

Senate

GOVERNMENT AFFAIRS COMMITTEE

Minutes of Meeting - April 16, 1975

Present: Chairman Gibson
 Sen. Dodge
 Sen. Walker
 Sen. Foote
 Sen. Gojack
 Sen. Hilbrecht
 Sen. Schofield

Also Present:

See the attached Guest Register

The thirty second meeting of the Government Affairs Committee was called to order at 2:45 p.m. with a quorum present.

SB-354 Creates housing division in department of commerce to finance low-cost housing. (BDR 25-798)

Mike Melner, Dept. of Commerce, went through the amended SB-354 to indicate the changes that had been made and the various parts of the bill that were deleted. They removed all of sections 8, 10 and 33 from the bill, they redefined lending institutions, division was used in place of agency. There was also some clarification on insured mortgages to be sure that only insured mortgages were in the bill.

Nick Smith, Burrows, Smith, felt that the amended bill was a good piece of legislation and his only suggestion was with the 50 year mortgage. Felt that a 35 or 40 year mortgage would be more in line.

Mr. Chism, Chism Homes, indicated that with federal funding the mortgages could extend to 40 years but doesn't go along with the 50 year mortgage either. He indicated his support of SB-354.

Chairman Gibson as well as other committee members questioned the moral obligation that the legislature would have if there were a substantial number of forfeitures.

Mr. Melner stated that in Section 41 the intent of the bill should take care of the moral obligation that the legislature is worried about, adding that the bonds would be used as collateral in securing the funding.

Len Cooper, President of the Nevada Home Builders Association, is in favor of this bill as redrafted. Feels that dealing with the local banks would benefit Nevada in many ways.

Gene Milligan, State Association of Realtors, supports SB-354.

James Viano, Carson Builder, supports SB-354.

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Don Brodeen, Representing State of Nevada Bankers Association, also indicated that they were in favor of SB-354*

Chairman Gibson asked Mr. Melner to go over the mortgage provision and check into the 40 year mortgage.

SB-497 Requires creation of joint river development review boards in certain counties. (BDR 22-1686)

Russ McDonald, drafter of SB-497, Washoe County Manager, stated that this project was to protect the Truckee River and through a joint meeting of the Sparks and Reno City Council the Truckee River Board was formed. This bill is primarily affecting the Washoe County area, and specifically the Truckee River. The Planning Commission has given the specific recommendations of a group of interested people representing the governing bodies in the limited area of the beautification and preservation of the Truckee River.

Senator Young indicated that through several surveys the people in his jurisdiction felt that the preservation of the Truckee River was very important and a necessary step should be taken to insure its preservation. He also stated the County Commissioner was in favor of this bill.

Senator Foote felt that some of the property owners around the river would be against this bill as it would infringe on their rights as property owners.

John Kauffman, property owner along the river, stated that he felt this bill was only an attempt to increase the greenbelt area and is against SB-497.

Vern Meiser, personal interest, doesn't feel the proper emphasis is being placed on the self reliance of the people who own property by the river. He indicated that he is against SB-497. Feels the existing laws being enforced would solve the problems that this bill suggests.

Mr. Teglia, City of Reno and property owner in Sparks, felt that there would be better results if there was an advisory board formed and the people who owned property by the river were to meet and discuss the problems.

John Kleppe, representing the Kleppe Ranch, is against this bill as it infringes on the rights of the property owner. Any decisions on increasing the greenbelt should be discussed and decided by the owners of the land by the river, not a special committee of people who are not involved in the land.

Gene Evans, committee member of the Truckee River Board, stated that

* See attached.

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The Truckee River Board members felt that they should come to the legislature to get the proper authority needed to carry out the protection and beautification of the Truckee River. Mr. Evans feels that with the existing laws there will be no enforcement to keep the river from declining and this just should not happen.

Roland Oaks, Association of General Contractors, stated that this bill should not be enacted. He feels that the existing laws should be enforced but to make another layer of legislation for laws that should be taken care of by the cities and counties is not necessary. He felt that enforcement was the main problems that wouldn't be taken care of by SB-497.

Pat Lewis, Reno City Council member, passed out pictures taken of the Truckee River at various points to illustrate the need for this bill. She also handed out some copies of literature on the American River in Sacramento. In California they have this legislation and she felt that this saved the American River from becoming an eyesore. A special committee just to handle the Truckee River is what is needed and with this board the problems will be taken care of before the river is affected.

Senator Dodge questioned why this legislation is needed if there is a planning commission and the Reno City Council should handle this situation within their own areas.

John W. Brown, Engineer, is against SB-497, stating that with the existing laws enforcement is the answer to SB-497.

Frank Sala, attorney, personal interest, is against SB-497. He felt that the type of legislation SB-497 is asking for is in the ordinances and should only be enforced.

Robert Moore, Verdi resident, is against SB-497. He concurs with the statements made by Mr. Oaks and Sala.

Jim Meyer, Developer and land owner, is against SB-497.

Gale Bishop, representing local #3 and Northern Nevada Builders Association, stated that he is against SB-497.

Dave Young, property owner in Sparks, stated that we don't need any more zoning laws and is against SB-497.

Gene Milligan, Nevada Association of Realtors, questioned in the bill who would be responsible for violations. Mr. Milligan felt that the responsibility should fall into the hands of the local governments and thus this bill should be in local ordinances.

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Sue Santini, Ad.Hoc. Committee, is concerned about the river and although everyone testifying states that they are concerned about the river they aren't concerned enough to do something concrete to preserve the beauty and clean up the problems with the river. She indicated that their group had gone to every committee they felt could do something with the river beautification program but could not get commitments, so as a last resort they have come to the Government Affairs Committee to try to get the proper legislation to start taking proper care of the river before its too late.

Fran Fienhandler, interested party, is in favor of SB-497 as the river should be preserved for future Nevadans and unless something definite is begun we may lose the beauty of the river.

Mario Belli, farmer and owner of land along the Truckee River, indicated that he is against this bill, its an infringement of his rights as a property owner.

Lee Smith, Reno resident, suggested adding the following language to the bill, Page 2, line 6, "to pay appropriate funds through this bill to compensate the property owners for the taking of their rights". He felt that without this added it would be adverse condemnation and would be against the passage of the bill.

Chairman Gibson stated that the committee would consider the testimony given and act on the bill after further deliberation.

SB-501 Places Southern Nevada Water Project and Alfred Merritt Smith Water Treatment facility under control of the Las Vegas Valley Water District.
(BDR S-1602)

SB-179 Authorizes the division of Colorado River Resources of state department of conservation and natural resources on behalf of the State to acquire water facilities and to issue securities therefor. (BDR S-778)

Tom Rice, General Manager of the Las Vegas Valley Water District, gave his testimony to the committee on SB-501. (See the written testimony). He also submitted an amendment to SB-501 (see attached).

Mr. Urban Schreiner, counsel for the Southern Nevada Water District, prepared statements regarding the construction of SB-501 and indicated that this bill is constitutionally sound.*

Don Paff, Administrator for the Colorado River Resources, provided copies of his testimony to each committee member and read this testimony indicating his support of SB-179. He felt that the proponents of SB-501 were weak and was not in favor of this bill as presently written. Mr. Paff responded to questions regarding the costs for duplication of facilities by providing documentation that reflected a cost of \$1,000. per year in duplicating services. (See the attached)

* See attached.

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Mr. Rice responded to the question of duplicated costs, stating that engineers weren't interested in this type of thing and felt the duplications were inevitable ones.

Mr. Broadbent, County Commissioners, stated that he had talked with Bob Johnson and Mr. Johnson indicated that he had no problems with the bill. He also stated that they are in favor of SB-179.

Chairman Gibson requested that Mr. Johnson be contacted and the committee get his feelings on the bill.

Senator Hilbrecht indicated that he would like to get some legal opinions on this bill and it was suggested that they contact Mr. Frank Daykin from the Legal Counsel Bureau.

SB-491 Revises unincorporated town government law.
(BDR 20-370)

SB-498 Revises law on disincorporation of cities.
(BDR 21-369)

SB-505 Removes unincorporated towns from local government finance laws. (BDR 27-371)

Senator Monroe spoke to the committee on each of the above bills as they were drafted as a group. A study had been done on the unincorporated towns and these bills reflect the feelings and desires of those people. He felt that the people running the unincorporated towns should have set guidelines to follow and these bills will bring the rules and guidelines in line with the current standards followed by the rest of the state

Jim Lien, Tax Commission, warned the committee that since these bills were drafted as a package that passing two and leaving one out, specifically passing SB-491 but not acting on SB-505, would cause serious problems.

Bob Broadbent, County Commissioners, felt that these bills will enable the unincorporated towns to have some kind of input to the budgetary process.

Roy Nabors, County Administrator, Nye County, was concerned about the authority in SB-491 to levy a tax. Is in favor of the bills with the exception of the authority to levy a tax. It was pointed out to Mr. Nabors by Jim Lien where the bill gives that authority.

Lou Shaffer, Genoa, stated that he was against SB-505 because he feels that his town does a great deal for their community and SB-505 takes away the initiative of the unincorporated townspeople. Mr. Shaffer indicated that they had a set of bylaws and would have a copy for the committee to study.

Chairman Gibson stated that SB-505 should be amended to include the following language, " This bill will only go into effect if SB-491 is approved by the governor".

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Action on SB-491

Motion of "Do Pass" by Senator Dodge, seconded by Senator Gojack.
Motion carried unanimously.

Action on SB-498

Motion of "Do Pass" by Senator Foote, seconded by Senator Dodge.
Motion carried unanimously

Action on SB-505

Motion of "amend and Do Pass" by Senator Gojack, seconded by Senator Dodge. Motion carried unanimously. (Amendment to have language as suggested by Chairman Gibson on Page 5)

SB-468 Vests certain counties with areawide management planning duties and powers. (BDR 20-1448)

Bruce Arkell, Planning Coordinator, controls water pollution through regulatory land control. Mr. Arkell noted that the county does meet the necessary criteria if the bill is passed. This bill is primarily for Clark County and was requested by them. Under the federal act they will not take an application without an agency formed, therefore, they are before the legislature to get this bill enacted.

Larry Hampton, Director of Public Works, Las Vegas, has a written resolution for the committee's consideration. (See attached) They are not in opposition to the bill with the resolution incorporated into the bill. Feels the word "control" gives too much power and goes beyond the intent of the bill. Suggested that Clark County simply be designated as the areawide water agency and be given the necessary powers to carry out the plan.

Mr. Arkell felt that the word "control" only gives Clark County the areawide authority to handle this water agency.

There is a section in the existing statute that should be amended out if this bill passes. That is section 244.924 which pertains to the acquisition by the county of facilities that are owned by another public body. Feels that this was just an oversight.

The committee requested that the proper language for the amendment be prepared and submitted to the committee.

SB-357 Authorizes the City of Reno to issue tax increment securities which may be also payable from other tax proceeds and other revenues and provides other provision concerning the foregoing. (BDR S-1318)

Joe Lattimore, City of Reno, indicated that similar legislation is being used in Salt Lake City and Provo, Utah. Those funds received will be used for the beautification of the downtown area of Reno. In previous testimony Mayor Sam Dibitonto indicated that the funds

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would be used to depress the tracks in the downtown area of Reno but there has subsequently been a bill before the legislature for that particular problem. Mr. Lattimore stated that their purpose with SB-357 is creating parking facilities. Mr. Lattimore along with Nick Smith of Burrows, Smith had some additional language to add to Page 4, line 2 of SB-357, "Property of the public utilities subject to the jurisdiction of the Interstate Commerce Commission may not be included as any tax increment area under the provisions of this act."

Mr. Carl A. Soderblom, Representing the Nevada Railroad Association stated that they were in opposition to SB-357. He felt that only a few of the taxpayers shouldered the costs and it should be more evenly spread out.

SB-28 Changes composition of state dairy commission. (BDR 51-438)

SB-178 Changes composition of state dairy commission. (BDR 51-400)

AB-29 Abolishes state dairy commission. (BDR 51-406)

Assemblyman Price, Vice Chairman of the Assembly Agriculture Committee, spoke to the committee on the above bills which were in their committee and explained the changes they made on them, especially on AB-29.

There was considerable discussion from the committee members regarding the large chain stores who make and process their own milk and what effects this bill will have in keeping them in line with the small manufacturers. Giving the Dairy Commission subpoena power might help in getting the straight facts on pricing. At the present time the committee and those giving testimony felt that abolishment of the Dairy Commission would be a mistake at this time.

Randy Cappuro, representing Nevada Dairy Distributors, felt that the Dairy Commission was a viable body and should not be abolished. On SB-28 stated that the commission should consist of four members being from the industry and four from the public. Also questioned the 10% price over the invoice costs, not sure this is enough.

Phyllis Burkson, representing the Consumers from the Dairy Commission, stated that the "Producer-Distributor" should be eliminated and suggested that a majority of five members represent consumers and not be specified. (See the attached from Mr. Levinson of C.L.N.)

Vern Southworth, Giant Foods, Fallon, supported SB-28. felt that a cross section of the consumers be represented on the Dairy Commission. Mr. Southworth indicated that the 10% price over the invoice cost is a fair figure and they certainly can get by with that.

Herb Whitt, Dairy Farmer and Chairman of the Dairy Producers Council, indicated that the commission should consist of four designated consumers and the rest from the industry. He felt that the Dairy

the attached

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Commission was working well under the present regulatory system.

Joe Lawler, Deputy, Consumer Affairs Division, stated that under the existing system of the Dairy Commission they are not getting the proper information. Feels that the subpoena power will help them clear up the price issue. Without this power the Dairy Commission is not effective.

Assemblyman Price, concluded his statements after hearing the testimony and felt that the intent of this bill is to have subpoena power. If the intent is not clear then they would have no objection to having this committee add such language as to make it clear.

Mr. Cassady, Dairy Commission, stated that in line 43 on page 5 the term "dairy by-products" is incorrect and should be amended to read "dairy products". Feels that the reference to transfer price is unclear to him and this reference to pricing should be clearly stated.

Chairman Gibson requested Mr. Cassady to submit written amendments to this bill regarding the transfer price and also the dairy products. He also suggested that he prepare the proper wording for the subpoena power. The committee would consider the amendments as soon as he had the proper wording.

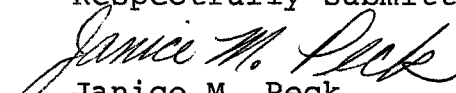
Terry McMullen, retail grocer, stated that the small grocer is not the one causing the problems with the Dairy Commission and defended his pricing on milk products. He indicated the problems they have competing with the larger chain stores. Mr. McMullen felt the Dairy Commission was doing a good job and was against the abolishment of it.

Chairman Gibson read the suggested amendment to AB-84 to the committee regarding the time for a candidate to begin accumulating expenses. Requested the committee's action on the bill with the suggested amendment.

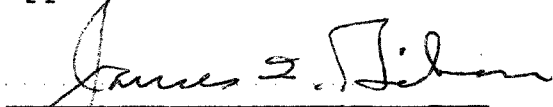
Motion of "Do Pass" by Senator Dodge, seconded by Senator Gojack. Motion carried unanimously.

With there being no further business the meeting was adjourned at 10:15 p.m.

Respectfully submitted,


Janice M. Peck
Committee Secretary

Approved:


Chairman

AGENDA FOR COMMITTEE ON . GOVERNMENT AFFAIRS.....
 WEDNESDAY
 DATE ... 4-16-75 TIME... 2:45 P.M. ROOM.. 345.....

Bills or Resolutions to be considered	Subject	Counsel Requested*
SB-354	Creates housing division in dept. of commerce to finance low-cost housing. (BDR 25-798)	
SB-468	Notify: Mike Melner, Sen. Bryan Vests certain counties with area-wide management planning duties & powers. (BDR 20-1448) Notify: Bruce Arkell, Mr. Bunker Gen. Dist. 1, Mr. Jim Parrott Clark County Commission, Mr. Pettite	
SB-179	Authorizes the division of Colorado River resources of state department of conservation and natural resources on behalf of the State to acquire water facilities and to issue securities therefor. (BDR S-778)	
SB-501	Places Southern Nevada Water Project and Alfred Merritt Smith Water Treatment facility under control of the Las Vegas Valley Water District. (BDR S-1602) Notify: Don Paff, Mr. Bunker, Mr. Rice Clark County Commerce, Mr. Pettite	
SB-491	Revises unincorporated town government law. (BDR 20-370)	
SB-498	Revises law on disincorporation of cities. (BDR 21-369)	
SB-505	Removes unincorporated towns from local government finance laws. (BDR 27-371) Notify: Senator Monroe, Perry Burnett, Bob Broadbent	
SB-357	Authorizes the city of Reno to issue tax increment securities which may be also payable from other tax proceeds and other revenues and provides other provision concerning the foregoing. (BDR S-1318)	
SB-497	Requires creation of joint river development review boards in certain counties. (BDR 22-1686) Notify: Joe Lattimore, Senator Young	
SB-28	Changes composition of state dairy commission. (BDR 51-438)	
SB-178	Changes composition of state dairy commission. (BDR 51-400)	
AB-29	Abolishes state dairy commission. (BDR 51-406) Notify: Assemblyman Price, Hickey, Senator Bryan. Dairy Commission. Mr. Cassady	

GUEST REGISTER

GOVERNMENT AFFAIRS COMMITTEE

DATE: 4-16

THOSE WISHING TO TESTIFY SHOULD IDENTIFY THEMSELVES BEFORE GIVING TESTIMONY.....



NAME	DO YOU WISH TO TESTIFY	BILL NO.	REPRESENTING
Laurence Hampton	Yes	468	City of Las Vegas
Don Broosen	only by request	354	Las Vegas MFG BANKERS ASSN
Walter Merrell	Yes	491	Town of Genoa
STEVEN BROWN	YES	354	PAINE, WEBBER, JACKSON & CURTIS
STEPHEN BACH	Yes	354	PAINE, WEBBER, JACKSON & CURTIS, INC (RENO)
Gene Phelps			Nevada Dept.
URBAN SCHREINER	Yes	501	LAS VEGAS VALLEY WATER DISTRICT
Thomas P. Rice	Yes	501-179	Las Vegas Valley Water District
R. J. Ronzone			Clark County Comm.
Vern Meiser	Yes	SB 497	Self
James S. Meyer	Yes	SB 497	Port West Industrial Park
John Webster Brown	Yes	SB 497	Brown Engineers
Francine B. Jones		SB 497	Jones ranch
Clara D. Jones		SB 497	Jones ranch
Mario Belli		SB 497	Belli Ranch
JOHN KLEPPE	Yes	SB 497	Kleppe ranch
Claude E. Hunter	No	SB 497	Self
JOHN E. ROBINSON	No	SB 497	SELF
Bishop	No	SB 479	ENGINEERS

over

Don Youngmans			NV Builders Assoc.
Lynette R. Rogers		SB-354	Northern NV Home Builders
H.A. (Hank) Crisman	NO	SB 354	Home Builders
Kince Anselmo	NO	SB 354	Department of Commerce
James E. Baker	yes	SB 354	State of NV & Rural Housing Act
Richard Dunken			County of Clark
Don Paff	YES	SB-179 SB-501	Div. of Colo. River Resources
Bob Broadbent	Yes		Clark Co.
Bob WARREN	?		LEAGUE OF CITIES
James Klain	NO	SB-354	CARSON BUILDERS
Walter Rooker	no	SB 354	Builders from NV Nevada

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Weyerhaeuser Mortgage Company of Nevada



April 7, 1975

Re: SB 354

To Whom It May Concern:

It appears that the re-drafting of the bill falls pretty much in line with the suggestions set forth in the hearing on Monday, March 31, 1975. The only suggestions or objections which we would request consideration of are the following:

1. New Paragraph 10, Section 5
Eliminate (to provide mortgage loans and)
Change "mortgage lenders" to "Lending Institutions" to conform
with the definition in Section 14
2. New Section 20
Delete (acting as mortgagee) and insert "when acting through a
lending institution".
3. New Section 24
Delete (make) in line 3 and insert /or
4. Section 29, Paragraph 1a (lines 23 and 24, page 8)
Eliminate "construction", "rehabilitation", "leasing".
5. Section 34 (line 16, page 10)
Define "insurance"
6. Section 35, Paragraph 4 (line 33, page 10)
Eliminate (developed or)

The reason for these suggestions and objections is that we felt that it was pretty well agreed at the hearing that the State of Nevada had no intention of getting into the development or direct lending business except through Lending Institutions and the bill still seems to leave this open.

