~~ from the list of appraisers established pursuant to subsection 2.

(c) Verify the qualifications of ~~each~~ **an** appraiser selected pursuant to paragraph (b). The determination of the State Land Registrar as to the qualifications of an appraiser is conclusive.

2. The State Land Registrar shall adopt regulations for the procedures for creating or amending a list of appraisers qualified to conduct appraisals of land offered for sale or lease by the State Land Registrar. The list must:

(a) Contain the names of all persons qualified to act as a general appraiser in the same county as the land that may be appraised; and

(b) Be organized at random and rotated from time to time.

3. An appraiser chosen pursuant to subsection 1 must provide a disclosure statement which includes, without limitation, all sources of income of the appraiser that may constitute a conflict of interest and any relationship of the appraiser with the owner of the land or the owner of an adjoining property.

4. An appraiser shall not perform an appraisal on any land offered for sale or lease by the State Land Registrar if the appraiser or a person related to the appraiser within the ~~first~~ **third** degree of consanguinity or affinity has an interest in the land or an adjoining property.

5. If a lease of land is for residential property and the term of the lease is 1 year or less, the State Land Registrar shall obtain an analysis of the market value of similar rental properties prepared by a licensed real estate broker or salesperson when offering such a property for lease.

6. If land is sold or leased in violation of the provisions of this section:

(a) The sale or lease is void; and



(b) Any change to an ordinance or law governing the zoning or use of the land is void if the change takes place within 5 years after the date of the void sale or lease.

Sec. 2. NRS 321.067 is hereby amended to read as follows:

321.067 1. The Revolving Account for Land Management is hereby created as a special account in the State General Fund.

2. The State Land Registrar shall use the money in the *Revolving* Account to pay the expenses related to the management of land held by the Division ~~†~~ *and the acquisition of or interests in land*, including, without limitation, expenses for:

(a) Appraisals and *land* surveys;

(b) *Required environmental assessments of the land, including, without limitation, surveys of the biological, environmental and cultural conditions and resources of the land;*

~~(c)~~ Construction of fences and barriers for vehicles; ~~†~~

~~—(e)†~~ (d) The cleanup and maintenance of the land ~~†~~; and

(e) Any mitigation required of the land.

3. The State Land Registrar shall:

(a) Approve any disbursement from the Revolving Account; and

(b) Maintain records of any such disbursement.

4. The State Land Registrar shall deposit into the Revolving Account money received by the Division as a donation or as a reimbursement for or advance payment of an expense paid out of the Revolving Account.

5. The balance of the Revolving Account must be carried forward at the end of each fiscal year.

6. If the balance in the account is below ~~†\$5,000,†~~ *\$20,000*, the State Land Registrar may request an allocation from the Contingency Account in the State General Fund pursuant to NRS 353.266, 353.268 and 353.269.

Sec. 3. NRS 321.335 is hereby amended to read as follows:

321.335 1. Except as otherwise provided in NRS 321.008, 321.125, 322.061, 322.063, 322.065 or 322.075, except as otherwise required by federal law, except for land that is sold or leased to a public utility, as defined in NRS 704.020, to be used for a public purpose, except for land that is sold or leased to a state or local governmental entity, except for a lease which is part of a contract entered into pursuant to chapter 333 of NRS and except for an agreement entered into pursuant to the provisions of NRS 277.080 to 277.170, inclusive, ~~for a lease of residential property with a term of 1 year or less,†~~ after April 1, 1957, all sales or leases of any lands that the Division is required to hold pursuant to NRS 321.001,



including lands subject to contracts of sale that have been forfeited, are governed by the provisions of this section.

2. Whenever the State Land Registrar deems it to be in the best interests of the State of Nevada that any lands owned by the State and not used or set apart for public purposes be sold or leased, the State Land Registrar may, with the approval of the State Board of Examiners and the Interim Finance Committee, cause those lands to be sold or leased upon sealed bids, or oral offer after the opening of sealed bids for cash or pursuant to a contract of sale or lease, at a price not less than the highest appraised value for the lands plus the costs of appraisal and publication of notice of sale or lease.

3. Before offering any land for sale or lease, the State Land Registrar shall comply with the provisions of NRS 321.007.

4. After complying with the provisions of NRS 321.007, the State Land Registrar shall cause a notice of sale or lease to be published once a week for 4 consecutive weeks in a newspaper of general circulation published in the county where the land to be sold or leased is situated, and in such other newspapers as the State Land Registrar deems appropriate. If there is no newspaper published in the county where the land to be sold or leased is situated, the notice must be so published in a newspaper published in this State having a general circulation in the county where the land is situated.