One other comment might be that there should be a specific section in the bill



To Whom It May Concern


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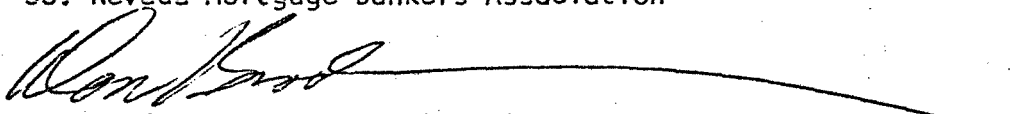
Re: SB 354

addressing the fact that the agency is to be the vehicle used to provide access to any Federal Programs which require a State Finance Agency. This is possibly addressed in Section 20, however, with the elimination of the clause recommended above this may also affect that power or right. We believe it should be very explicitly set out.

Very truly yours,



Don Brodeen, Chairman, Legislative Committee
So. Nevada Mortgage Bankers Association



Don Brodeen, Member, Legislative Committee
So. Nevada Home Builders Association

TESTIMONY
OF
THOMAS R. RICE, GENERAL MANAGER
LAS VEGAS VALLEY WATER DISTRICT
PERTAINING TO
TRANSFER OF SOUTHERN NEVADA WATER PROJECT

My name is Thomas R. Rice. I am the General Manager of the Las Vegas Valley Water District. I would like to talk to you today about the Southern Nevada Water Project. As you no doubt know, the Southern Nevada Water Project is of vital importance and concern to the Las Vegas area. The efficient operation of the Project at a minimum cost is also of concern. Presently there is divided authority for the operation of the Project. This is not the best way to manage a business.

Two years ago, legislation was requested to clarify intention regarding operation and management of the Project. This legislation was postponed at the request of the Colorado River Commission pending a report by them regarding possible impacts of a proposed ~~delegation~~ of responsibilities for the Water Project. That report, which was kept in secret until after the start of this session of the legislature, contains a great deal of hypothesis apparently contrived to evoke fear or a negative reaction. Most are moot points which I will address in a moment.

It is my understanding that the intention of the local community, the Governor, and the Legislators involved during the early 1960's with the enabling legislation for the Southern Nevada Water Project was that the utilization of the Colorado River Commission as a vehicle for the construction of the first stage of the Project was only an expediency. The history of the Water District's activities in this regard during the 1950's and early 60's will clearly illustrate the local community's interest and direction in this regard. There was apparently a great deal of anxiety in the local community at the time the Colorado River Commission was given the enabling legislation for obtaining construction of the Southern Nevada Water Project. I think this

anxiety and the intention of the local community and Governor Sawyer is clearly illustrated by the editorial contained in the Las Vegas Review Journal May 1, 1963. A copy of that editorial is attached. A part of that editorial states:

"Southern Nevadans must certainly welcome the words of Governor Sawyer the other day that he does not anticipate that the Colorado River Commission will end up being the master water agency for the valley.

"The governor, in an interview in Las Vegas, said in even stronger words that he did not believe the Colorado River Commission was necessarily the right agency to handle the overall water problem.

"He agreed with the view of nearly all elected officials in Southern Nevada - including the mayors of Las Vegas, North Las Vegas and Henderson - that the Colorado River Commission is only an expediency.

"Further, the governor said he was sure that the legislature would reevaluate the situation two years hence.

"The Clark County legislative delegation backed the Colorado River Commission bill not so much with the thought in mind of making it a master water agency, but merely to allow it to act as an agent to deal with the federal government on the proposed \$75 million pipeline from Lake Mead.

"The delegation contended that the Colorado

River Commission bill did not give the Commission the power to wholesale water or control ground waters - which quite obviously is the type of authority a master water agency is going to need in order to be effective.

"This newspaper supported the Colorado River Commission proposal with serious reservations. We feel much the same as the elected officials of Southern Nevada, and apparently as the governor does that a local agency responsive to the will of the people concerned would be the best solution.

"There was considerable concern that once the Colorado River Commission was given any authority at all it would be difficult to divorce it from control of the water situation in Southern Nevada at some future date. The governor's statement has helped to reduce such fears...."

Memories seem to be very short.

Public Law 89-292 dated October 22, 1965, is the Federal Legislation which authorizes the construction of the Southern Nevada Water Project. That legislation in Section 3 (a) states quite clearly that the Secretary of the Interior is authorized to enter into a contract with the State of Nevada, acting through the Colorado River Commission or other duly authorized State agency. That same language is repeated several times in that act. This authorization is for a contract with the State of Nevada, no one else. The agency handling that contract for the State could be the Colorado River Commission or some other agency authorized by the State. The ensuing contracts between the United States and the

State of Nevada for the construction of the Project and, in turn, the water user contracts between the local users and the State of Nevada also contain similar language. These contracts additionally contain transfer or assignment language which states that consent is required of the Commission unless the transfer is made to a "public water district." There is only one public water district in the Las Vegas area. The reason for the language in these Legislative Acts and in these Contracts is that it was contemplated at that time there might be a transfer or assignment of the Project to successor agency. I personally have knowledge of why this language was incorporated because I was a party very much involved in the drafting and negotiations of those contracts.

I have been told repeatedly over the years by the Legislators involved in the drafting of the State legislation that it was never their intention that the Colorado River Commission become the operator of the Water Project, that it was only intended that the Commission be used as a vehicle for the construction of the first stage.

The report I referred to earlier which was prepared by the Colorado River Commission contains inferences of possible objections by other entities, including the other water users, and the United States. It also contains inferences of possible impingement or disturbance of water allocations from the Colorado River, the construction of the second stage and the obligations contained in contracts and bond covenants. Each of the contracts and each of the bond covenants contains language that the contract or the covenant is made by the State of Nevada. The faith and credit of the State of Nevada backs up each of those obligations. In each case, the State of Nevada is represented by an agency. The named agency is the Colorado River Commission. It is entirely

possible, without any impairment, to substitute that agency for another designated by the Legislature in the same manner that the Colorado River Commission was designated in the first instance. To assume that the Colorado River Commission is the State of Nevada or is the only agency capable of representing or acting for the State of Nevada is a grandiose absurdity. Clearly, there can be no diminishing or transferring of the State's obligations under the contracts or the bond covenants. To do so would be unconstitutional. The language of the legislation should clearly state that the State intends not to diminish or affect any rights or obligations under the contracts. This being the case, the hypothetical problems contained in the Colorado River Commission's report are moot. The Colorado River Commission report contains a long list of contracts, almost all of which are long since completed and not active. I don't know the reason they were included except possibly to overwhelm someone by a long list of the contracts needed during the construction phases of the Project.

Presently, the Water Project is operated by the Las Vegas Valley Water District under a contract with the Colorado River Commission. That contract is dated August 1, 1971, and is the result of the legislation in 1971, which directed that "the Water District shall assume supervision, operation and maintenance of all existing and future Southern Nevada Water Project facilities and treatment plants and assess the costs against the users of water." The contract is certainly imperfect in many ways. Among things imperfect about it, it does not fully carry out the directions and what I believe to be the intention of the Legislature in 1971. The attached statement by Urban J. Schreiner, attorney for the District during the contract negotiations, points out some of the history of the negotiations and why the contract

is imperfect. The contract requires what I consider to be a cumbersome, inefficient and expensive operation of the Water Project. It is cumbersome and inefficient because it requires the Water District to do everything through the Colorado River Commission in dealing with any outside entities. It requires approvals of the Colorado River Commission before and during the operation of budget procedures, purchases and other administrative matters. The process is slow, the process is frustrating, and the process is inefficient. Additionally, it appears to me that it is extremely poor government when an elected board, such as the Board of the Water District which now consists of the seven County Commissioners, must in public meeting take action which is then subject to review, and in effect, veto by one appointive employee of the state. This is what is required under the terms of the contract. The contract is expensive because it is my belief that there is a duplication of administrative costs and efforts between the Water District and the Colorado River Commission and some of this will continue as long as there is divided authority. It is difficult to determine precisely what administrative costs of the Colorado River Commission are attributed directly or indirectly to operation of the Water Project. This is complicated by the situation over the past several months wherein the Colorado River Commission has employed attorneys and experts to testify before the Public Service Commission concerning power rate increases of the Nevada Power Company. A portion of these costs is charged to the Water Project because the Water Project is a large power user. Apropos these costs the Water District, because it is the major user of the Water Project water, pays some 85 percent of the operating costs of the Water Project. It also pays some 75 percent of all of the construction costs, including the bond obligations.

I don't believe there is any question as to the capability of the Water District to operate the Water Project facilities. We have been doing so for over three and one half years. The Water District is the largest water utility in the State. We operate our own facilities which in total are larger than the Water Project. We do this on a day to day, normal operation, basis and we do not feel there is anything new or novel about the operation of the Water Project. Construction of facilities for the Water Project is nothing unusual as far as we are concerned. We currently have underway in the Water District a \$29-million expansion program. This is a normal, continuing situation with us. We have what I would term an effective, efficient staff highly capable of operating the kinds of facilities we are talking about. The Water Project is basically a pipeline and pumping plant system. This is exactly what we have in our own distribution system. The Water Project has large pipelines and pumping plants spread over some 30-odd miles in distance. The Water District has many pumping stations and over 900 miles of pipeline, much of which is large diameter pipe. The Water District operates organizationally with operating departments. One department is the Southern Nevada Water System, independent of the remainder of the District. The Water District also has a very competent, complete engineering department which consists of seven professional engineers with over 86 years of professional experience in large pipelines, reservoirs, pumping plants and hydraulics. In addition, we have the necessary draftsmen and technicians to match the engineer's requirements. The Colorado River Commission, to my knowledge, has added two engineers in the last few years, one of which has very little hydraulic experience. The other, new to the job, has some hydraulic experience, but very little experience with the Water Project. The Water District has a complete finance and accounting department and

we utilize our own computer for accounting and other operational requirements.

This capability enables us to keep separate and apart from our own finances all of the matters pertaining to the Water Project. Obviously, we cannot co-mingle our accounts or funds with any others. Our own bond covenants forbid this. The separation of accounts is not a difficult matter. We do it now and obviously will continue to do it.

The second stage of the Water Project is under design at the present time by the Bureau of Reclamation. Design for the Treatment Plant expansion must start soon. With all of the District's operating and engineering experience and the fact that the District pays most of the project costs, I do not think it is being kept adequately informed of plans nor is it sincerely being asked its opinions and desires.

The report by the Colorado River Commission contains inferences that there are reservations on the part of representatives of the United States government concerning any transfer of the Water Project. Reservations might be expressed by individuals depending upon how the question is asked of them. Certainly, in my conversations with representatives of the Federal Government concerning the same subject, I have not, repeat not, received any indication of reservations so long as the obligations of the State of Nevada to the United States are not diminished. The language which is contained in the draft legislation which I prepared is the result of an informal conversation which I had with a legal representative of the United States Government. Obviously, he could not commit the United States, but his feeling and the feelings of others of the United States I have talked to concerning this matter, in each case, was that they have no reason to believe that there should be any problem of approval by the United States of a transfer or delegation of the

contracts involved so long as the rights of the United States or the other water users are not diminished.

To sum up, if the intention of the decision makers involved at the time the Water Project legislation was initially put together was to only use the Colorado River Commission as an expedient for construction of the first stage and that the long-term operation of the Water Project would be under the direction of a local entity, then I see no reason not to make such a transfer now. If that is not the intention at the present time, then I believe the inefficient, split operation at the present time should be terminated.

Feeling is sometimes expressed that we are talking of some sort of master water agency. I want to state categorically that I am not speaking or referring in any way of a master water agency or a master anything. The Water Project is just another large pipeline system, not very much different from the system now operated by the Water District. It could be taken in stride with no difficulty whatsoever. Witness the fact that we now operate the Water Project along with our other facilities. It has been stated that there might be some sort of means by which the District could operate the Southern Nevada Water Project to its own advantage. Let me state here and now there is no way this can be done. It is not possible to separate the facilities so this could be done. In fact, Water District practice has been that during a time of power outage or shortage, to curtail deliveries to the District first and continue deliveries to the other users.

Attached is a statement by Urban J. Schreiner, attorney for the Water District during the contract negotiations from which the August 1, 1971 contract resulted. I think his statement illustrates the reasons for some of the problems and his opinion of the legal consequences of a transfer of the Project.

Sawyer Eases Fears

Southern Nevadans must certainly welcome the words of Governor Sawyer the other day that he does not anticipate that the Colorado River Commission will end up being the master water agency for the valley.

The governor, in an interview in Las Vegas, said in even stronger words that he did not believe the CRC was necessarily the right agency to handle the overall water problem.

He agreed with the view of nearly all elected officials in Southern Nevada — including the mayors of Las Vegas, North Las Vegas and Henderson — that the CRC is only an expediency.

Further, the governor said he was sure that the legislature would reevaluate the situation two years hence.

The Clark County legislative delegation backed the CRC bill not so much with the thought in mind of making it a master water agency, but merely to allow it to act as an agent to deal with the federal government on the proposed \$75 million pipeline from Lake Mead.

The delegation contended that the CRC bill did not give the Commission the power to wholesale water or control ground waters — which quite obviously is the type of authority a master water agency is going to need in order to be effective.

This newspaper supported the CRC proposal with serious reservations. We feel much the same as the elected officials of Southern Nevada, and apparently as the governor does that a local agency responsive to the will of the people concerned would be the best solution.

There was considerable concern that once the CRC was given any authority at all it would be difficult to divorce it from control of the water situation in Southern Nevada at some future date. The governor's statement has helped to reduce such fears.

What Southern Nevada must have — and two years from now will be none too soon — is a master water agency with sweeping powers to control or regulate the use of all water in the valley.

There will be much resistance on the part of the Strip and others to such an agency — and we have a sample of it in the opposition to the Shamberger bill this past session — but it is an absolute necessity if we are ever to make any real sense out of the water picture in Southern Nevada.

However, we are encouraged by the indication that the governor is in substantial agreement with the elected officials of Southern Nevada that this can be achieved at the next session of the legislature.

3. Responsibility for the administration, performance and enforcement of all contracts, rights and obligations incurred by the State of Nevada by and through the Colorado River commission of Nevada (now the division of Colorado River resources of the state department of conservation and natural resources) in connection with the Southern Nevada Water Project and the Alfred Merritt Smith Water Treatment facility are hereby delegated to the district as successor to the Colorado River Commission, subject to such approval as is required of the United States by Article 30 of that Contract No. 14-06-300-1974, dated August 25, 1967, between the United States and the State of Nevada; by Article 18 of those contracts between the Southern Nevada Water Project water users and the State of Nevada dated August 25, 1967, and by Article 16 of that Contract No. GS-OOT-1710, dated January 8, 1969, between the United States and the State of Nevada. This delegation does not diminish or affect the rights of the United States or the "Project Water Users" under these contracts or the rights of the holder of any bond issued to finance the construction of any of the facilities described herein.

Tom Rice - ADDED
to Sec. 3 of Page 2
SB-501

LAW OFFICES OF
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TELEPHONE:
(415) 329-1032

March 10, 1975

The Honorable Board of Directors
Las Vegas Valley Water District
3700 West Charleston Boulevard
Las Vegas, Nevada

Re: Southern Nevada Water Project

Gentlemen:

I have been asked by your Manager, Mr. Rice, to comment upon the current status of the above referenced project as it involves your District. It is the purpose of this letter to comment in regard to the following areas of interest:

1. Purpose of Letter

- A. To review the current legal status of the Southern Nevada Water Project in light of existing contracts, bonds and obligations, and to determine whether a delegation of the first stage facilities to your District can be made without impairing contractual obligations to bondholders and others.
- B. To project the basis upon which further development of the Southern Nevada Water Project may go forward in a manner consistent with the intent of the Nevada State Legislature by the enactment of Chapter 646, 1971 Statutes of Nevada, that the project be turned over to your District in its entirety.
- C. To comment upon the financial consequences of effecting future development of the Project through your District.

2. Conclusion and Opinion

It is the conclusion of the undersigned that the intent of the Legislature embodied in Chapter 646 is not being fully carried out for the reasons discussed herein. It is my opinion that the steps set forth in Section 7, below, will serve to fulfill the intent and directive of the Legislature. It is also my opinion that upon such steps being taken no adverse consequences will result to the disadvantage of any of the governmental entities involved or to the ultimate users of water produced by the project, and, in fact, that those users will obtain direct benefits in the form of greater efficiencies in

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the operation, maintenance and administration of the project and in lower ultimate costs for the water produced and consumed therefrom. It is also my opinion that those steps may be taken without impairing any obligation of contract applicable to any of the entities involved, including the United States, or any obligation to the holder of any bond heretofore issued to finance the first stage of the project. It is also my opinion that the financing of second stage non-federal facilities can be accomplished at no greater a financing cost if state guaranteed bonds are issued by the District than if issued by the Division of Colorado River Resources on behalf of the state.

3. Review of other documents. I have reviewed the following documents and other materials in the preparation of this report:
 - A. Contract Between the United States and Colorado River Commission of Nevada for the Delivery of Water and Construction of Project Works, dated August 25, 1967.
 - B. Water User Contract form between State of Nevada acting by and through the Colorado River Commission and Las Vegas Valley Water District, City of North Las Vegas, City of Henderson, and City of Boulder City, dated August 25, 1967.
 - C. Colorado River Commission Resolution Authorizing Issuance of \$8,900,000 State of Nevada General Obligation Colorado River Water Acquisition Bonds, Series June 1, 1968, dated April 22, 1968.
 - D. Water Distribution and Quality Control Service Contract between Las Vegas Valley Water District, State of Nevada and Colorado River Commission, dated August 1, 1971.
 - E. Chapter 646, 1971 Nevada Statutes.
 - F. Senate Bills 287 and 289 as introduced at the 1973 Session of the Nevada State Legislature.
 - G. Report of Division of Colorado River Resources to the Governor and to the State Legislature dated January 14, 1975.
 - H. The following bills now pending before the 1975 Nevada State Legislature:
 1. Senate Bill No. 96 - authorizing the Administrator of the Division of Colorado River Resources of the State Department of Conservation and Natural Resources to contract for legal services.

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2. Senate Bill No. 104 exempting certain powers of the Administrator from regulation by Public Service Commission.
 3. Senate Bill No. 179 authorizing issuance of bonds for second stage of Southern Nevada Water Project, ordering Clark County to pay to the State the sum of \$1,078,622.33 plus interest of \$140,287.49 on or before March 21, 1975, and making other provision for the second stage of the project.
 4. Assembly Bill No. 179 permitting Administrator to contract for use or exchange of Colorado River water and water service facilities.
 5. Assembly Bill No. 268 permitting Administrator to contract for the use, exchange and purchase of power from any source.
4. Background - The following is a summary of the basic legal documents which pertain to the first stage of the project.
- A. Contract Between the United States and Colorado River Commission of Nevada for the Delivery of Water and Construction of Project Works, dated August 25, 1967. This contract provides the basis upon which the existing Southern Nevada Water Project was jointly constructed by the federal and state governments. The relevant features of the contract are as follows:
 1. Parties:
 - a. United States of America represented by Secretary of Interior
 - b. State of Nevada acting through the Colorado River Commission of Nevada (paragraph 1, page 1)
 2. Scope of Contract: Phase I of Southern Nevada Water Project (paragraph 5, page 3)
 3. Project defined: First stage of Southern Nevada Water Project (paragraph 6 (f), page 4)
 4. Project works defined: First stage works (paragraph 6 (h), page 4)
 5. Water to be delivered: 138,000 acre feet per year subject to conditions and priorities set forth in the contract (paragraph 8 (a), page 7)

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6. Maximum rate of diversion: 304 cubic feet per second (paragraph 8 (d), page 12)
7. The responsibility of the United States is for water delivery only and does not extend to water quality (paragraph 8 (f), page 13)
8. Cost of water transmission, facilities to State: \$47,219,000 payable over 50 years with interest at 3-1/4% (paragraph 10 (a), pages 15 and 16)
9. Cost to State for water delivered: 50 cents per acre foot (paragraph 11, page 22)
10. Operation and maintenance to be performed by the State (paragraph 12, pages 23 and 26)
11. Reserve fund: The State is obligated to accumulate at least \$25,000 per year until the sum of \$250,000 has been set aside (paragraph 15, pages 30 to 32). The purpose of the reserve fund is to cover unanticipated costs of operation and maintenance of the project.
12. Title to the project is to remain in the United States until otherwise provided by Congress provided that upon full reimbursement of all project costs paid under the contract, the State shall have permanent right of use of the project works (paragraph 16, page 32)
13. Contract obligation defined: The contract specifies that the obligation to make payments by the State is a general obligation and is secured by the State and the Colorado River Commission jointly and severally and that the full faith and credit of the State is pledged for payment under the contract. It is further provided that the Commission in the negotiation of water user contracts shall require that the payment obligation incurred by each water user shall be the general obligation of such user (paragraph 17 (a & b), pages 32 and 33)
14. Water pollution control: The contract requires the State to comply with all federal, state and local laws governing water pollution control (paragraph 20, pages 34 and 35)

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15. The State is also required to maintain books and accounts which are to be available for inspection by the United States (paragraphs 22 and 23, page 36)
16. Condition precedent: The obligation of the United States to construct the project is conditioned upon execution and judicial confirmation of water user contracts between the Commission and the individual water users in form and coverage satisfactory to the Secretary of Interior (paragraph 25, page 37)
17. Assignment, successors and assigns: The contract specifies that the contract binds the successors and assigns of the parties but provides that no assignment or transfer is valid until approved by the Secretary of Interior (paragraph 30, page 40)
18. State facilities: These are described as filtration plants, regulatory or storage reservoirs, distribution systems and other facilities to make water available to users and which are defined as "state facilities" (paragraph 32, page 40)

B. Water User Contracts, dated August 25, 1967

1. Parties

- a. State of Nevada acting by and through the Colorado River Commission
- b. Municipal users: Las Vegas Valley Water District, City of North Las Vegas, City of Henderson, City of Boulder City, and the United States acting on behalf of Nellis Air Force Base

2. Scope of agreements: To purchase water produced through first stage facilities of Southern Nevada Water Project (paragraph 2 (e), page 2)
3. Obligations under the water user contracts are subject to the provisions of the federal-state contract (paragraph 4, page 4)
4. Payment: The contract provides for the payment of water to be made by each user to the Colorado River Commission, such payments to be in proportion to the

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amount of water required to be purchased by each such user compared to the total amount of water available to the project (paragraph 10, page 13)

5. Transfers of interest in the contract: This paragraph provides that the contract may be transferred upon the written consent of the Secretary of Interior and upon the written consent of the Colorado River Commission except that the consent of the Commission is not required where transfer is to be made to a public water district (paragraph 18, page 17)
 6. Contract subject to outstanding agreements and federal acts: The contract expressly provides that it is subject to the Colorado River Compact of November 24, 1922, the Boulder Canyon Project Act and the Southern Nevada Project Act (paragraph 19, page 17)
 7. Each water user contract is subject to approval by the Secretary of Interior (paragraph 22, page 18)
- C. Colorado River Commission Resolution Authorizing Issuance of \$8,900,000 State of Nevada General Obligation Colorado River Water Acquisition Bonds, Series June 1, 1968, dated April 22, 1968: This resolution authorizes the issuance of bonds to finance construction of water storage and treatment facilities which are expressly not made a part of the project financed by the United States. The resolution constitutes a contract between the state and bondholders and cannot be abrogated without impairing that contract. The resolution does, however, provide that it is binding upon successors to the rights and obligations of the State of Nevada under the resolution (Section 103, page 30). The resolution also requires the duties prescribed to be performed by the State acting by and through the Colorado River Commission "or otherwise" and requires the State to perform or cause to be performed all such duties (Section 802, page 90). It also requires the State to execute all such further documents including assignments and transfers as may be necessary or desirable to carry out the bond resolution or the laws appertaining to the project or the bonds or any other law appertaining to the facilities.
- D. Water Distribution and Quality Control Service Contract between Las Vegas Valley Water District, State of Nevada, and Colorado River Commission of Nevada.

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1. Parties:
 - a. Las Vegas Valley Water District
 - b. State of Nevada
 - c. Colorado River Commission of Nevada
2. Statutory authority: Chapters 616 and 646, 1971 Statutes of Nevada. The former chapter relates to the undertaking of water pollution studies in the Lake Mead Las Vegas Wash area of Clark County and is not relevant to discuss here. The latter chapter provides a statutory basis for the agreement and for the delegation over of other rights and obligations in connection with the Southern Nevada Water Project and indicates a legislative intent that future stages of the project be undertaken by the District. That chapter provides as follows:

"SECTION 1.1. 1. The Las Vegas Valley Water District is hereby designated as the agency responsible for water distribution within the boundaries of the district. The water District may exercise, in connection with its distribution functions, all of the powers granted in this act.

"2. The Water District shall assume supervision, operation and maintenance of all existing and future Southern Nevada Water Project facilities and water treatment plants, and shall assess the costs against the users of water." (emphasis added)
3. Responsibilities of District: To act as agent for the Commission and to operate and maintain the first stage facilities, both State and Federal, and to assure delivery of water under the water user contracts (Section 301, page 61).
4. Transfer of operations: Section 302, page 62, provides for the transfer of all existing and future Southern Nevada Water Project facilities water treatment plants under jurisdiction and control of the State or Commission or both to the District. The District is specifically referred to as the agent of the State and Commission in this regard.

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5. Limitations upon District: Under the contract, the District is subject to the control of the State and Commission in such things as improvements (Section 306, page 63), budgets (Section 307, page 64), payment for improvements (Section 313, page 68) and use of equipment (Section 406, page 72).
6. Contract subordinate to outstanding bonds. Sections 708 and 709 at pages 87 and 88 provide that the contract is subject and subordinate to the provisions of the bond resolutions of the Commission and the District.

5. Discussion of Existing Legal Documents.

Chapter 646 became effective on May 3, 1971. At that time the first stage of the project was nearing completion and consequently there was limited time available to effect the transfer of the facilities from the State to the District. It was felt that the requirement of obtaining consent from the Secretary of Interior to a transfer or assignment by the State to the District could pose a delay which would have one of two affects: First, that the project would be delayed as to its date of commencement of operations; or, second, that the transfer or assignment would occur after the project had gone into operation and would be substantially more difficult to effect as a consequence thereof. Because of this the contract was drawn on the basis of the agency principal rather than a transfer or assignment. For this reason the Water Distribution Quality Control Service Contract subjects the District to the controls, restrictions and limitations as noted hereinabove. Furthermore, the contract does not carry out the full intent of the Legislature to have the District "assess the costs against the users of water," as directed by Chapter 646. Since the agreement went into effect, the aforementioned controls, restrictions and limitations have caused duplications, delays, inefficiencies and additional expenses in connection with the operation and maintenance of the project by the District. The degree and extent to which this has occurred can better be reported to you by your General Manager.

During the 1973 session of the Nevada State Legislature, efforts were made to obtain legislation which would have brought about the delegation of the total project to the District in a manner which would have necessitated the obtaining of consent from the Secretary of Interior to the delegation and in a manner which would have not impaired the rights of

the holders of bonds. The legislation which would have produced that result was not enacted; however, the fact that the legislation was not enacted does not constitute a demonstrable change in the legislative intent embodied in Chapter 646 since no legislation was enacted which changed the positions of the District and the State under Chapter 646. Accordingly, in order to fully comply with the directive of that law, it will be necessary to obtain such a delegation along with the consent of the Secretary of Interior in order that the District may assume the full responsibility imposed upon it by the Legislature. The effect of this will be to remove the controls, restrictions and limitations of the contract and to provide for the administration of the water user contracts by the District rather than by the Commission.

6. Discussion of January 14, 1975, Report to Governor by Division of Colorado River Resources.

This lengthy report, which includes an opinion of the firm of Dawson, Nagal, Sherman and Howard, bond counsel in connection with the bonds issued to finance the state facilities for the first stage of the project, provides useful background material dealing with the origins of the Southern Nevada Water Project and the legislation pursuant to which the first phase was carried out. Since the report discusses the legislative enactments which occurred prior to 1971 and some of the bills which were introduced at the 1973 Session of the State Legislature without coming to grips with the legislative mandate of the aforementioned Chapter 646 of the 1971 Nevada Statutes it seems fair to say that the report is incomplete, at the least. Failure to deal at length with this legislation which lies at the very heart of the situation which produced the report in the first place leads one to question the statement appearing on page one of the report that "No attempt was made in the investigations and report to present an opinion of the Division..." While the statement contained in the transmittal letter that "No documented evidence exists as to any legislative intent that the State should assign its total responsibilities for the existing and future stages of the Southern Nevada Water System to a political subdivision," may be technically correct it overlooks the clear intent of the Legislature that the delegation as discussed herein occur. To hold to that view is to dismiss out of hand the mandate of Chapter 646. While the historical background and discussion of the vagaries of legislative intent are interesting, their applicability to the complete implementation of Chapter 646 seems somewhat remote.

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Of equal interest is the result of the informal poll taken by the division among the five water users. The summary unfortunately appears to be incomplete since we do not know how the questions were asked we cannot comment thereon. However, it would appear that a more complete picture of the responses than those appearing at pages 18 and 19 would be as follows:

"1. Strongly feel that the project should stay with a state agency (3)"

Strongly feel that the project should not stay with a state agency (2)

"2. State represents each entity more fairly than would a local entity (1)"

State does not represent each entity more fairly than would a local entity (4)

"3. Objection to one local entity governing major water deliveries to another local entity (2)"

No objection to one local entity governing major water deliveries to another local entity (3)

"4. Good working relationship already established may be lost (1)"

Good working relationships already established may not be lost (4)

"5. No concern of who has the responsibility IF quality of service and contractual conditions are maintained (1)"

Concern of who has the responsibility IF quality of service and contractual conditions are not maintained (4)

"6. Question the ability of a smaller agency to provide same quality of service as the state (1)"

Does not question the ability of a smaller agency to provide same quality of service as the State (4)

"7. We were strongly opposed to it in the 1973 legislative session and have not changed (1)"

We were not strongly opposed to it in the 1973 legislative session and have not changed (4)

- "8. Transfer to a nonstate agency would have serious and long lasting effects (1)"

Transfer to a nonstate agency would not have serious and long lasting effects (4)

- "9. Favors transfer to a local political subdivision (1)"

Does not favor transfer to a local political subdivision (4)

- "10. Believes there is an overlapping responsibility and decrease of efficiency because the overall and total responsibility and authority does not rest in one agency or political subdivision (1)

Does not believe there is an overlapping responsibility and decrease of efficiency because the overall and total responsibility and authority does not rest in one agency or political subdivision (4)

This exercise, it is submitted, points out the inconclusiveness of the so-called "opinions and desires of water contractors."

As to the "informal expressions from federal representatives" found at pages 20 and 21, these fall into the category of opinions and inferences. Terms such as "There was anxiety," "The Federal Government would be indisposed...", and "It was suggested that the Secretary of the Interior would not appreciate being put into the position..." lead one easily to the inference that there is something basically dishonest or evil involved in carrying out the mandate of the Legislature. It would be helpful to know more about these discussions since we are not informed of any such attitudes toward the delegation of the District for the Division of Colorado River Resources in the manner discussed herein. We would point out again that the delegation would be made in such a manner that the obligations of the State to its bondholders and to the Federal Government would not be abridged or impaired in any way.

With respect to the opinion of bond counsel referred to at page 22, a copy of which is attached, we can only say that the opinion that the delegation and substitution are inadvisable in view of the difficult problems arising from any such delegation as to whether they impair obligations of contracts fails to deal with intent that the language of delegation be drawn so as to expressly

not create such an impairment. Furthermore, neither the opinion nor the report discusses the problems now being created due to the incomplete delegation heretofore made. The second part of the opinion deals with financial problems arising from such delegation. We would simply take exception to that statement without argument. Suffice it to say that by effecting the delegation in the manner discussed herein, i.e., by expressly preserving and protecting the right of all contracting parties, including the United States, and all bondholders, and by obtaining the required consents from the United States, the fears expressed in the opinion will be set aside.

As to the wisdom of the Legislature in mandating the delegation we will not argue. Likewise, it does not seem appropriate to deal with the points advanced by bond counsel which question that wisdom.

7. Documentation for Second Stage of Southern Nevada Water Project.

Plans are now under way for the development of the second stage of the project. I do not know what time schedule, if any, has been developed for the planning, financing and construction thereof; however, I assume that such will take place in due course upon preparation of plans, financing studies, etc., and upon implementing legislation being approved and appropriate contracts executed and bonds sold. Since Chapter 646 imposes upon the District the responsibility for the existing and future stages of the project, it seems imperative that the legal position of the District be fixed through legislation and the negotiation of appropriate contracts in order that the District may carry out its responsibility. The steps which appear necessary are as follows:

- A. Delegation of first stage of project to District by legislative act and obtaining of consent thereto of Secretary of Interior.
- B. Execution of new contract between State of Nevada, Las Vegas Valley Water District and United States for federal financing of second stage federal facilities.
- C. Execution of new water user contracts to provide appropriate payment provisions for costs of second stage facilities.
- D. Enactment of legislation (Senate Bill 179) to provide for the issuance of State guaranteed bonds by District to finance non-federal facilities for second stage.

The most effective means by which the above steps can be accomplished is by substituting the District for the Colorado River Commission in both the legislative enactments as well as in the contracts to be executed. The financing may be carried out pursuant to a legislative enactment which provides for the issuance of bonds by the District on behalf of and in the name of the State, which bonds are secured by the full faith and credit of the State and are issued on a parity with the bonds issued in 1968.

The payments to be made under both the old and new water user contracts would be made to and administered by the District as required by Chapter 646. Separate records and accounts would be maintained by the District for this purpose in order that contracts with existing bondholders would not be impaired. This would, of course, include holders of the 1968 State bonds as well as the now project bonds and also the outstanding bonds heretofore and hereafter issued by the District for the financing of the District system.

8. Financial consequences of effecting future development of the project through the District.

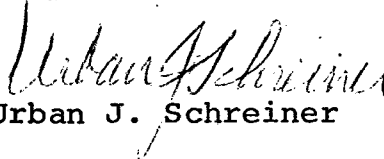
Upon the steps set forth in number 7, above, being taken and upon the second stage facilities being constructed by the United States and the District and upon the non-federal facilities being financed in the manner described above, full compliance would be had with the legislative mandate of Chapter 646. The obvious advantages of this would be to consolidate control of the project in the District without the controls, restrictions and limitations which now exist. The delays, duplications and additional expenses described above would be removed and the anticipated efficiencies and cost savings which the Legislature sought by its enactment of Chapter 646 would thereupon result.

The cost of financing should not be made greater by utilization of this method since the State guarantee of the District bonds would produce a borrowing cost which should not exceed that which would be incurred if bonds similar to those issued in 1968 were issued to finance the second stage non-federal facilities. This is borne out even more clearly by the fact that the bond rating of District bonds is the same as that accorded bonds issued by the State of Nevada. The District was accorded an "A" rating by Moody's on both its 1973 Refunding Bonds as well as its 1974 General Obligation Water Bonds issued in the amounts of \$17,985,000 and \$14,300,000, respectively.

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It is my understanding that the current rating given to State bonds is also an "A" rating by Moody's; thus, interest rates on bonds sold by the District should be no greater than those sold by the State through the Colorado River Commission.

Very truly yours,


Urban J. Schreiner

UJS/gw

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

DIVISION OF COLORADO RIVER RESOURCES

Testimony Regarding Senate Bill No. 501

Senate Committee on Government Affairs

April 16, 1975

Mr. Chairman, and members of the Committee. My name is Don Paff and I am the Administrator of the Division of Colorado River Resources, formerly known as the Colorado River Commission.

On February 27, 1975, I testified before this Committee in support of Senate Bill No. 179 which was drafted to permit a continuity of development of the State's water resource of the Colorado River with those authorities provided in Chapter 268 of the 1967 Statutes of Nevada. More specifically, Senate Bill No. 179 would provide the funding for the enlargement of the Southern Nevada Water System consistent with the efforts of the Bureau of Reclamation to meet the water needs of the Las Vegas Valley area and the City of Boulder City. I reiterate my support of Senate Bill No. 179 with the amendments recommended in our testimony and urge your positive action at the earliest date so there will be no delay in the activities needed to carry forward the necessary expansion of this water system.

At the conclusion of the February 27th hearing, it was our understanding that discussion and action on Senate Bill No. 179 was to be held in abeyance, for a short period, until legislation relating to the future responsibilities relating to the Southern Nevada Water System was introduced. Senate Bill No. 501, sponsored by the Las Vegas Valley Water District, is understood to be that legislation. It, essentially, proposes to reassign all responsibilities now set forth in Chapter 268 from the Division of Colorado River Resources to the Las Vegas Valley Water District.

During the 1973 legislative session, the Water District sponsored Senate Bill No. 553. Section 2 of that bill proposed, essentially, the same action as that in Senate Bill No. 501. Section 2 of Senate Bill No. 553 was not adopted. During the 1973 hearings I agreed to investigate the legal, financial and organizational aspects and impacts of the proposal and make a report so that if the proposal was reintroduced some more background and information would be available. The report, titled "Report on Investigation of the Implications of Transfer of Southern Nevada Water System to a Political Subdivision," was completed and submitted in early January 1975. I have made copies available to the Chairman and have additional copies with me. You will find a brief summary on the cover memorandum dated January 14, 1975. This report did not specifically address Senate Bill No. 501 because it was not available until April 9, 1975. However, we believe the implications and impacts of the report hold true.

To date, the proponents of Senate Bill No. 501 have not responded in any substantial degree with solutions to the concerns expressed in that report.