5. The notice must contain:

- (a) A description of the land to be sold or leased;
- (b) A statement of the terms of sale or lease;
- (c) A statement that the land will be sold pursuant to subsection 6; and
- (d) The place where the sealed bids will be accepted, the first and last days on which the sealed bids will be accepted, and the time when and place where the sealed bids will be opened and oral offers submitted pursuant to subsection 6 will be accepted.

6. At the time and place fixed in the notice published pursuant to subsection 4, all sealed bids which have been received must, in public session, be opened, examined and declared by the State Land Registrar. Of the proposals submitted which conform to all terms and conditions specified in the notice published pursuant to subsection 4 and which are made by responsible bidders, the bid which is the highest must be finally accepted, unless a higher oral offer is accepted or the State Land Registrar rejects all bids and offers. Before finally accepting any written bid, the State Land Registrar shall call for oral offers. If, upon the call for oral offers, any responsible person offers to buy or lease the land upon the terms and conditions specified in the notice, for a price exceeding by at



least 5 percent the highest written bid, then the highest oral offer which is made by a responsible person must be finally accepted.

7. The State Land Registrar may reject any bid or oral offer to purchase or lease submitted pursuant to subsection 6, if the State Land Registrar deems the bid or offer to be:

(a) Contrary to the public interest.

(b) For a lesser amount than is reasonable for the land involved.

(c) On lands which it may be more beneficial for the State to reserve.

(d) On lands which are requested by the State of Nevada or any department, agency or institution thereof.

8. Upon acceptance of any bid or oral offer and payment to the State Land Registrar in accordance with the terms of sale specified in the notice of sale, the State Land Registrar shall convey title by quitclaim or cause a patent to be issued as provided in NRS 321.320 and 321.330.

9. Upon acceptance of any bid or oral offer and payment to the State Land Registrar in accordance with the terms of lease specified in the notice of lease, the State Land Registrar shall enter into a lease agreement with the person submitting the accepted bid or oral offer pursuant to the terms of lease specified in the notice of lease.

10. The State Land Registrar may require any person requesting that state land be sold pursuant to the provisions of this section to deposit a sufficient amount of money to pay the costs to be incurred by the State Land Registrar in acting upon the application, including the costs of publication and the expenses of appraisal. This deposit must be refunded whenever the person making the deposit is not the successful bidder. The costs of acting upon the application, including the costs of publication and the expenses of appraisal, must be borne by the successful bidder.

11. If land that is offered for sale or lease pursuant to this section is not sold or leased at the initial offering of the contract for the sale or lease of the land, the State Land Registrar may offer the land for sale or lease a second time pursuant to this section. If there is a material change relating to the title, zoning or an ordinance governing the use of the land, the State Land Registrar must ~~[- as applicable,]~~ obtain a new appraisal ~~[or new appraisals]~~ of the land pursuant to the provisions of NRS 321.007 before offering the land for sale or lease a second time. If land that is offered for sale or lease pursuant to this section is not sold or leased at the second offering of the contract for the sale or lease of the land, the State Land Registrar may list the land for sale or lease at the appraised value with a licensed real estate broker, provided that the broker or a



person related to the broker within the first degree of consanguinity or affinity does not have an interest in the land or an adjoining property.

Sec. 3.5. NRS 321.710 is hereby amended to read as follows:

321.710 1. The Administrator shall administer the activities of the State Land Use Planning Agency. The Administrator has authority and responsibility for the development and distribution of information useful to land use planning.

2. The activities of the State Land Use Planning Agency which have priority are:

(a) Provision of technical assistance *to a county or city* in areas where such assistance is requested;

(b) Activities relating to federal lands in this State; and

(c) Investigation and review of proposals for designation of areas of critical environmental concern and the development of standards and plans therefor.

3. In addition to the assistant provided by subsection 3 of NRS 321.010 the Administrator may appoint, subject to the availability of money, such professional, technical, administrative, clerical and other persons as the Administrator may require for assistance in performing his or her land use planning duties.