We have serious concern as to whether any immediate or long-term benefits to the people of the State, or water users, would result from Senate Bill No. 501. Indeed, there could be some immediate adverse affects which would outweigh any advantages indicated by the supporters of the bill. →

We are unaware of all of the implications of the designation of the Water District as an agency of the State of Nevada, organizationally and legally. We wonder if, as an agent of the State, it would be subjected to rules and regulations of the State and in some manner, not defined in the bill, be subject to general gubernatorial direction.

The assignment of responsibility set forth in Section 1.1, 3, of the bill would include the authority to obligate the State in financial matters and would also give the authority to the Water District to contract with the Secretary of the Interior for the bulk of the State's allocation of Colorado River water. This latter authority has been a State resource responsibility since the signing of the Colorado River Compact in 1922. } →

The existing contract between the United States and Colorado River Commission of Nevada for the Delivery of Water and Construction of Project Works, Contract No. 14-06-300-1974, is a part of all the contracts between the Colorado River Commission and the water users, and is the governing contract.

Section 30 of that contract deals with assignment and indicates no assignment or transfer of the contract, or any part, or interest, shall be valid until approved by the Secretary. This would then place the Secretary of the Interior in the position of approving, or potentially modifying, a contract involved in a legislative act of the State. Or, in other words, activities proposed by Senate Bill No. 501 would be subject to a Federal agency action at some undeterminable period in the future.

Mr. Chairman, and members of the Committee, the authorities granted the Division of Colorado River Resources under Chapter 268 of the 1967 legislature have been executed in the form of an operationally and fiscally sound existing water resource development project in the First State of the Southern Nevada Water System. The required future development of the Second Stage of the Southern Nevada Water System, as provided in that 1967 authority, is now under way and is expected to be equally successful and beneficial to the State and water users. In our opinion, Senate Bill No. 501 provides no substantial benefits to the State, its people, or the water users. We recommend no further action be taken on this bill until all the ramifications and implications are identified and resolved and such information be made available to all parties.

INTER-OFFICE CORRESPONDENCE

994

Surname	Date
DLP	9/10/74
TFW	
JRL	
ENB	
CB	

(USE SEPARATE SHEET FOR EACH SUBJECT)

TO: Donald L. Paff, Administrator
Division of Colorado River Resources DATE: September 10, 1974

FROM: Financial Manager, Division of Colorado River Resources

SUBJECT: Administrative and General Expenses-Southern Nevada Water System.

Attached is an analysis of administrative and general (A & G) expenses incurred by the SNWS for the fiscal years 71-72, 72-73 and 73-74. The A & G expenses are expressed as a percentage of total O & M expenses. Administrative salaries and overhead allocated by CRR are shown as separate figures. Total A & G expenses for 71-72, 72-73 & 73-74 are \$106,000, \$189,000 and \$286,000 respectively. These amounts equal 23%, 20% and 21% of total O & M expenses for the 3 years. Included in the A & G expenses are CRR charges of \$19,000, \$26,000 and \$54,000, which amount to 4%, 3% and 4% of total O & M expenses.

For comparative purposes, the O & M and A & G expenses of the Las Vegas Valley Water District are included. A & G expenses are 20%, 19% and 18% of total O & M expenses for 71-72, 72-73 and 73-74 respectively. Any conclusions drawn from comparing the 2 operations must be tempered with judgement, since they are different types of systems- wholesale vs retail. For instance, customer accounting and collection expense is a relatively large part of the LVVWD O & M expenses, \$383,000 in 71-72, \$448,000 in 72-73, and \$528,000 in 73-74. SNWS expenses for this category amounts to less than \$500 annually. Eliminating this expense from total O & M expenses of the LVVWD results in A & G expenses being 22% of O & M expenses in 71-72, 21% in 72-73 and 20% in 73-74.

Salaries and overhead allocated by CRR to the SNWS cover the cost of billing and collection, accounting, monthly and annual report preparation, budget preparation and control, investment of surplus funds, debt management, general supervision of the system and management of the water resource, plus corresponding overhead of the CRR office (rent, telephone, supplies, etc.).

The question has been raised as to possible savings in administrative and general expenses if all SNWS functions were to be assumed by the LVVWD. Cost savings can not be realized by eliminating an entity performing certain functions, but only by eliminating the functions themselves. The functions presently performed by CRR must be done, and if the LVVWD assumes these tasks the costs will still accrue unless some functions can be eliminated.

6

6

1972-73		1973-74	
Amount	%	Amount	%
3414373 ⁽²⁾	10.0%	4257413 ⁽²⁾	100%
187730	4	230889	4
41969	1	56106	1
83540	2	62068	1
40884	1	40348	1
383554	9	457249	9
19734	1	29757	1
57869	1	73274	1
673146	20	949691	18
2			
2			
4			

200 Village Hill, Winter District - For Comparison

117172

1972-73

1973-74

100% of total

100%

3414373⁽²⁾

10.0%

4257413⁽²⁾

100%

5386513⁽²⁾

100%

4

187730

4

230889

4

3

41969

1

56106

1

5

83540

2

62068

1

1

40884

1

40348

1

1

5

383554

9

457249

9

2

19734

1

29757

1

21

673146

20

815480

19

949691

18

2

2

4

over

Initials Date
 Prepared by *SR* 9/7/74
 Approved by

Southern Nevada Water System
 Administration & General Expenses
 1971-72 thru 1973-74

①

	1		2		3		4		5	
	1971-72 (8 months)		1972-73		1973-					
	Amount	% of total	Amount	% of total	Amount					
Total O & M Expense (Excludes Depreciation & Amortization)	473362	100%	951665	100%	1334609					
Administration & General Expenses:										
Adm. & General Salaries	25733	5	40923	4	51657					
Office Supplies & Other Expense	13427	3	12202	2	38772					
Outside Services Employed	13216	3	16606	2	64064					
Property Insurance	14463	3	21742	3	19126					
Liability & Workmen's Comp. Ins.	2587	1	12114	1	15819					
Employee Retirement & Other Benefits	27466	6	60385	6	69788					
Misc. General Expense	7301	2	12133	2	27164					
Maintenance of General Plant	2013		738		-					
Total Adm. & General Exp	106206	23	188343	20	286372					
CRR Charges Included Above:										
Adm. & General Salaries	11229	2	16065	2	25463					
Overhead allocated	7592	2	10103	1	28371 (1)					
	18821	4	26168	3	53834					

over

(1) New method of allocating CRR Overhead started in March 1974.
Allocated OH for 1974-75 expected to be approximately \$50,000.

(2) Includes Customer Accounting & Collection Expenses; 1971-72 \$383,082, 1972-73 \$447,673, 19

Local Government Water System
Administration Expenses
71-72, 72-73, 73-74

999

*
579.53
444.92
551.97
530.38
457.12
509.79
469.62
423.69
29.78
3.996.80*

478.98
502.46
318.44
243.34
308.26
316.97
441.75
394.82
433.75
484.85
477.47
78.15
466.52
4.945.76*

524.25
636.38
478.79
360.68
564.87
587.94
610.43
678.90
2.393.61 *mw 74*
2.063.70
1.810.36
2.216.32
1.292.623*

	1	2	3	4	5
	Admin & Gen Services	Office Supplies & Other Items - 31	Admin	Outside Services	Property Tax
	920	921 (2)	922	923	924
(30)					
	725226	155496		277507	
	725225	139108		277507	
	1450451	295304		555014	
	566862	471095		762593	
	555994	376333		4000	1446300
	1122856	1247422		766593	1446300
71-72	2573307	1342732		1321597	1446300
	1236790	208162		7425	539401
	1249026	208162		7425	1558157
	2485816	416224		14850	2096558
	787007	782204		826296	77600
	819495	620096		819450	
	1606472	1403900		1645746	77600
72-73	4092308	1820224		1660596	2174158
	1309795	393202			481172
	1309796	366413			1392586
	2619591	759615			1873764
	1040818	1510914		712356	52200
	1505504	1606644		5659086	
	2546323	3117559		6406442	32200
73-74	5165913	3877173		6406442	1912564

State Fac. overhead
501-4500

3.996.80 71-72
4.945.76 72-73
1 2.926.23 73-74
2 1.868.79*

*Reports as of 6/30
mailing, telephone & Misc.*

San Joaquin Nevada Water System
 Admin & Gen Expenses
 7/1-72, 72-73, 73-74

(3)

	1	2	3	4	5
	Admin & Gen Expenses	Office Supplies & other items	Admin. Serv. - 2%	Outside Services	Property Exp.
	920	921 (2)	922	923	924
7/1-72 (8 mos. 11/1-6/30)					
LUVWD State	725226	155496		277507	
" Federal	725225	139802		277507	
Sub-Total LUVWD	1450451	295304		555014	
CRR State	546462	671045		762593	
" Federal	555994	376333		4000	1446300
Sub-Total CRR	1102456	1047378		766593	1446300
Total for Fiscal Year 71-72	2573307	1342732		1321597	1446300
7/1-73					
LUVWD State	1236790	208162		7425	539401
" Federal	1249026	208162		7425	1582157
Sub-Total LUVWD	2485816	416324		14850	2096558
CRR State	727007	725804		826296	77600
" Federal	819425	620076		819450	
Sub-Total CRR	1606432	1405880		1645746	77600
Total for Fiscal Year 72-73	4092308	1820224		1660596	2174158
7/1-74					
LUVWD State	1309795	223232			481178
" Federal	1309796	366413			1392586
Sub-Total LUVWD	2619591	759645			1873764
CRR State	1040818	1510914		718356	38800
" Federal	1505504	1606644		5677086	
Sub-Total CRR	2546322	3117558		6406442	38800
Total for Fiscal Year 73-74	5165913	3877173		6426442	1912564

6	7	8	9	10	11	12	13
Liability & Workers Comp	Employee Retire & Unk	Reserve General	misc General Cont				
925	926	927	402.6	Total			
127967	1373283	456541		3117452			
103487	1097015	273533		2614585			
232866	2470298	730104		5734037			
25873	276261		201332	2504006			
				2382627			
25873	276261		201332	4886633			
258729	2746557	730104	201332	10620470			(1)
738053	3637048	1122402		7490281			
473360	2399402	680851		6576383			
1211413	6038450	1803253		14066664			
		10000	73800	2558507			
				2259031			
		10000	73800	4817538			
1211413	6038450	1813253	73800	18884202			(1)
952569	4140397	1588273		8865414			
627325	2838445	1123089		7659654			
1581894	6978842	2711362		16525068			
		5000		3313888			
				8900230			
		5000		12114122			
1581894	6978842	2716362		28639190			(1)

INTER-OFFICE CORRESPONDENCE

(USE SEPARATE SHEET FOR EACH SUBJECT)

1004

✓	DLP
	TFW
	JRL
	ENE
	CB

TO: Donald L. Paff, Administrator, CRC DATE: May 10, 1973

FROM: Financial Manager, Colorado River Commission

SUBJECT: Administration Expenses - Southern Nevada Water System

Pursuant to your request I have analyzed the accounting records and reports for the Southern Nevada Water System to determine total administrative expenses and isolate the administrative costs incurred by the Colorado River Commission.

Attached are my work sheets delineating the administrative costs incurred by both the Colorado River Commission and the Las Vegas Valley Water District. The District administrative expenses include those incurred at the plant as well as the "home" office.

The costs are compiled for both the 1971-72 and 1972-73 Fiscal Years. Both years encompass only an eight-month period. The costs are also compiled for the 1972 Operating Year, a full 12-month period. For comparison purposes I have included parallel figures from reports of other entities.

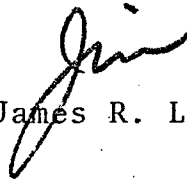
It appears from the work sheets that the administrative and general expenses for the System total about \$169,000 annually. This represents about 20% of the total annual O&M expenses. About \$25,000 is incurred by the CRC and \$144,000 by the District which is 3% and 17%, respectively, of the total O&M expenses. It is interesting to note that the percentage of administrative and general expenses for three of the four other entities compared runs considerably higher than the SNWS. The LVVWD percentage runs from 21% to 28%, East Bay MUD averages around 28%, and Denver about 35%.

The \$25,000 spent by the CRC includes the cost of billing and collection, accounting, monthly and annual report preparation, budgets, investment of surplus funds, general supervision of the system, and corresponding overhead of the CRC office (rent, telephone, supplies, etc.). A question has been raised as to how much cost saving would be realized if CRC was completely out of the picture and all functions were handled by the District. The only way that cost could be reduced would be by eliminating duplication of effort. Certain functions must be accomplished and it makes little, if any, difference in cost whether CRC or the District

Memorandum to
Donald L. Paff, Administrator, CRC

May 10, 1973
Page 2

performs these functions. The only areas in which I see duplication of effort are the double handling of money necessitated by the monthly transfer of advances to the District, and the possible duplication of administrative effort in agreeing upon and approving capital improvements. I would roughly estimate that this entails less than 10 man-hours per month. In dollars this would be less than \$1,000 per year. During 1972 \$1,500 of your salary was allocated to the SNWS. Attributed overhead on this amount of salary would be about \$900.


James R. Long

Attachments

JRL:1a

Southern Nevada Water Systems
 Administrative & General Expenses

	1	2	3	4	5
	Nov	Dec	Jan	Feb	Mar
<u>771-72 Fiscal Year</u>					
LVUWD Home Office Expense					
State	1360	160	1665	229	414
Federal	1360	160	1665	229	414
Total	2720	320	3330	458	828
LVUWD Plant adm. Exp. (1)					
State	557 8786	1330 <1320>	793 3272	396 3275	382 3461
Federal	1671	4832 3894	1606 5391	1664 2303	1644 2743
Total	11321	8730	8661	7638	8230
CRC Expense					
State	1572	1207	1227	1307	1079
Federal	1572	1226	1227	1307	1079
Total	3144	2433	2454	2614	2158
<u>Grand Total</u>	17193	11483	13845	10710	11210

Includes home office administrative salaries in an unknown amount
 Wadgeway Engineer 7525.23

	June	Aug	Sept.	Oct	Nov
<u>772-73 Fiscal Year</u>					
total Admin. & General Expense					
State	15255	16547	19237	16619	7673
CRC Expense:					
State	1239	1363	864	660	836
Federal	1204	1370	841	660	772
Total CRC Exp.	2443	2733	1705	1320	1608

	Initials	Date
Prepared by	JL	11/9/72
Approved by		

Southern Nevada Water Systems Expenses

	1	2	3	4	5
		<u>1971-72 Fiscal Year</u>			<u>1972-73</u>
		11/1/71 - 6/30/72 (8 months)			7/1/72 - 2/28/73
		Amount	% of Total		Amount
<u>Administrative & General Expenses:</u>					
LUVWD (includes Plant)		87,988	19%		106,885
CRC		19,615	4%		15,981
<u>Total Adm. & Gen. Expense</u>		<u>107,603</u>	<u>23%</u>		<u>122,866</u>
<u>Total O&M Expense (Excludes Depreciation & Amort.)</u>		<u>473,362</u>	<u>100%</u>		<u>618,231</u>

<u>Comparisons:</u>	<u>Total O&M Expense</u>	<u>Administrative Expense</u>		<u>Customer Accr.</u>
		Amount	% of Total O&M	Amount
<u>Las Vegas Valley Water District:</u>				
Fiscal year 1970-71	2,274,000	625,000	27%	325,000
Fiscal year 1969-70	2,239,000	637,000	28%	297,000
6 mos. ended 12/31/71	1,537,000	321,000	21%	170,000
<u>East Bay MUD:</u>				
Fiscal year 1968-69	1,075,900	326,800	30%	138,700
Fiscal year 1967-68	1,037,900	280,000	27%	139,600
<u>Denver:</u>				
1967	5,181,000	1,993,000	38%	418,000
1966	4,921,000	1,602,000	33%	316,000
<u>Boulder Colorado:</u>				
1968	547,000	86,000	16%	
1967	505,000	80,000	16%	

Year (9 months) % of total	1972 Operating Year 11/1/72 - 10/31/72 (12 months) Amount % of total
17%	143,531 17%
3%	25,548 3%
50%	169,079 20%
100%	839,175 100%

... & Collection
 % of total O&M

14%
13%
11%
13%
13%
7%
6%

9 6 7 8 9 10 11 12 13

Apr May June Total
1971-72

676 1059 522 6089
676 1059 522 6089
1353 2118 1044 12178

7702² 757 3678
5842 <1924> 3507 41001
6335 1042 <1384> 34709
5985 4043 3142
18224 4518 8741 75710

1249 1115 1069 9925
1249 1115 1015 9790
2498 2230 2084 19615

22121 8862 12069 107523

Dec Jan Feb Total
11/72-2/28/73

14921 12754 13860 122266 169579
860 1198 1071 8091
941 1124 1093 7370
1701 2302 2169 15381 25548

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BOARD OF CITY COMMISSIONERS OF THE
CITY OF LAS VEGAS, NEVADA
IN REGULAR SESSION APRIL 16, 1975

RESOLUTION

RESOLUTION in opposition to Senate Bill 468

WHEREAS, the City of Las Vegas, Nevada performs many waste management functions at the present time for its citizens; and

WHEREAS, the City of Las Vegas, Nevada performs these functions more economically than the County of Clark performs such functions for its citizens, as demonstrated by recent studies; and

WHEREAS, Senate Bill 468 has been introduced into the 1975 session of the Nevada Legislature and is presently under consideration by the Senate Committee on Government Affairs; and

WHEREAS, the purported intention of Senate Bill 468 is to provide for area-wide planning for waste management by large counties, including the County of Clark, to which planning the City of Las Vegas has no objection; but

WHEREAS, Senate Bill 468, as proposed goes beyond planning and provides for control of all sources of pollution, including, but not limited to:

- 1. sewage

over

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2. **industrial** wastewater

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3. urban storm water runoff

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4. agriculturally related sources of pollution

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5. mine related sources of pollution

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6. sources of pollution related to construction activities

28

7. salt water intrusions

29

8. all in place or accumulated pollution sources; and

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WHEREAS, Senate Bill 468 as proposed, provides for control by large

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counties, including the County of Clark, of all surces of pollution, defining

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"pollutant" as "dredged spoil, solid waste, incinerator residue, sewage, garbage,

1 sewage sludge, munitions, chemical wastes, biological materials, radioactive
2 materials, heat, wrecked or discarded equipment, rock, same, cellar dirt and
3 industrial, municipal and agricultural waste discharge into water"; and

4 WHEREAS, the delegation of such control to large counties, including
5 the County of Clark, would result in additional, unnecessary expense to the citizens
6 of the City of Las Vegas, Nevada; and

7 WHEREAS, the delegation of such control to large counties, including
8 the County of Clark, would result in the total control by Clark County of the use
9 of existing City of Las Vegas' facilities both without representation by the City of
10 Las Vegas and without any compensation or due process of law afforded the City
11 of Las Vegas, all in contravention of the present terms of Chapter 244 of the Nevada
12 Revised Statutes requiring payment by counties for use of municipal waste treat-
13 ment facilities and all to the detriment of the citizens of the City of Las Vegas.

14 NOW, THEREFORE, BE IT RESOLVED by the duly elected and acting
15 Board of Commissioners of the City of Las Vegas, meeting in regular session on
16 April 16, 1975, that the City of Las Vegas opposes the adoption of Senate Bill 468,
17 with the exception of its provision providing for area-wide waste management
18 planning, and vigorously opposes any and all efforts at vesting control of area-
19 wide waste management functions in the County of Clark.

20 DATED this 16th day of April, 1975.
21

over

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ORAN K. GRAGSON, Mayor

HAROLD F. MORELLI

GEORGE E. FRANKLIN

RON LURIE

PAUL J. CHRISTENSEN

ATTEST:

Edwina M. Cole, City Clerk

(REPRINTED WITH ADOPTED AMENDMENTS)

FIRST REPRINT

S. B. 354

SENATE BILL NO. 354—SENATORS BRYAN, HILBRECHT,
GOJACK, SHEERIN, ECHOLS, SCHOFIELD, BLAKEMORE
AND WILSON

MARCH 18, 1975

Referred to Committee on Government Affairs

SUMMARY—Creates housing division in department of commerce to finance
low-cost housing. Fiscal Note: Yes. (BDR 25-798)

EXPLANATION—Matter in *italics* is new; matter in brackets [] is
material to be omitted.

AN ACT relating to housing; creating a housing division in the department of
commerce; vesting it with appropriate power to promote the development of
housing for persons of low and moderate income; and providing other matters
properly relating thereto.

*The People of the State of Nevada, represented in Senate and Assembly,
do enact as follows:*

- 1 SECTION 1. NRS 232.230 is hereby amended to read as follows:
2 232.230 1. The department of commerce is hereby created.
3 2. The department [shall consist] consists of a director and the fol-
4 lowing divisions:
5 (a) Banking division.
6 (b) Consumer affairs division.
7 (c) *Housing division.*
8 (d) Insurance division.
9 [(d)] (e) Real estate division.
10 [(e)] (f) Savings and loan division.
11 [(f)] (g) State fire marshal division.
12 SEC. 2. NRS 232.250 is hereby amended to read as follows:
13 232.250 The director shall:
14 1. Appoint, with the consent of the governor, a chief of each of the
15 divisions of the department. In making such appointments, the director
16 shall obtain lists of nominees from recognized professional organiza-
17 tions, if any, in the appropriate professions and shall make such appoint-
18 ments after consultation with and concurrence of such organizations.
19 The chief of the banking division shall be known as the superintendent
20 of banks, the chief of the consumer affairs division shall be known as the
21 commissioner of consumer affairs, *the chief of the housing division shall*

1 *be known as the administrator of the housing division*, the chief of the
2 insurance division shall be known as the commissioner of insurance, the
3 chief of the real estate division shall be known as the real estate adminis-
4 trator, the chief of the savings and loan division shall be known as the
5 commissioner of savings associations and the chief of the state fire mar-
6 shal division shall be known as the state fire marshal.

7 2. Be responsible for the administration, through the divisions of the
8 department, of the provisions of Titles 55 to 57, inclusive, of NRS,
9 chapter 645 of NRS, NRS 598.360 to 598.640, inclusive, *sections 4 to*
10 *42, inclusive, of this act*, and all other provisions of law relating to the
11 functions of the divisions of the department.

12 SEC. 3. Title 25 of NRS is hereby amended by adding thereto a new
13 chapter to consist of the provisions set forth as sections 4 to 42, inclusive,
14 of this act.

15 SEC. 4. This chapter may be cited as the Nevada Housing Finance
16 Law.

17 SEC. 5. The legislature finds and declares that:

18 1. There exists a serious shortage of decent, safe and sanitary housing
19 in this state available to persons and families of low and moderate income.

20 2. This condition is conducive to disease, crime, environmental
21 decline and poverty, impairs the economic value of large areas, which
22 are characterized by depreciated value, impaired investments, reduced
23 capacity to pay taxes, and lack of new development to meet the needs of
24 area residents, and is a menace to the health, safety, morals and welfare
25 of the citizens of this state.

26 3. This condition results in a loss of population and further deteriora-
27 tion accompanied by added costs to communities for creation of new
28 public facilities and services elsewhere.

29 4. It is difficult and uneconomic for individual owners independently
30 to remedy this condition.

31 5. One major cause of this condition has been recurrent shortages of
32 money from private sources, and such shortages have contributed to
33 reductions in construction of new residential housing and have made the
34 sale and purchase of existing residential housing a virtual impossibility in
35 certain parts of the state.

36 6. The ordinary operations of private enterprise have not in the past
37 corrected these conditions.

38 7. The reduction in housing construction has caused substantial unem-
39 ployment and underemployment in the construction industry which results
40 in hardships, wastes human resources, increases the public assistance
41 burdens of the state, impairs the security of family life, impedes the eco-
42 nomic and physical development of the state and adversely affects the
43 welfare, health and prosperity of all the people of this state.

44 8. A stable supply of adequate money for the financing of housing
45 is required to encourage new housing in an orderly and sustained manner
46 and thereby to reduce these detrimental results.

47 9. It is necessary to create a housing division in the department of
48 commerce to encourage the investment of private capital and stimulate
49 the financing of housing through the use of public financing to provide

1 mortgage loans and to make loans to and purchase mortgage loans from
2 mortgage lenders.

3 10. All of the purposes set forth in subsection 9 are public purposes
4 and uses for which public moneys may be borrowed, expended, advanced,
5 loaned or granted.

6 This chapter shall be liberally construed to accomplish the public pur-
7 poses and alleviate the detrimental conditions set forth in this section.

8 SEC. 6. As used in this chapter, the words and terms defined in
9 sections 7 to 16, inclusive, of this act have the meanings ascribed to
10 them in those sections.

11 SEC. 7. "Administrator" means the administrator of the housing
12 division of the department of commerce.

13 SEC. 8. "Division" means the housing division of the department of
14 commerce.

15 SEC. 9. "Eligible family" means a person or family, selected without
16 regard to race, creed, national origin or sex, determined by the division
17 to require such assistance as is made available by this chapter on account
18 of insufficient personal or family income after taking into consideration,
19 without limitation, such factors as:

20 1. The amount of the total income of such person or family available
21 for housing needs;

22 2. The size of the family;

23 3. The cost and condition of housing facilities available;

24 4. The ability of the person or family to compete successfully in the
25 normal private housing market and to pay the amounts at which private
26 enterprise is providing decent, safe and sanitary housing; and

27 5. If appropriate, standards established for various federal programs
28 determining eligibility based on income of such persons and families.

29 SEC. 10. "Governmental agency" means the United States of America,
30 this state or any department, division, public corporation, public agency,
31 political subdivision or other public instrumentality of either.

32 SEC. 11. "Insured mortgage" means a mortgage loan for residential
33 housing insured or guaranteed by the United States or a governmental
34 agency or instrumentality thereof, or secured by a policy of insurance or
35 a guarantee issued by any private mortgage insurer qualified to issue such
36 insurance or guarantee in the State of Nevada and approved by the divi-
37 sion, or a commitment by the United States or any governmental agency
38 or instrumentality thereof or any such private mortgage insurer to insure
39 or guarantee such a mortgage.

40 SEC. 12. "Lending institution" means any bank or trust company,
41 Federal National Mortgage Association approved mortgage banker,
42 national banking association, savings and loan association or other finan-
43 cial institution or governmental agency of the United States which custom-
44 arily provides service or otherwise aids in the financing of mortgages
45 located in this state.

46 SEC. 13. "Mortgage" means a mortgage deed, deed of trust or other
47 instrument which constitutes a lien on real property in fee simple or on a
48 leasehold under a lease whose remaining term, at the time such mortgage
49 is acquired, does not expire for at least that number of years beyond the

1 maturity date of the obligation secured by such mortgage as is established
2 by the division as necessary to protect its interest as mortgagee.

3 SEC. 14. "Mortgage loan" means an interest bearing obligation secured
4 by a mortgage on land and improvements in this state.

5 SEC. 15. "Real property" means all lands, including improvements
6 and fixtures thereon and property of any nature appurtenant thereto or
7 used in connection therewith, and every estate, interest and right, legal
8 or equitable, therein, including terms of years and liens by way of judg-
9 ment, mortgage or otherwise and the indebtedness secured by such liens.

10 SEC. 16. "Residential housing" means one or more new or existing
11 residential dwelling units financed pursuant to the provisions of this chap-
12 ter for the primary purpose of providing decent, safe and sanitary dwell-
13 ing accommodations for eligible families in need of housing, including
14 any buildings, land, improvements, equipment, facilities, other real or
15 personal property, or other related nonhousing facilities which are neces-
16 sary, convenient or desirable in connection therewith, and including but
17 not limited to streets, sewers, utilities, parks, site preparation, landscaping
18 and other nonhousing facilities such as administrative, community, trans-
19 portation, health, recreational, educational, commercial, retail, welfare
20 and public facilities which the division determines improve the quality of
21 the residential living for eligible families.

22 SEC. 17. 1. The division shall administer the provisions of this
23 chapter. The administrator may adopt, amend or rescind regulations,
24 consistent with the provisions of this chapter, appropriate to carry out its
25 purposes.

26 2. The administrator may make copies of all proceedings and other
27 records and documents of the division and issue certificates under the seal
28 of the division to the effect that such copies are true copies, and all per-
29 sons dealing with the division may rely upon such certificates.

30 3. The division may employ or contract for the services of attorneys,
31 accountants, financial experts and such other advisers, employees, con-
32 sultants and agents as the administrator may determine to be necessary.

33 4. Before September 1 of each even-numbered year the division shall
34 submit a report of its activities for the biennium ending June 30 of that
35 year to the governor, state treasurer and the legislature. Each such report
36 shall set forth a complete operating and financial statement of the
37 division during such biennium. The division shall cause an audit of its
38 books and accounts to be made at least once in each fiscal year by the
39 legislative auditor or a certified public accountant approved by him.

40 SEC. 18. The division may:

41 1. Make and execute contracts and all other instruments necessary or
42 convenient for the exercise of its powers and functions under this chapter
43 with any governmental agency, private corporation or other entity, or
44 natural person.

45 2. Enter into agreements or other transactions with, and accept
46 grants from and cooperate with any governmental agency or other
47 source in furtherance of the purposes of this chapter.

48 SEC. 19. The division may, in connection with any property of which
49 it is the mortgagee but not otherwise:

50 1. Acquire or contract to acquire real or personal property, or any

1 interest therein, on a temporary or permanent basis in its own name by
2 gift, purchase, transfer, foreclosure, lease or otherwise, including rights
3 or easements in property;

4 2. Hold, sell, assign, lease, encumber, mortgage or otherwise dispose
5 of any real or personal property or any interest therein;

6 3. Hold, sell, assign or otherwise dispose of any mortgage interest
7 owned by it or under its control, custody or in its possession; and

8 4. Release or relinquish any right, title, claim, lien, interest, easement
9 or demand however acquired, including any equity or right of redemp-
10 tion in property foreclosed by it.

11 5. Make any such disposition by private sale, with or without public
12 bidding.

13 SEC. 20. The division may:

14 1. Establish such funds or accounts as may be necessary or desirable
15 for furtherance of the purposes of this chapter.

16 2. Invest or deposit its moneys, subject to any agreement with bond-
17 holders or noteholders, and is not required to keep any of its moneys
18 in the state treasury. The provisions of chapters 355 and 356 of NRS
19 do not apply to such investments or deposits.

20 SEC. 21. The division may provide advice, technical information,
21 training and educational services, conduct research and promote the
22 development of housing, building technology and related fields.

23 SEC. 22. The division may make, undertake commitments to make
24 and participate with lending institutions in the making of insured mort-
25 gage loans, and make temporary loans and advances in anticipation of
26 insured mortgage loans to finance the construction or rehabilitation of
27 multifamily residential housing.

28 SEC. 23. Any insured mortgage loan made by the division shall:

29 1. Not exceed the amount permitted under the insurance program
30 under which the mortgage is insured.

31 2. Be secured in such manner, be repaid in such period and bear
32 interest at a rate determined by the division and permitted under the insur-
33 ance program under which the mortgage is insured. In addition to such
34 interest charges, the division may charge and collect such fees and
35 charges, including reimbursement of the division's operating expenses,
36 financing costs, service charges, insurance premiums and mortgage insur-
37 ance premiums as the division determines to be reasonable.

38 SEC. 24. 1. The division may:

39 (a) Invest in, purchase or make commitments to purchase, and take
40 assignments from lending institutions of mortgage loans and promissory
41 notes accompanying such mortgage loans, including federally insured
42 mortgage loans or participations with lending institutions in such prom-
43 issory notes and mortgage loans, for the construction, rehabilitation, pur-
44 chase, leasing or refinancing of residential housing within this state.

45 (b) Sell, at public or private sale, with or without public bidding, any
46 mortgage or other obligation held by the division.

47 2. At or before the time of purchase, the lending institution shall
48 certify to the division with respect to all mortgage loans transferred to
49 the division:

1 (a) That the mortgage loans transferred to the division are for residen-
2 tial housing for eligible families within this state; or

3 (b) That the proceeds of sale or its equivalent will be reinvested in
4 mortgage loans for residential housing for eligible families within this
5 state in an aggregate principal amount equal to the amount of such sale
6 proceeds.

7 SEC. 25. The division may:

8 1. Renegotiate, refinance or foreclose, or contract for the foreclosure
9 of, any mortgage in default;

10 2. Waive any default or consent to the modification of the terms of
11 any mortgage;

12 3. Commence any action to protect or enforce any right conferred
13 upon it by any law, mortgage, contract or other agreement;

14 4. Bid for and purchase property upon which it holds a mortgage at
15 any foreclosure or at any other sale, or acquire and take possession of
16 any such property;

17 5. Operate, manage, lease, dispose of and otherwise deal with such
18 property in such manner as may be necessary to protect the interest of
19 the division and the holders of its bonds, notes and other obligations; and

20 6. Consent to any modification with respect to rate of interest, time
21 and payment of any installment of principal or interest, security or any
22 other term of any contract, mortgage, mortgage loan, mortgage loan com-
23 mitment, contract or agreement of any kind to which the division is a
24 party, subject to any agreement with bondholders or noteholders.

25 SEC. 26. 1. The division may:

26 (a) Make loans to lending institutions under terms and conditions
27 requiring the proceeds thereof to be used by such lending institutions for
28 the making of new mortgage loans for residential housing;

29 (b) Purchase securities from lending institutions under terms and condi-
30 tions requiring that such securities finance mortgage loans for residen-
31 tial housing;

32 (c) Require that loans to or securities purchased from lending institu-
33 tions shall be additionally secured as to payment of both principal and
34 interest by a pledge of and lien upon collateral security in such amounts
35 and consisting of such obligations, securities, and mortgage loans as the
36 administrator determines to be necessary to assure the payment of such
37 loans or securities purchased and the interest thereon as the same become
38 due.

39 2. The division may require in the case of any or all lending insti-
40 tutions that any required collateral be lodged with a bank or trust com-
41 pany, located either within or outside the state, designated by the division
42 as custodian therefor. In the absence of such requirement, a lending
43 institution shall, if collateral is to be provided for the loan or securities
44 purchased, upon receipt of the proceeds from the division, enter into an
45 agreement with the division containing such provisions as the division
46 deems necessary to identify adequately and maintain and service such
47 collateral and providing that such lending institution shall hold such
48 collateral as an agent for the division and shall be held accountable as
49 the trustee of an express trust for the application and disposition thereof
50 and the income therefrom solely to the uses and purposes in accordance

1 with the provisions of such agreement. A copy of each such agreement
2 and any revisions or supplements thereto shall be filed as required by the
3 Uniform Commercial Code—Secured Transactions, and the lien and
4 trust for the benefit of the division so created shall be binding from the
5 time made against all parties having claims of any kind in tort, contract
6 or otherwise against such lending institution. The division may also
7 establish such additional requirements as the administrator deems neces-
8 sary with respect to the pledging, assigning, setting aside or holding of
9 such collateral and the making of substitutions therefor or additions
10 thereto and the disposition of income and receipts therefrom.

11 3. The division may collect, enforce the collection of and foreclose
12 on any collateral securing its loan to or purchase of securities from lend-
13 ing institutions and acquire or take possession of such collateral and sell
14 the collateral at public or private sale, with or without public bidding, and
15 otherwise deal with such collateral as may be necessary to protect the
16 interest of the division therein, all subject to any agreement with bond-
17 holders or noteholders.

18 SEC. 27. The division may charge and collect such fees and charges as
19 the division may establish from time to time for its lending and mortgage
20 purchase programs.

21 SEC. 28. The division may procure insurance against any loss in con-
22 nection with its property and other assets, including mortgages and mort-
23 gage loans, in such amounts and from such insurers as it deems desirable.

24 SEC. 29. The division shall not finance any residential housing unless,
25 prior to such financing, the administrator finds that:

26 1. There exists a shortage of decent, safe and sanitary housing at
27 rentals or prices which eligible families can afford within the general
28 housing market area as determined by the administrator.

29 2. Private enterprise and investment have been unable, without assist-
30 ance, to provide an adequate supply of decent, safe and sanitary housing
31 in such housing market area at rentals or prices which persons or fam-
32 ilies of low and moderate income can afford or to provide sufficient
33 mortgage financing for residential housing for occupancy by such persons
34 or families.

35 3. The proposed residential housing will increase the supply or
36 improve the quality of decent, safe and sanitary housing for eligible
37 families.

38 4. The residential housing to be developed or assisted by the division
39 pursuant to the provisions of this chapter will be of public use and will
40 provide a public benefit.

41 5. The division's estimates of its revenues from the financing of the
42 residential housing, together with all subsidies, grants or other financial
43 assistance from governmental agencies or other entities to be received in
44 connection with the residential housing, will be sufficient to pay the
45 amount estimated by the division as necessary for debt service on its
46 notes and bonds to be issued for the financing of the residential housing.

47 SEC. 30. 1. Subject to the limitation imposed by subsections 4 and 5,
48 the division may issue from time to time its negotiable notes and bonds in
49 such principal amount as the administrator determines to be necessary to

1 provide sufficient funds for achieving any of its statutory purposes, includ-
2 ing the payment of interest on notes and bonds of the division, establish-
3 ment of bond reserve funds and other reserves to secure such notes and
4 bonds, and all other expenditures of the division necessary or convenient
5 to carry out its statutory purposes and powers.

6 2. Subject to any agreements with holders of notes or bonds, all
7 notes and bonds issued by the division are special obligations of the
8 division payable out of any revenues, moneys or other assets of the
9 division pledged thereto.

10 3. In issuing such notes and bonds, the division acts as an agency or
11 instrumentality of the State of Nevada.

12 4. Before any notes or bonds may be issued pursuant to this section,
13 the administrator shall submit a copy of his finding of the conditions pre-
14 requisite to the financing of residential housing under this chapter to the
15 state board of finance. If that board approves, the division may proceed
16 to issue its notes or bonds in the amount approved, subject to the further
17 limitation of subsection 5.

18 5. The aggregate principal amount of outstanding bonds, notes and
19 other obligations of the division shall not exceed \$200,000,000 exclusive
20 of any bonds, notes or obligations which have been refunded.

21 SEC. 31. 1. The notes and bonds shall be signed by the administrator,
22 who may use a facsimile signature for this purpose, shall bear such date or
23 dates and shall mature at such time or times as the administrator may
24 determine, except that no bond may mature more than 50 years from the
25 date of its issue. The bonds may be issued as serial bonds payable in
26 annual installments or as term bonds or as a combination thereof. The
27 notes and bonds shall bear interest at such rate or rates, be in such denomi-
28 nations, have such registration privileges, be executed in such manner, be
29 payable in such medium of payment, at such place or places within or
30 without the state, and be subject to such terms of redemption as the admin-
31 istrator may determine. The notes and bonds of the division may be sold
32 by the division at public or private sale at such price or prices as the
33 administrator determines.