Sec. 4. NRS 321.720 is hereby amended to read as follows:

321.720 1. The Administrator shall develop and make available to cities and counties information useful to land use planning, including:

~~1-1~~ (a) Preparation and continuing revision of a statewide inventory of the land and natural resources of the State;

~~1-2. Compilation and continuing revision of data, on a statewide basis, related to population densities and trends, economic characteristics and projections, environmental conditions and trends, and directions and extent of urban and rural growth;~~

~~1-3. Projections of the nature and quantity of land needed and suitable for:~~

~~(a) Recreation and esthetic appreciation;~~

~~(b) Conservation and preservation of natural resources, agriculture, mineral development and forestry;~~

~~(c) Industry and commerce, including the development, generation and transmission of energy;~~

~~(d) Transportation;~~

~~(e) Urban development, including the revitalization of existing communities, the development of new towns, and the economic diversification of existing communities which possess a narrow economic base;~~



~~—(f) Rural development, taking into consideration future demands for and limitations upon products of the land; and~~

~~—(g) Health, educational, and other state and local governmental services;~~

~~—4. Preparation and continuing revision of an inventory of environmental, geological and physical conditions, including types of soil, which influence the desirability of various uses of land;~~

~~—5.† (b) Preparation and continuing revision of an inventory of state, local government and private needs and priorities concerning the acquisition and use of federal lands within the State;~~

~~†6.† (c) Preparation and continuing revision of an inventory of public and private institutional and financial resources available for land use planning and management within the State and of state and local programs and activities which have a land use impact of more than local concern;~~

~~†7.† (d) Provision, where appropriate, of technical assistance and training programs for state and local agency personnel concerned with the development and implementation of state and local land use programs;~~

~~†8.† (e) Coordination and exchange of land use planning information and data among state agencies and local governments, with the Federal Government, among the several states and interstate agencies, and with members of the public, including conducting of public hearings, preparation of reports and soliciting of comments on reports concerning information useful to land use planning;~~

~~†9.† (f) Coordination of planning for state and local acquisition and use of federal lands within the State, except that in the case of a plan which utilizes both federal and private lands the governing body of the area where private lands are to be utilized has final authority to approve the proposal;~~

~~†10.† (g) Provision of assistance to counties to develop programs to increase the responsibility of local governments for the management of lands in the State of Nevada that are under federal management; and~~

~~†11.† (h) Consideration of, and consultation with, the relevant states on the interstate aspects of land use issues of more than local concern.~~

2. To the extent practicable, the Administrator shall:

(a) Compile any information developed pursuant to subsection 1; and

(b) Make the compilation available to cities and counties.

Sec. 5. (Deleted by amendment.)



Sec. 6. NRS 244.2795 is hereby amended to read as follows:

244.2795 1. Except as otherwise provided in NRS 244.189, 244.276, 244.279, 244.2815, 244.2825, 244.2833, 244.2835, 244.284, 244.287, 244.290, 278.479 to 278.4965, inclusive, and subsection 3 of NRS 496.080, except as otherwise required by federal law, except as otherwise required pursuant to a cooperative agreement entered into pursuant to NRS 277.050 or 277.053 or an interlocal agreement in existence on or before October 1, 2004, except if the board of county commissioners is entering into a joint development agreement for real property owned by the county to which the board of county commissioners is a party, except for a lease of residential property with a term of 1 year or less, except for the sale or lease of real property to a public utility, as defined in NRS 704.020, to be used for a public purpose, except for the sale or lease of real property to the State or another governmental entity and except for the sale or lease of real property larger than 1 acre which is approved by the voters at a primary or general election or special election, the board of county commissioners shall, when offering any real property for sale or lease:

(a) Except as otherwise provided in this paragraph, obtain two independent appraisals of the real property before selling or leasing it. If the board of county commissioners holds a public hearing on the matter of the fair market value of the real property, one independent appraisal of the real property is sufficient before selling or leasing it. The appraisal or appraisals, as applicable, must have been prepared not more than 6 months before the date on which the real property is offered for sale or lease.

(b) Select the one independent appraiser or two independent appraisers, as applicable, from the list of appraisers established pursuant to subsection 2.

(c) Verify the qualifications of each appraiser selected pursuant to paragraph (b). The determination of the board of county commissioners as to the qualifications of the appraiser is conclusive.

2. The board of county commissioners shall adopt by ordinance the procedures for creating or amending a list of appraisers qualified to conduct appraisals of real property offered for sale or lease by the board. The list must:

(a) Contain the names of all persons qualified to act as a general appraiser in the same county as the real property that may be appraised; and

(b) Be organized at random and rotated from time to time.

3. An appraiser chosen pursuant to subsection 1 must provide a disclosure statement which includes, without limitation, all sources



of income that may constitute a conflict of interest and any relationship with the real property owner or the owner of an adjoining real property.