34 2. If the administrator whose signature appears on any notes or bonds
35 or coupons ceases to act in that capacity before the delivery of such notes
36 or bonds, his signature is valid and sufficient for all purposes as if he
37 had remained in office until such delivery.

38 3. The provisions of chapter 349 of NRS do not apply to any bonds,
39 notes or other obligations issued by the division under the provisions
40 of this chapter.

41 SEC. 32. The division in issuing any notes or bonds may contract
42 with the holders thereof as to:

43 1. Pledging all or any part of the revenues of the division to secure
44 the payment of the notes or bonds subject to such agreements with
45 noteholders or bondholders as may then exist.

46 2. Pledging all or any part of the assets of the division, including
47 mortgages and obligations securing such assets, to secure the payment of
48 the notes or bonds subject to such agreements with noteholders or
49 bondholders as may then exist.

50 3. The use and disposition of the gross income from mortgages

1 owned by the division and the payment of principal of mortgages owned
2 by the division.

3 4. The setting aside of reserves or sinking funds and the regulation
4 and disposition thereof.

5 5. Limitations on the purpose to which the proceeds of sale of notes
6 or bonds may be applied and pledging such proceeds to secure the pay-
7 ment of the notes or bonds or of any issue thereof.

8 6. Limitations on the issuance of additional notes or bonds, the terms
9 upon which additional notes or bonds may be issued and secured, and
10 the refunding of outstanding or other notes or bonds.

11 7. The procedure, if any, by which the terms of any contract with
12 noteholders or bondholders may be amended or abrogated, the amount
13 of notes or bonds the holders of which must consent thereto, and the
14 manner in which such consent may be given.

15 8. Limitations on the amount of moneys to be expended by the divi-
16 sion for operating expenses of the division.

17 9. Vesting in a trustee or trustees such property, rights, powers and
18 duties in trust as the administrator may determine, which may include
19 any or all of the rights, powers and duties of the trustee appointed by the
20 bondholders pursuant to this chapter and limiting or abrogating the right
21 of the bondholders to appoint a trustee under this act or limiting the
22 rights, powers and duties of such trustee.

23 10. Defining the acts or omissions which shall constitute a default
24 in the obligations and duties of the division to the holders of the notes
25 or bonds and providing for the rights and remedies of the holder of the
26 notes or bonds in case of such default, including as a matter of right
27 the appointment of a receiver, but such rights and remedies shall not be
28 inconsistent with the general laws of this state and the other provisions
29 of this chapter.

30 11. Any other matters, of like or different character, which in any
31 way affect the security or protection of the holders of the notes or
32 bonds.

33 Any pledge made by the division is valid and binding from the time
34 when the pledge is made. The revenues, moneys or property so pledged
35 and thereafter received by the division are immediately subject to the lien
36 of such pledge without any physical delivery thereof or further act, and
37 the lien of any such pledge is valid and binding as against all persons
38 having claims of any kind in tort, contract or otherwise against the divi-
39 sion, whether or not such persons have notice thereof. Neither the pro-
40 ceedings of the division relating to the bonds or notes nor any other
41 instrument by which a pledge is created need be recorded.

42 SEC. 33. In the discretion of the administrator, bonds issued by the
43 division may be secured by a trust indenture or trust indentures by and
44 between the division and a corporate trustee, which may be any trust
45 company or bank having the power of a trust company within or outside
46 this state. Such trust indenture may contain such provisions for protecting
47 and enforcing the rights and remedies of the bondholders as may be rea-
48 sonable and proper and not in violation of law, including covenants setting
49 forth the duties of the division in relation to the exercise of its statutory
50 powers and the custody, safeguarding and application of all moneys. The

1 division may provide by such trust indenture for the payment of the pro-
2 ceeds of the bonds and the revenues to the trustee under such trust inden-
3 ture or other depository, and for the method of disbursement thereof, with
4 such safeguards and restrictions as the administrator may determine. All
5 expenses incurred in carrying out such trust indenture may be treated as
6 part of the operating expenses of the division. Such trust indenture may
7 limit or abrogate the right of the holders of any bonds, notes or other
8 obligations of the division to appoint a trustee under this chapter or limit
9 the rights, powers and duties of such trustee.

10 SEC. 34. The division may procure or agree to the procurement of
11 insurance or guarantees from any governmental agency or from any pri-
12 vate insurance company, of the payment of any bonds or notes or any
13 other evidences of indebtedness thereof issued by the agency or by any
14 lending institution, and may pay premiums on such insurance.

15 SEC. 35. The division, subject to such agreements with noteholders
16 or bondholders as may then exist, may, out of any moneys available
17 therefor, purchase its notes or bonds, which shall thereupon be canceled,
18 at a price not exceeding:

19 1. The redemption price then applicable plus accrued interest to the
20 next interest payment thereon if the notes or bonds are then redeemable;
21 or

22 2. The redemption price applicable on the first date after such pur-
23 chase upon which the notes or bonds become subject to redemption plus
24 accrued interest to such date if the notes or bonds are not redeemable.

25 SEC. 36. 1. The division may issue refunding obligations to refund
26 any obligations then outstanding which have been issued under the pro-
27 visions of this chapter, including the payment of any redemption premium
28 thereon and any interest accrued or to accrue to the date of redemption
29 of such obligations and for any statutory purpose of the division. The
30 issuance of such obligations, the maturities and other details thereof, the
31 rights of the holders thereof, and the rights, duties and obligations of
32 the division in respect to them are governed by the provisions of this
33 chapter which relate to the issuance of original obligations insofar as
34 appropriate.

35 2. Refunding obligations issued as provided in this section may be
36 sold or exchanged for outstanding obligations issued under this chapter
37 and, if they are sold, the proceeds thereof may be applied, in addition to
38 any other authorized purposes, to the purchase, redemption or payment
39 of such outstanding obligations. Pending the application of the proceeds
40 of any such refunding obligations, with any other available funds, to the
41 purpose for which they are issued, such proceeds may be invested in direct
42 obligations of, or obligations the principal of and the interest on which are
43 unconditionally guaranteed by, the United States of America, or obliga-
44 tions of any agency or instrumentality of the United States or obligations
45 of or guaranteed by the State of Nevada, which mature or which are
46 subject to redemption by the holders thereof, at the option of such
47 holders, not later than the respective dates when the proceeds, together
48 with the interest accruing thereon, will be required for the purposes
49 intended.

1 **SEC. 37.** 1. The division may establish one or more bond reserve
2 funds, and shall pay into each such bond reserve fund:

3 (a) Any moneys appropriated by the legislature for the purpose of
4 such fund;

5 (b) Any proceeds of sale of notes or bonds to the extent provided in
6 connection with the issuance thereof; and

7 (c) Any other moneys which may be available to the division for the
8 purpose of such fund from any other source or sources.

9 All moneys held in any bond reserve fund, except as otherwise expressly
10 provided in this chapter, shall be used, as required, solely for the payment
11 of the principal of bonds secured in whole or in part by such fund or of
12 the sinking fund payments with respect to such bonds, the purchase or
13 redemption of such bonds, the payment of interest on such bonds or
14 the payment of any redemption premium required to be paid when such
15 bonds are redeemed prior to maturity.

16 2. Moneys in such a fund shall not be withdrawn therefrom at any
17 time in such amount as would reduce the amount of the fund below the
18 bond reserve fund requirement established for that fund, except for the
19 purpose of paying when due, with respect to bonds secured in whole or
20 in part by such fund, principal, interest, redemption premiums and sink-
21 ing fund payments for the payment of which other moneys of the division
22 are not available. Any income or interest earned by or incremental to
23 any bond reserve fund resulting from the investment thereof may be trans-
24 ferred by the division to other funds or accounts of the division to the
25 extent that it does not reduce the amount of that bond reserve fund
26 below the bond reserve fund requirement for such fund.

27 **SEC. 38.** The division shall not at any time issue bonds, secured in
28 whole or in part by a bond reserve fund, if upon the issuance of those
29 bonds, the amount in that bond reserve fund will be less than the bond
30 reserve fund requirement for that fund, unless the division at the time of
31 issuance of such bonds deposits in that fund from the proceeds of the
32 bonds issued, or from other sources, an amount which, together with the
33 amount then in that fund, will not be less than the bond reserve fund
34 requirement for that fund. The bond reserve fund requirement, as of any
35 particular date of computation, is an amount of money, specified in the
36 proceedings of the division authorizing the bonds with respect to which
37 such fund is established, equal to not more than the greatest of the
38 respective amounts, for the current or any future fiscal year of the
39 division, of annual debt service on the bonds of the division secured in
40 whole or in part by such fund. The annual debt service for any fiscal
41 year is the amount of money equal to the aggregate of all interest and
42 principal payable on such bonds during the fiscal year, calculated on the
43 assumption that all such bonds are paid at maturity, or if any amount of
44 such bonds is required to be redeemed on any earlier date by operation
45 of a sinking fund, then on the assumption that such amount of bonds is
46 redeemed on such earlier date and that such amount is considered prin-
47 cipal payable on such bonds during the year they are to be redeemed.

48 **SEC. 39.** 1. The provision of bond reserve fund requirements is
49 designed to assure the continued operation and solvency of the division
50 for the carrying out of its statutory purposes. To assure such maintenance

1 of the bond reserve funds, the administrator shall, on or before the date of
2 convening of any regular session of the Nevada legislature, make and
3 deliver to the governor, the president of the senate and the speaker of the
4 assembly his certificate stating the sum, if any, required to restore each
5 bond reserve fund of the division to the bond reserve fund requirement for
6 such fund. The governor may include in the state budget the sum, if any,
7 required to restore each such bond reserve fund to the bond reserve fund
8 requirement for such fund.

9 2. All amounts appropriated to the division by the legislature pur-
10 suant to the provisions of this section constitute and shall be accounted
11 for as advances from the general fund to the division and, subject to the
12 rights of the holders of any bonds or notes of the division issued before
13 or after any such advance, shall be repaid to the general fund without
14 interest from all available operating revenues of the division in excess of
15 amounts required for the payment of bonds, notes or obligations of the
16 division, the bond reserve fund and operating expenses.

17 SEC. 40. 1. If the division defaults in the payment of principal of
18 or interest on any bonds or notes issued under this chapter after it is
19 due, whether at maturity or upon call for redemption, and such default
20 continues for a period of 30 days, or if the division fails or refuses to
21 comply with the provisions of this chapter or defaults in any agreement
22 made with the holders of an issue of its bonds or notes, the holders of
23 25 percent in aggregate principal amount of the bonds or notes of such
24 issue then outstanding, by instrument or instruments filed in the office of
25 the secretary of state and proved or acknowledged in the same manner
26 as a deed to be recorded, may appoint a trustee to represent the holders
27 of such bonds or notes for the purposes provided in this section.

28 2. The trustee may, and upon written request of the holders of 25
29 percent in principal amount of such bonds or notes then outstanding shall,
30 in his or its own name:

31 (a) Enforce the right of the bondholders or noteholders to require the
32 division to collect interest and amortization payments on the mortgages
33 held by it adequate to carry out any agreement as to, or pledge of, such
34 interest and amortization payments, and to require the division to carry
35 out any other agreements with the holders of such bonds or notes and to
36 perform its duties under this act.

37 (b) Enforce the right of the bondholders or noteholders to collect and
38 enforce the payment of principal of and interest due or becoming due on
39 loans to lending institutions and collect and enforce any rights in respect
40 to collateral securing such loans or sell such collateral, so as to carry out
41 any contract as to, or pledge of revenues, and to require the division to
42 carry out any contract as to, or pledge of revenues, and to require the
43 division to perform its duties under this chapter.

44 (c) Bring suit upon all or any part of such bonds or notes.

45 (d) By civil action, require the agency to account as if it were the
46 trustee of an express trust for the holders of such bonds or notes.

47 (e) By civil action, enjoin any acts or things which may be unlawful
48 or in violation of the rights of the holders of such bonds or notes.

49 (f) Declare all such such bonds or notes due and payable, and if all

1 defaults are made good then with the consent of the holders of 25 per-
2 cent of the principal amount of such bonds or notes then outstanding, to
3 annul such declaration and its consequences.

4 (g) Enforce any other right of the bondholders or noteholders con-
5 ferred by law or by the proceedings of the division authorizing the
6 issuance of the bonds or notes.

7 3. The trustee shall, in addition to the powers listed in subsection 2,
8 have all the powers necessary or appropriate for the exercise of any
9 functions specifically set forth in this section or incident to the general
10 representation of bondholders or noteholders in the enforcement and
11 protection of their rights.

12 4. Before declaring the principal of bonds or notes due and payable,
13 the trustee shall give 30 days' notice in writing to the governor, to the
14 administrator and to the attorney general of this state.

15 5. The district court of the first judicial district has jurisdiction of
16 any suit, action or proceeding by the trustee on behalf of bondholders or
17 noteholders.

18 SEC. 41. 1. The State of Nevada hereby pledges to and agrees with
19 the holders of any notes or bonds issued under this chapter that the
20 state will not limit or alter the rights vested in the division by this chap-
21 ter to fulfill the terms of any agreements made with such holders or in
22 any way impair the rights and remedies of such holders until such notes
23 and bonds, together with the interest thereon, with interest on any unpaid
24 installments of interest, and all costs and expenses in connection with
25 any action or proceeding by or on behalf of such holders, are fully met
26 and discharged. The division may include this pledge and agreement of
27 the state in any agreement with the holders of such notes or bonds.

28 2. Obligations issued under the provisions of this chapter do not con-
29 stitute a debt, liability or obligation of this state or of any political sub-
30 division thereof, or a pledge of the faith and credit of this state or of any
31 political subdivision thereof, but are payable solely from the revenues or
32 assets of the division. Each obligation issued under this chapter shall
33 contain on the face thereof a statement to the effect that the division is
34 not obligated to pay the obligation or the interest thereon except from
35 the revenues or assets pledged therefor and that neither the faith and
36 credit nor the taxing power of this state or of any political subdivision
37 thereof is pledged to the payment of the principal of or the interest on
38 such obligation.

39 SEC. 42. 1. The notes and bonds of the division are legal invest-
40 ments in which all public officers and public bodies of the state, its
41 political subdivisions, all municipalities and municipal subdivisions, all
42 insurance companies and associations and other persons carrying on an
43 insurance business, all banks, savings and loan associations and trust
44 companies, all administrators, guardians, executors, trustees and other
45 fiduciaries, and all other persons who are authorized on or after July 1,
46 1975, to invest in bonds or in other obligations of this state, may prop-
47 erly and legally invest funds, including capital, in their control or belong-
48 ing to them. The notes and bonds are securities which may properly and
49 legally be deposited with and received by all public officers and public
50 bodies of the state or any agency or political subdivision of the state and

1 all municipalities and public corporations for any purpose for which the
2 deposit of bonds or other obligations of this state is authorized by law
3 on and after July 1, 1975, and may be used as collateral to secure any
4 deposit of public moneys.
5 2. The notes and bonds of the division are securities within the
6 meaning of the Uniform Commercial Code—Investment Securities.

S. B. 468

SENATE BILL NO. 468—COMMITTEE ON
GOVERNMENT AFFAIRS

APRIL 7, 1975

Referred to Committee on Government Affairs

SUMMARY—Vests certain counties with areawide waste management planning duties and powers. Fiscal Note: No. (BDR 20-1448)

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to water pollution; vesting certain counties with areawide waste management planning duties and powers; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. Chapter 244 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2 to 5, inclusive, of this act.
- 3 SEC. 2. "*Discharge*" means any addition of a pollutant or pollutants
4 to water.
- 5 SEC. 3. "*Point source*" means any discernible, confined and discrete
6 conveyance, including but not limited to any pipe, ditch, channel, tunnel,
7 conduit, well, discrete fissure, container, rolling stock, concentrated
8 animal feeding operation, or vessel or other floating craft, from which
9 pollutants are or may be discharged.
- 10 SEC. 4. "*Pollutant*":
- 11 1. Means dredged spoil, solid waste, incinerator residue, sewage,
12 garbage, sewage sludge, munitions, chemical wastes, biological materials,
13 radioactive materials, heat, wrecked or discarded equipment, rock, sand,
14 cellar dirt and industrial, municipal and agricultural waste discharged
15 into water;
- 16 2. Does not mean water, gas or other material which is injected
17 into a well to facilitate production of oil or gas, or water derived in
18 association with oil or gas production and disposed of in a well, if the
19 well is used either for facilitating production or for disposal purposes
20 and if the department determines that such injection or disposal will not
21 result in the degradation of ground or surface water resources.
- 22 SEC. 5. "*Pollution*" means the manmade or man-induced alteration
23 of the chemical, physical, biological and radiological integrity of water.
-

1 SEC. 6. NRS 244.922 is hereby amended to read as follows:
2 244.922 NRS 244.922 to 244.9261, inclusive, and sections 2 to 5,
3 inclusive, of this act may be cited as the County Sewage and Waste
4 Water Law.

5 SEC. 7. NRS 244.9221 is hereby amended to read as follows:
6 244.9221 NRS 244.922 to 244.9261, inclusive, and sections 2 to 5,
7 inclusive, of this act shall apply to any county having a population of
8 200,000 or more according to the last national census of the Bureau of the
9 Census of the United States Department of Commerce.

10 SEC. 8. NRS 244.9222 is hereby amended to read as follows:
11 244.9222 It is hereby declared as a matter of legislative determina-
12 tion that:

13 1. It is essential to the maintenance of the public health, welfare and
14 orderly local government that each county to which NRS 244.922 to
15 244.9261, inclusive, and sections 2 to 5, inclusive, of this act pertain be
16 empowered to become the master agency within its territory for the con-
17 trol, collection, disposal and treatment of [sewage and waste water.] all
18 sources of pollution, whether or not they are point sources, including but
19 not limited to sewage, wastewater and in place or accumulated pollution
20 sources, and to perform any and all areawide waste management planning
21 which may be required by the state or Federal Government in connection
22 with the exercise or implementation of any of the powers, authorization
23 and responsibilities provided in NRS 244.922 to 244.9261, inclusive, and
24 sections 2 to 5, inclusive, of this act.

25 2. Granting to such counties the purposes, power, rights, privileges
26 and immunities provided in NRS 244.922 to 244.9261, inclusive, and
27 sections 2 to 5, inclusive, of this act will serve a public use and will pro-
28 mote the health, safety, prosperity, security and general welfare of the
29 inhabitants thereof and of the state.

30 3. The acquisition, improvement, equipment, maintenance and oper-
31 ation of any project herein authorized is in the public interest, is condu-
32 cive to the public health, and constitutes a part of the established and
33 permanent policy of the state.

34 4. The necessity for the County Sewage and Waste Water Law is a
35 result of: [the large population growth and intense residential, commer-
36 cial and industrial development in the incorporated and unincorporated
37 areas and of the ensuing need for extensive coordinated sewage and waste
38 water collection and treatment.]

39 (a) The large population growth and intense development of residential,
40 commercial, industrial and other human activities in both incorporated
41 and unincorporated areas;

42 (b) The ensuing need for extensive, coordinated and areawide control,
43 collection, disposal and treatment of all sources of pollution, including but
44 not limited to sewage, wastewater and in place or accumulated pollution
45 sources; and

46 (c) The ensuing need for areawide waste management planning for such
47 control, collection, disposal and treatment.

48 5. The legislature recognizes the duty of such counties as instruments
49 of state government to meet adequately the needs for such facilities within

1 their boundaries, in cooperation with the state, municipalities and dis-
2 tricts within the county and in satisfaction of federal and state require-
3 ments and standards relating to pollution.

4 6. The legislature approves the final written report of the Las Vegas
5 Valley water district made pursuant to chapter 616, Statutes of Nevada
6 1971, and filed with the governor and the legislative commission on
7 December 1, 1972, under the title, "Report to the Governor and the Leg-
8 islative Commission, Pollution Abatement Project, Las Vegas Wash and
9 Bay."

10 7. The legislature finds that the course of action recommended in the
11 report referred to in subsection 6 is a measure necessary for the protec-
12 tion and preservation of a natural resource of the state within the mean-
13 ing of the second paragraph of section 3 of article 9 of the constitution of
14 the State of Nevada.

15 8. The legislature recognizes that there may be alternative solutions
16 to the pollution abatement problem in the Las Vegas Wash-Lake Mead
17 area. It is the intention of the legislature that those charged with the
18 responsibility of correcting the problem be able to avail themselves of all
19 assistance that may develop through advances in technology and changing
20 circumstances and regulations, federal or state, that have an impact on
21 the problem. In construing the powers, authorities and responsibilities
22 conveyed by the legislature in NRS 244.922 to 244.9261, inclusive, and
23 sections 2 to 5, inclusive, of this act, the economic burden on the citizens
24 of this state and the ultimate feasibility of the projects undertaken shall
25 be carefully weighed in the light of the state of the art and the regulations
26 governing the master agency at the time undertaken. Among the factors
27 which will determine the ultimate resolution of the problem, the pro-
28 tection and the fullest beneficial use of the resource represented by the
29 water shall be given top priority. The legislature finds that the alternative
30 courses of action that may be developed to find satisfactory solutions are
31 necessary for the preservation of this valuable natural resource of the
32 state and are within the meaning of the second paragraph of section 3
33 of article 9 of the constitution of the State of Nevada.

34 9. For the accomplishment of these purposes the provisions of NRS
35 244.922 to 244.9261, inclusive, and sections 2 to 5, inclusive, of this act
36 shall be broadly construed.

37 10. The notices herein provided are reasonably calculated to inform
38 each interested person of his legally protected rights.

39 11. The rights and privileges herein granted comply in all respects
40 with any requirement imposed by any constitutional provision.

41 SEC. 9. NRS 244.9223 is hereby amended to read as follows:

42 244.9223 1. Except as otherwise provided in NRS 244.922 to 244.-
43 9261, inclusive, and sections 2 to 5, inclusive, of this act the definitions
44 provided in the Local Government Securities Law apply to NRS 244.922
45 to 244.9261, inclusive [.] , and sections 2 to 5, inclusive, of this act.

46 2. The definitions provided in NRS 244.9224 to 244.9236, inclusive,
47 apply specifically to NRS 244.922 to 244.9261, inclusive [.] , and sec-
48 tions 2 to 5, inclusive, of this act.

49 SEC. 10. NRS 244.9228 is hereby amended to read as follows:

50 244.9228 "County securities" means the securities authorized to be

1 issued by NRS 244.922 to 244.9261, inclusive [.] , and sections 2 to 5,
2 inclusive, of this act.

3 SEC. 11. NRS 244.923 is hereby amended to read as follows:

4 244.923 1. "Facilities" means the facilities of the county or other
5 designated public body used or suitable for use for the control, collec-
6 tion, disposal and treatment of [sewage and waste water] all sources of
7 pollution, whether or not they are point sources, including but not
8 limited to sewage, wastewater and in place or accumulated pollution
9 sources and consisting of all properties, real, personal, mixed or other-
10 wise, acquired by the county or the public body, as the case may be,
11 by one or more projects through purchase, condemnation (subject to
12 the provisions of NRS 244.9245), construction or otherwise, and used
13 in connection with such purposes and related services or in any way
14 pertaining thereto and situated within the county, whether within or
15 without or both within and without the territorial limits of the public
16 body.

17 2. "Facilities" also includes:

18 (a) Those facilities for elimination of water pollution problems sub-
19 stantially of the type and scope described in the "Report to the Governor
20 and the Legislative Commission, Pollution Abatement Project, Las Vegas
21 Wash and Bay," dated December 1, 1972, including without limitation all
22 trunk sewers, conduits, pumps, pumping plants, storage facilities, treat-
23 ment plants, water reclamation plants, outfalls, disposal facilities, electric
24 substations, and related works to be constructed, installed and acquired
25 for the purpose of collecting, transporting, treating, reclaiming and dis-
26 posing of sewage effluents, waste water, industrial waste and other liquid
27 pollutants.

28 (b) Those facilities for the elimination of water pollution problems of
29 the type and scope necessary to implement any alternative plan to that
30 mentioned in paragraph (a).

31 SEC. 12. NRS 244.9231 is hereby amended to read as follows:

32 244.9231 1. "Hereby," "herein," "hereinabove," "hereinafter,"
33 "hereof," "hereunder," "herewith," or any term of similar import, refers
34 to NRS 244.922 to 244.9261, inclusive, sections 2 to 5, inclusive, of
35 this act, and not solely to the particular portion thereof in which such
36 word is used.

37 2. "Heretofore" means before the adoption of this act.

38 3. "Hereafter" means after the adoption of this act.

39 SEC. 13. NRS 244.9238 is hereby amended to read as follows:

40 244.9238 1. Within 30 days after July 1, 1973, there shall be
41 appointed a technical advisory committee to be designated as the county
42 sewage and waste water advisory committee.

43 2. The advisory committee shall consist of two members appointed
44 by the board, three members appointed by the governing body of each
45 city in the county having a population of 65,000 or more, two members
46 appointed by the governing body of each city in the county having a
47 population of 30,000 or more but less than 65,000, one member
48 appointed by the governing body of each city in the county having a
49 population of 5,000 or more but less than 30,000, and one member

1 appointed by the governing body of each water district, sanitation dis-
2 trict or water and sanitation district in the county having within its bound-
3 aries a population of 15,000 or more, as determined by the last preceding
4 national census of the Bureau of the Census of the United States Depart-
5 ment of Commerce.

6 3. Each such appointee shall be an employee of the municipality
7 whose governing body is required to make such appointment and shall at
8 the time of such employment be actively engaged in the operation or
9 management of sewer or water facilities within such municipality, except
10 the county prior to its operation of facilities.

11 4. Each such appointee shall serve without additional compensation
12 or fidelity bond for his duties as a member of the advisory committee and
13 shall remain a member until death or resignation or his termination as a
14 member, with or without cause, by the governing body of the appointing
15 municipality and its appointment of his successor. The governing body of
16 an appointing municipality shall in any case terminate the membership on
17 the advisory committee of any of its appointed members within a reason-
18 able time after such member ceases to be employed by the municipality in
19 sewer or water work and shall appoint a successor with such qualifications.

20 5. The committee shall elect such officers from within its member-
21 ship, fix such time and place of meetings, adopt such rules of procedure
22 and keep such records all as in its sole discretion it shall determine to be
23 consistent with the purposes of NRS 244.922 to 244.9261, inclusive [.] ,
24 and sections 2 to 5, inclusive, of this act.

25 6. No member of the advisory committee shall be interested in any
26 contract or transaction with the county under consideration by the advi-
27 sory committee except in his official representative capacity or in his
28 capacity as a public officer or employee.

29 7. The advisory committee shall proceed immediately upon appoint-
30 ment and at all times thereafter diligently to inform itself as to all laws,
31 matters and things which may be of significance in maintaining the qual-
32 ity of collection, disposal and treatment of sewage and waste water in the
33 county and the consequent purity of water within the county. The advi-
34 sory committee shall also advise the board of conditions which in the
35 judgment of the advisory committee require action by the board, and
36 make recommendations in regard thereto.

37 8. It is the intent of NRS 244.922 to 244.9261, inclusive, and sec-
38 tions 2 to 5, inclusive, of this act that the existence and activities of the
39 advisory committee shall in no way diminish the responsibility of the
40 board or the officers of the county in fulfilling the legislative declaration
41 expressed in NRS 244.9222 and in performing its duties as the master
42 agency of the county in such matters.

43 SEC. 14. NRS 244.9245 is hereby amended to read as follows:

44 244.9245 The county may also:

45 1. Enter upon any land, make surveys, borings, soundings and exam-
46 inations for the purpose of the county, and locate the necessary works of
47 any project and any roadways and other rights-of-way pertaining to any
48 project herein authorized; acquire all property necessary or convenient
49 for the acquisition, improvement or equipment of such works, including

1 works constructed and being constructed by private owners, and all nec-
2 essary appurtenances.

3 2. Acquire property by agreement, condemnation by the exercise of
4 the power of eminent domain or otherwise, and in case any street, road,
5 highway, railroad, canal, ditch or other property subject or devoted to
6 public use and located within the county, whether within or without or
7 both within and without the territorial limits of any public body, shall
8 become subject to interference by reason of the construction or proposed
9 construction of any works of the county, the right so to interfere with
10 such property, whether it be publicly or privately owned; except:

11 (a) If such right is acquired by condemnation proceedings and if the
12 court finds that public necessity or convenience so require, the judgment
13 may direct the county to relocate such street, road, highway, railroad,
14 canal, ditch or other property in accordance with the plans prescribed by
15 the court.

16 (b) If, by such judgment or agreement, the county shall be required
17 to relocate any such street, road, highway, railroad, canal, ditch or other
18 property subject or devoted to public use, the board may acquire in the
19 name of the county, by agreement or condemnation, all rights-of-way and
20 other property necessary or proper for compliance with the agreement or
21 judgment of condemnation, and thereafter make such conveyance of such
22 relocated street, road, highway, railroad, canal, ditch or other property as
23 may be proper to comply with the agreement or judgment.

24 (c) No property, except for easements and rights-of-way, shall be
25 acquired by condemnation if at the time of the proposed exercise of such
26 power such property is utilized by a public body for the collection, dis-
27 posal or treatment of sewage or waste water.

28 3. Carry on technical and other investigations of all kinds, make
29 measurement, collect data, and make analyses, studies and inspections
30 pertaining to the facilities and any project.

31 4. Make and keep records in connection with the facilities and any
32 project or otherwise concerning the county.

33 5. Arbitrate any differences arising in connection with the facilities
34 and any project or otherwise concerning the county.

35 6. Have the management, control and supervision of all business and
36 affairs pertaining to the facilities and any project herein authorized, or
37 otherwise concerning the county, and of the acquisition, improvement,
38 equipment, operation, maintenance and disposal of any property pertain-
39 ing to the facilities or any such project.

40 7. Enter into contracts of indemnity and guaranty, in such forms as
41 may be approved by the board, relating to or connected with the perform-
42 ance of any contract or agreement which the county is empowered to
43 enter into.

44 8. Obtain financial statements, appraisals, economic feasibility reports
45 and valuations of any type pertaining to the facilities or any project or
46 any property relating thereto.

47 9. Adopt any ordinance or resolution authorizing a project or the
48 issuance of county securities, or both.

1 10. Make and execute an indenture or other trust instrument pertain-
2 ing to any county securities herein authorized, except as otherwise pro-
3 vided in NRS 244.922 to 244.9261, inclusive [.] and sections 2 to 5,
4 inclusive, of this act.

5 11. Make all contracts, execute all instruments and do all things nec-
6 essary or convenient in the exercise of the powers granted herein, or in
7 the performance of the county's covenants or duties, or in order to secure
8 the payment of county securities.

9 12. Have and exercise all rights and powers necessary or incidental
10 to or implied from the specific powers granted herein, which specific
11 powers shall not be considered as a limitation upon any power necessary
12 or appropriate to carry out the purposes and intent hereof.

13 13. Exercise all or any part or any combination of the powers herein
14 granted.

15 SEC. 15. NRS 244.9248 is hereby amended to read as follows:

16 244.9248 In addition to the other means for providing revenue to
17 defray the costs of the activities and projects authorized by NRS 244.922
18 to 244.9261, inclusive, and sections 2 to 5, inclusive, of this act and to
19 meet general obligation bond requirements, the board shall have power
20 and authority to levy and collect general (ad valorem) taxes on and
21 against all taxable property within the county.

22 SEC. 16. NRS 244.9253 is hereby amended to read as follows:

23 244.9253 Subject to the provisions of NRS 244.922 to 244.9261,
24 inclusive, and sections 2 to 5, inclusive, of this act, for any facilities as
25 defined in paragraphs (a) and (b) of subsection 2 of NRS 244.923,
26 any interest therein, or any project herein authorized, the board, as it
27 may determine from time to time, may:

28 1. On the behalf and in the name of the county, levy assessments,
29 borrow money, otherwise become obligated, and evidence such obliga-
30 tions by the issuance of bonds and other county securities, and in
31 connection with such facilities, interest therein, or project, the board may
32 otherwise proceed as provided in the County Improvements Law and
33 Local Government Securities Law, as from time to time amended.

34 2. Issue bonds or other securities in the name of and on behalf of
35 the State of Nevada in accordance with the provisions of the State
36 Securities Law.

37 SEC. 17. NRS 244.9257 is hereby amended to read as follows:

38 244.9257 The faith of the state is hereby pledged that NRS 244.922
39 to 244.9261, inclusive, and sections 2 to 5, inclusive, of this act, any
40 law supplemental or otherwise pertaining thereto, and any other act
41 concerning the bonds or other county securities, taxes, assessments or
42 the pledged revenues, or any combination of such securities, such taxes,
43 such assessments and such revenues, shall not be repealed nor amended
44 or otherwise directly or indirectly modified in such a manner as to
45 impair adversely any outstanding county securities, until all such securities
46 have been discharged in full or provision for their payment and redemp-
47 tion has been fully made, including without limitation from the known
48 minimum yield from the investment or reinvestment of moneys pledged
49 therefor in federal securities.

- 1 SEC. 18. NRS 244.9259 is hereby amended to read as follows:
2 244.9259 The officers of the county are authorized and directed to
3 take all action necessary or appropriate to effectuate the provisions of
4 NRS 244.922 to 244.9261, inclusive [.] , and sections 2 to 5, inclusive,
5 of this act, including without limitation:
6 1. The control, collection, disposal and treatment of all sources of
7 pollution, whether or not they are point sources, including but not lim-
8 ited to:
9 (a) Sewage.
10 (b) Industrial wastewater.
11 (c) Urban storm water runoff.
12 (d) Agriculturally and silviculturally related sources of pollution,
13 including runoff from manure disposal areas and from land used for
14 livestock and crop production, if appropriate.
15 (e) Mine related sources of pollution, including new, current and
16 abandoned surface and underground mine runoff, if appropriate.
17 (f) Sources of pollution related to construction activities.
18 (g) Salt water intrusion into rivers, lakes and ground waters resulting
19 from reduction of fresh water flow from any cause, including irrigation,
20 obstruction, ground water extraction and diversion, if appropriate.
21 (h) All in place or accumulated pollution sources.
22 The control of sources mentioned in paragraphs (c) to (h), inclusive, may
23 be through facilities, land use requirements, water use requirements, other
24 appropriate methods, or any combination of these.
25 2. The regulation of the location, modification and construction of
26 any facilities which may result in any discharge.
27 3. The control of the disposition of all residual waste which could
28 affect water quality.
29 4. The control of the disposal of pollutants on land or in subsurface
30 excavations to protect ground and surface water quality.
31 5. The regulation of industrial and commercial wastes to assure that
32 any such wastes discharged into any treatment works meet applicable
33 pretreatment requirements.
34 6. The performance of any and all areawide waste management
35 planning which may be required by the state and Federal Government
36 in connection with the exercise or implementation of any of the powers,
37 authorization and responsibilities provided in NRS 244.922 to 244.9261,
38 inclusive, and sections 2 to 5, inclusive, of this act.
- 39 SEC. 19. NRS 244.926 is hereby amended to read as follows:
40 244.926 1. NRS 244.922 to 244.9261, inclusive, and sections 2 to
41 5, inclusive, of this act, without reference to other statutes of the state,
42 except as herein otherwise expressly provided, shall constitute full author-
43 ity for the exercise of powers herein granted, including without limitation
44 the granting of contractual powers to the county and the other public
45 bodies and the financing of any project herein authorized wholly or in
46 part and the issuance of county securities to evidence such loans.
47 2. No other act or law with regard to the making of contracts, the
48 authorization or issuance of securities, other than the provisions of NRS
49 350.001 to 350.006, inclusive, or the exercise of any other power herein
50 granted that provides for an election, requires an approval, or in any way



1 impedes or restricts the carrying out of the acts herein authorized to be
2 done shall be construed as applying to any proceedings taken hereunder
3 or acts done pursuant hereto, except as herein otherwise provided.

4 3. The provisions of no other law, either general, special or local,
5 except as provided herein, shall apply to the doing of the things herein
6 authorized to be done; and neither the state nor any public body may per-
7 form any of the acts herein authorized to be done, except as herein other-
8 wise provided.

9 4. No notice, consent or approval by the state or any public body or
10 officer thereof shall be required as a prerequisite to the sale or issuance of
11 any county securities or the making of any contract or the exercise of any
12 other power hereunder except as herein provided.

13 5. The powers conferred by NRS 244.922 to 244.9261, inclusive,
14 and sections 2 to 5, inclusive, of this act are in addition to and supple-
15 mental to, and the limitations imposed by such sections do not affect the
16 powers conferred by any other law, general or special; and securities may
17 be issued under such sections without regard to the procedure required by
18 any other such law except as otherwise provided in such sections or in the
19 State Securities Law. Insofar as the provisions of such sections are incons-
20 sistent with the provisions of any other law, general or special, the pro-
21 visions of those sections are controlling.

22 6. No provision contained in NRS 244.922 to 244.9261, inclusive,
23 and sections 2 to 5, inclusive, of this act shall repeal or affect any other
24 law or part thereof, it being intended that NRS 244.922 to 244.9261,
25 inclusive, and sections 2 to 5, inclusive, of this act shall provide a sepa-
26 rate method of accomplishing its objectives and not an exclusive one.

27 SEC. 20. This act shall become effective upon passage and approval.



S. B. 179

SENATE BILL NO. 179—COMMITTEE ON
GOVERNMENT AFFAIRS

FEBRUARY 11, 1975

Referred to Committee on Government Affairs

SUMMARY—Authorizes the division of Colorado River resources of state department of conservation and natural resources on behalf of the State to acquire water facilities and to issue securities therefor. Fiscal Note: No. (BDR S-778)

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to certain water services and facilities; supplementing chapter 268, Statutes of Nevada 1967; authorizing the acquisition of certain water service facilities and properties appurtenant thereto and the issuance of bonds and other securities by the State of Nevada, acting by and through the division of Colorado River resources of the state department of conservation and natural resources; relating to the construction, other acquisition, equipment operation, maintenance, improvement and disposition of properties appertaining to such facilities; otherwise concerning such securities and properties, and revenues, taxes and pledges and liens pertaining thereto by reference to the State Securities Law; requiring Clark County to reimburse the division of Colorado River resources funds previously advanced pursuant to the provisions of chapter 616, Statutes of Nevada 1971; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. Terms used or referred to in this act are as defined in the
- 2 State Securities Law; but the following terms, wherever used or referred
- 3 to in this act, unless the context otherwise requires, have the meanings
- 4 ascribed to them in sections 2 to 6, inclusive, of this act.
- 5 SEC. 2. "Division" means the division of Colorado River resources of
- 6 the state department of conservation and natural resources.
- 7 SEC. 3. "Facilities" means collectively the federal facilities, as defined
- 8 in this act, and the state facilities, as defined in this act.
- 9 SEC. 4. "Federal facilities" means the works, facilities and appurte-
- 10 nances constructed by the Federal Government under the authorization of
- 11 the Southern Nevada Water Project Act, or by the State of Nevada pursu-
- 12 ant to this act and other acts supplemental thereto, or by both the Federal
- 13 Government and the state, including without limitation all pipelines, con-
- 14 duits, pumping plants, intake facilities, aqueducts, laterals, water storage

1 and regulatory facilities, electric substations, and related works to be
2 constructed for the purpose of transporting water from storage in Lake
3 Mead to points of delivery established for the project within Clark
4 County, Nevada.