4. An appraiser shall not perform an appraisal on any real property for sale or lease by the board of county commissioners if ~~the~~ :

(a) ~~The appraiser for a person related to the appraiser within the first degree of consanguinity or affinity~~ has an interest in the real property or an adjoining property ~~†~~;

(b) The real property is located in a county whose population is 45,000 or more and any person who is related to the appraiser has an interest in the real property or an adjoining property and the relationship between the appraiser and the person is within the third degree of consanguinity or affinity; or

(c) The real property is located in a county whose population is less than 45,000 and any person who is related to the appraiser has an interest in the real property or an adjoining property and the relationship between the appraiser and the person is within the second degree of consanguinity or affinity.

5. If real property is sold or leased in violation of the provisions of this section:

(a) The sale or lease is void; and

(b) Any change to an ordinance or law governing the zoning or use of the real property is void if the change takes place within 5 years after the date of the void sale or lease.

Sec. 7. NRS 268.059 is hereby amended to read as follows:

268.059 1. Except as otherwise provided in NRS 268.048 to 268.058, inclusive, 268.064, 278.479 to 278.4965, inclusive, and subsection 4 of NRS 496.080, except as otherwise required by federal law, except as otherwise required pursuant to a cooperative agreement entered into pursuant to NRS 277.050 or 277.053 or an interlocal agreement in existence on October 1, 2004, except if the governing body is entering into a joint development agreement for real property owned by the city to which the governing body is a party, except for a lease of residential property with a term of 1 year or less, except for the sale or lease of real property to a public utility, as defined in NRS 704.020, to be used for a public purpose, except for the sale or lease of real property to the State or another governmental entity and except for the sale or lease of real property larger than 1 acre which is approved by the voters at a primary or general election, primary or general city election or special election, the governing body shall, when offering any real property for sale or lease:



(a) Except as otherwise provided in this paragraph, obtain two independent appraisals of the real property before selling or leasing it. If the governing body holds a public hearing on the matter of the fair market value of the real property, one independent appraisal of the real property is sufficient before selling or leasing it. The appraisal or appraisals, as applicable, must be based on the zoning of the real property as set forth in the master plan for the city and must have been prepared not more than 6 months before the date on which real property is offered for sale or lease.

(b) Select the one independent appraiser or two independent appraisers, as applicable, from the list of appraisers established pursuant to subsection 2.

(c) Verify the qualifications of each appraiser selected pursuant to paragraph (b). The determination of the governing body as to the qualifications of the appraiser is conclusive.

2. The governing body shall adopt by ordinance the procedures for creating or amending a list of appraisers qualified to conduct appraisals of real property offered for sale or lease by the governing body. The list must:

(a) Contain the names of all persons qualified to act as a general appraiser in the same county as the real property that may be appraised; and

(b) Be organized at random and rotated from time to time.

3. An appraiser chosen pursuant to subsection 1 must provide a disclosure statement which includes, without limitation, all sources of income of the appraiser that may constitute a conflict of interest and any relationship of the appraiser with the property owner or the owner of an adjoining property.

4. An appraiser shall not perform an appraisal on any real property offered for sale or lease by the governing body if ~~the~~ :

~~(a) The appraiser ~~for a person related to the appraiser within the first degree of consanguinity or affinity~~ has an interest in the real property or an adjoining property ~~+~~;~~

(b) The real property is located in a city in a county whose population is 45,000 or more and any person who is related to the appraiser has an interest in the real property or an adjoining property and the relationship between the appraiser and the person is within the third degree of consanguinity or affinity; or

(c) The real property is located in a city in a county whose population is less than 45,000 and any person who is related to the appraiser has an interest in the real property or an adjoining property and the relationship between the appraiser and the person is within the second degree of consanguinity or affinity.



5. If real property is sold or leased in violation of the provisions of this section:

(a) The sale or lease is void; and

(b) Any change to an ordinance or law governing the zoning or use of the real property is void if the change takes place within 5 years after the date of the void sale or lease.

Sec. 8. The amendatory provisions of NRS 244.2795, 268.059 and 321.007, as amended by sections 6, 7 and 1, respectively, of this act do not apply to an appraisal specified in those sections which is conducted before July 1, 2017.

Sec. 9. NRS 321.540, 321.550, 321.560, 321.570, 321.580 and 321.590 are hereby repealed.

Sec. 10. This act becomes effective on July 1, 2017.