5 SEC. 5. "Project" means the construction and other acquisition of the
6 federal facilities, as defined in this act, and of the state facilities, as defined
7 in this act, by the state, acting by and through the division, as authorized
8 by this act and by other acts supplemental thereto.

9 SEC. 6. "State facilities" means the works, facilities and appurte-
10 nances constructed by the State of Nevada pursuant to this act and other
11 acts supplemental thereto, for the acquisition of a water plant for the
12 treatment of raw water and the disposal of potable water for industrial,
13 commercial, residential, culinary, or domestic use, or any combination
14 thereof, including without limitation collection and disposal lines, lands,
15 easements, rights in lands, water rights, distribution and storage reser-
16 voirs, other storage facilities, trunk, connection and other water mains,
17 inlets, tunnels, flumes, conduits, canals, hydrants, filtration works, meters,
18 pumping and gaging stations, and equipment, in supplementation of the
19 federal facilities, as herein defined.

20 SEC. 7. 1. The division, on the behalf and in the name of the state,
21 may:

22 (a) Acquire, hold and improve the facilities;

23 (b) Acquire, hold, improve and dispose of properties appertaining to
24 the facilities, including without limitation water and water rights, for the
25 benefit and welfare of the people of the state;

26 (c) Acquire the facilities, wholly or in part, directly by constructio-
27 nary contract or otherwise, or indirectly by contract with the Federal Govern-
28 ment, or any combination thereof, as the division may from time to time
29 determine;

30 (d) Borrow money and otherwise become obligated in a total principal
31 amount of not exceeding \$60,000,000 to defray wholly or in part the cost
32 of acquiring the state facilities, and issue state securities to evidence such
33 obligations; and

34 (e) Borrow money and otherwise become obligated in a total principal
35 amount of not exceeding \$60,000,000 to defray wholly or in part the cost
36 of acquiring the federal facilities, and issue state securities to evidence
37 such obligations.

38 2. The power to issue securities hereunder in a total principal amount
39 of not exceeding \$120,000,000 under paragraph (e), subsection 1 of this
40 section, shall decrease to the extent, for the acquisition of the federal
41 facilities, Congress by federal act appropriates funds, the Office of Man-
42 agement and Budget apportions funds, the Bureau of Reclamation allots
43 funds, the Federal Government is obligated to pay earnings under con-
44 tract for the construction and other acquisition of the federal facilities, or
45 any part thereof, and the state is obligated by contract with the Federal
46 Government to pay to it sums equal to such earnings and any incidental
47 expenses due under such contract; but such power to issue securities shall
48 not be decreased because of any moneys due under such contract from the
49 state to the Federal Government in the nature of interest charges to com-
50 pensate it for moneys advanced by it until their repayment by the state.

1 SEC. 8. 1. Subject to the limitations as to maximum principal
2 amounts in section 7 of this act, the division may issue to defray the cost
3 of the project, or any part thereof, at any time or from time to time after
4 the adoption of this act, but not after 10 years from the effective date
5 thereof, as the division may determine, the following types of state securi-
6 ties in accordance with the provisions of the State Securities Law:

7 (a) General obligation bonds and other general obligation securities
8 payable from taxes, the payment of which securities is additionally
9 secured with net pledged revenues;

10 (b) Revenue bonds and other securities constituting special obligations
11 and payable from net pledged revenues; or

12 (c) Any combination of such securities.

13 2. Nothing in this act shall be construed as preventing the division
14 from funding, refunding or reissuing any outstanding state securities
15 issued by the division at any time as provided in the State Securities Law.

16 3. Subject to contractual obligations, the net revenues pledged, if any,
17 for the payment of state securities by the division may be derived from
18 the operation of all or any part of the income-producing facilities under
19 the jurisdiction of the division, including without limitation the facilities
20 acquired by the project.

21 SEC. 9. Any and all contracts entered into pursuant to the provisions
22 of this act shall not be binding upon the state until executed or otherwise
23 approved by the governor, including without limitation the execution of
24 securities in the manner and as otherwise provided in the State Securities
25 Law.

26 SEC. 10. The powers conferred by this act shall be in addition to and
27 supplemental to, and the limitations imposed by this act shall not affect,
28 the powers conferred by any other law, general or special, particularly
29 chapter 268, Statutes of Nevada 1967; and securities may be issued here-
30 under without regard to the procedure required by any other such law
31 except as otherwise provided in this act or in the State Securities Law.
32 Insofar as the provisions of this act are inconsistent with the provisions
33 of any other law, general or special, the provisions of this act shall be
34 controlling.

35 SEC. 11. It is hereby declared as a matter of legislative determina-
36 tion:

37 1. That pursuant to subsection 2 of section 44 of chapter 790,
38 Statutes of Nevada 1973, Clark County has succeeded to certain liabilities
39 incurred by the Las Vegas Valley water district through the water dist-
40 rict's expenditure of \$1,078,622.33 derived from General Obligation
41 Colorado River Water Acquisition Bonds, Series June 1, 1968. Such
42 funds were made available to the Las Vegas Valley water district by the
43 division in accordance with subsection 1 of section 3 of chapter 616,
44 Statutes of Nevada 1971, which chapter was subsequently repealed by
45 said chapter 790, Statutes of Nevada 1973.

46 2. That funds reimbursed to Clark County by the Environmental
47 Protection Agency as a Federal share of the project planning costs
48 exceeded the \$1,078,622.33 mentioned in subsection 1.

49 3. That the proceeds from the General Obligation Colorado River
50 Water Acquisition Bond funds so expended are now considered to be

1 urgently needed for their original intent and purpose in the planning and
2 construction of the expansion of water treatment facilities.

3 4. That the said principal plus accrued interest be reimbursed to the
4 division by Clark County for the purpose of planning, administering and
5 acquiring the necessary facilities of the second stage of the Southern
6 Nevada Water System treatment facilities as determined by the adminis-
7 trator of the division; notwithstanding any other provisions of chapter
8 790, Statutes of Nevada 1973, to the contrary.

9 SEC. 12. Pursuant to the above determinations, Clark County shall
10 pay to the division, for the State of Nevada, Colorado River Water State
11 Facilities Capital Improvement and Replacement Fund for use as pro-
12 vided in subsection 4 of section 11 of this act, the principal amount of
13 \$1,078,622.33, plus \$140,287.49 interest on or before March 21, 1975.

14 SEC. 13. If any provision of this act or the application thereof to any
15 person, thing or circumstance is held invalid, such invalidity shall not
16 affect the provisions or application of this act that can be given effect
17 without the invalid provision or application, and to this end the pro-
18 visions of this act are declared to be severable.

19 SEC. 14. This act shall become effective upon passage and approval.

S. B. 501**SENATE BILL NO. 501—COMMITTEE ON
GOVERNMENT AFFAIRS**

APRIL 9, 1975

Referred to Committee on Government Affairs

SUMMARY—Places Southern Nevada Water Project and Alfred Merritt Smith Water Treatment facility under control of the Las Vegas Valley Water District. Fiscal Note: No. (BDR S 602)

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT to amend an act entitled "An Act to create a water district in the Las Vegas valley, Clark County, Nevada; to designate such district as the agency responsible for water distribution; to provide for the procurement, storage, and distribution and sale of water and rights in the use thereof from Lake Mead for industrial, irrigation, municipal, and domestic uses; to provide for the conservation of the groundwater resources of the Las Vegas valley, and to create authority to purchase, acquire and construct the necessary works to carry out the provisions of this act; to provide for the issuance of district bonds and other securities; to provide for the levy of taxes for the payment of operation and maintenance expenses and to supplement other revenues available for the payment of principal of and interest on such bonds and other securities of said district; granting said district the franchise to carry on its operations in municipal corporations within its boundaries; exempting the property and bonds of said district from taxation; validating the creation and organization of said district; and for other purposes related thereto," approved March 27, 1947, as amended.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. Section 1.1 of the above-entitled act, being chapter 646,
2 Statutes of Nevada 1971, at page 1514, is hereby amended to read as fol-
3 lows:
4 Section 1.1. 1. The Las Vegas Valley water district is hereby desig-
5 nated as the agency responsible for water distribution within the bound-
6 aries of the district. The water district may exercise, in connection with its
7 distribution functions, all of the powers granted in this act.
8 2. The water district [shall assume] *is hereby designated as the*
9 *agency of the State of Nevada responsible for supervision, operation and*
10 *maintenance of all existing and future Southern Nevada water project*
11 *facilities and water treatment plants, and shall assess the costs against the*
12 *users of water.*

S. B. 501

**SENATE BILL NO. 501—COMMITTEE ON
GOVERNMENT AFFAIRS**

APRIL 9, 1975

Referred to Committee on Government Affairs

SUMMARY—Places Southern Nevada Water Project and Alfred Merritt Smith Water Treatment facility under control of the Las Vegas Valley Water District. Fiscal Note: No. (BDR S-1602)



EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT to amend an act entitled "An Act to create a water district in the Las Vegas valley; Clark County, Nevada; to designate such district as the agency responsible for water distribution; to provide for the procurement, storage, and distribution and sale of water and rights in the use thereof from Lake Mead for industrial, irrigation, municipal, and domestic uses; to provide for the conservation of the groundwater resources of the Las Vegas valley, and to create authority to purchase, acquire and construct the necessary works to carry out the provisions of this act; to provide for the issuance of district bonds and other securities; to provide for the levy of taxes for the payment of operation and maintenance expenses and to supplement other revenues available for the payment of principal of and interest on such bonds and other securities of said district; granting said district the franchise to carry on its operations in municipal corporations within its boundaries; exempting the property and bonds of said district from taxation; validating the creation and organization of said district; and for other purposes related thereto," approved March 27, 1947, as amended.

*The People of the State of Nevada, represented in Senate and Assembly,
do enact as follows:*

- 1 SECTION 1. Section 1.1 of the above-entitled act, being chapter 646,
2 Statutes of Nevada 1971, at page 1514, is hereby amended to read as fol-
3 lows:
4 Section 1.1. 1. The Las Vegas Valley water district is hereby desig-
5 nated as the agency responsible for water distribution within the bound-
6 aries of the district. The water district may exercise, in connection with its
7 distribution functions, all of the powers granted in this act.
8 2. The water district [shall assume] *is hereby designated as the*
9 *agency of the State of Nevada responsible for supervision, operation and*
10 *maintenance of all existing and future Southern Nevada water project*
11 *facilities and water treatment plants, and shall assess the costs against the*
12 *users of water.*
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S. B. 491**SENATE BILL NO. 491—COMMITTEE ON
GOVERNMENT AFFAIRS**

APRIL 8, 1975

Referred to Committee on Government Affairs

SUMMARY—Revises unincorporated town government law.
Fiscal Note: No. (BDR 20-370)EXPLANATION—Matter in *italics* is new; matter in brackets [] is
material to be omitted.

AN ACT relating to county government; revising the role of county government as it relates to unincorporated towns; providing for the formation of and government of unincorporated towns; declaring the services appropriate to town government; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. Chapter 244 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2 to 23, inclusive, of this act.
- 3 SEC. 2. *Sections 2 to 23, inclusive, of this act, may be cited as the*
4 *Unincorporated Town Government Law.*
- 5 SEC. 3. *Whenever used in sections 2 to 23, inclusive, of this act,*
6 *unless a different meaning clearly appears from the context, the following*
7 *words and terms defined in sections 4 to 6, inclusive, of this act have the*
8 *meanings ascribed to them in such sections.*
- 9 SEC. 4. "Advisory board" means the board created pursuant to the
10 provisions of this act to assist the board of county commissioners in the
11 government of an unincorporated town.
- 12 SEC. 5. "Board" means the board of county commissioners.
- 13 SEC. 6. "Unincorporated town" or "town" means a specific unincor-
14 porated area within a county in which one or more governmental services
15 are provided by the county in addition to those services provided in the
16 general unincorporated area of the county, for which the residents of
17 such area pay through ad valorem taxes or for which other revenue is
18 secured from within the area.
- 19 SEC. 7. 1. It is hereby found and declared that there is a need for spe-
20 cial government services in certain unincorporated areas of counties.
- 21 2. It is further found and declared that such services heretofore have
22 been provided under varying interpretations of law, leading to widespread
23 disparity in the recognition of the role of town government.
- 24 3. It is further found and declared that the board of county commis-
25 sioners is the proper governing body for such unincorporated areas.
- 26 4. Finally, it is found and declared that the residents of such areas

1 have considerable interest in representative and participatory government
2 for such areas.

3 SEC. 8. 1. The legislature states its avowed purpose herein to make
4 unincorporated town government an adjunct of county government.

5 2. It is also the avowed purpose of the legislature herein to remove all
6 doubt as to the dependent role of the unincorporated town and to declare
7 that unincorporated town government is not to be considered another or a
8 separate level of government.

9 ~~SEC. 9. An unincorporated town may be formed by means of an ini-~~
10 ~~tiative petition of the residents of any specified unincorporated area within~~
11 ~~a county or by resolution of a board of county commissioners, pursuant to~~
12 ~~the procedure established by sections 2 to 23, inclusive, of this act.~~

13 SEC. 10. 1. If the initiative petition method is followed, the proce-
14 dures established by NRS 295.085 to 295.125, inclusive, for the adop-
15 tion of county ordinances by initiative petition shall be followed, subject
16 to the criteria set forth in section 11 of this act and provided the petitions
17 are signed by a number of registered voters of the area equal to 51 per-
18 cent or more of the number of voters in such area who voted at the last
19 preceding general election in the county, determined as nearly as is prac-
20 ticable from the voting records of the whole number of precincts within
21 such area.

22 2. If the petitioners' committee desires to place the question of for-
23 mation on the ballot, without reference to the board of county ccmmis-
24 sioners, the initiative petition shall be signed by a number of voters of
25 the area equal to 10 percent or more of the number of voters in such
26 area who voted at the last preceding general election in the county, deter-
27 mined as provided in subsection 1.

28 SEC. 11. 1. The initiative petition presented to the board or the ques-
29 tion placed on the ballot, as provided in section 10 of this act, shall con-
30 tain a statement substantially as follows:

31 The undersigned declare their purpose to be the support of the con-
32 cept of unincorporated town government, that they desire hereby to
33 make provision for the supplying of one or more of the town serv-
34 ices enumerated in section 17 of this act and that they acknowledge
35 the fact that the supplying of such service or services will require a
36 special tax levy, the establishment of a user fee schedule or a com-
37 bination of both.

38 2. The boundaries of such area sought to be brought within an unin-
39 corporated town area shall be clearly designated and declared. The area
40 encompassed shall be contiguous.

41 SEC. 12. 1. Notwithstanding any other provision of law, if the peti-
42 tion presented to the board contains the requisite number of signatures
43 and otherwise meets the requirements provided in section 11 of this act,
44 the board shall proceed with the formation of a five-member advisory
45 board.

46 2. Such advisory board members shall be appointed by the board
47 from among the registered voters of the proposed unincorporated town
48 area. Their terms shall expire the day following the next general election.

49 SEC. 13. The board may, by resolution adopted at a regular meeting,
50 place the question of the formation of a town government on the ballot at

1 the next succeeding general election. As a part of such question there shall
2 be included the statement that the affirmative vote carries with it the
3 assent to be taxed for the service indicated in the board's resolution as
4 being supplied.

5 SEC. 14. 1. At the same election in which the proposal for the for-
6 mation of town government is submitted to the voters, whether by initia-
7 tive petition or resolution of the board, prospective members of the
8 advisory board shall be elected.

9 2. Any person who is a registered voter in such proposed unincor-
10 porated town area and who desires to become a candidate for the posi-
11 tion of advisory board member shall, at least 30 days before the date
12 of such election, file in the office of the county clerk a notice of his inten-
13 tion to become such a candidate. The clerk shall place the name of each
14 candidate on the official ballot.

15 3. If the proposed town government is approved at the election,
16 members of the advisory board elected shall serve as such members until
17 the next general election.

18 SEC. 15. Terms of office of members of the advisory board shall
19 begin on the day following the general election.

20 SEC. 16. 1. Notwithstanding any other provision of law, the boards
21 of county commissioners of the various counties in this state may enact
22 ordinances to provide for and regulate the formation of unincorporated
23 towns in the event specific unincorporated county areas are directed by
24 federal or state law, for the reasons set out in subsection 2, to administer
25 one or more of the services enumerated in subsection 2.

26 2. The services to be provided include but are not limited to solid
27 waste disposal and compliance with federal water or air quality standards.

28 SEC. 17. 1. Town services, any one of which or any combination of
29 which may be supplied to the residents of a particular unincorporated
30 town are:

- 31 (a) Cemetery;
- 32 (b) Dump stations and sites;
- 33 (c) Fire (volunteer);
- 34 (d) Flood control and drainage;
- 35 (e) Garbage collection;
- 36 (f) Parks (neighborhood);
- 37 (g) Recreation;
- 38 (h) Sewage collection;
- 39 (i) Streets;
- 40 (j) Street lights;
- 41 (k) Swimming pools;
- 42 (l) Television translator; and
- 43 (m) Water distribution.

44 2. Each unincorporated town shall be limited to that service or
45 those services whose supply provided the basis for the formation of the
46 town, as adjusted from time to time.

47 SEC. 18. 1. Except as provided in subsection 2, the board of county
48 commissioners of any county may, by resolution adopted at a regular
49 meeting, designate any one or more of the services enumerated in section
50 17 as properly within the power of an advisory board to manage.

1 2. Provision for dump stations and sites, volunteer fire fighting, flood
2 control and drainage, sewage collection, streets and water distribution is
3 a county responsibility. Advisory boards have no managerial power with
4 respect to the supply of such services.

5 SEC. 19. 1. Each advisory board shall be scheduled to meet with the
6 board at one of its regular meetings each month.

7 2. Recommendations and requests from advisory boards shall be
8 heard at such meetings. A report of the board's determination on such
9 matters shall be presented at the ensuing board meeting.

10 SEC. 20. Before any county-directed services are provided for any
11 unincorporated town, the advisory board of such town shall be advised.
12 Such information shall cover but shall not be limited to commencement
13 dates, completion dates and the scope of the work to be performed or the
14 extent of the services to be supplied.

15 SEC. 21. 1. By agreement of the advisory boards affected, two or
16 more unincorporated towns may join in a single codification of their
17 respective town ordinances.

18 2. Publications of town codes by title only is recognized as sufficient
19 for all purposes.

20 SEC. 22. Each board, in its discretion, may:

21 1. Solicit the advice of the advisory board in the preparation of the
22 tentative budget for the town affected.

23 2. Allow towns to recommend their own ordinances and codes.

24 3. Allow advisory boards limited expenditure capability.

25 SEC. 23. It is hereby declared as a matter of legislative determination
26 that:

27 1. Sound unincorporated town organization is essential to the con-
28 tinued economic development of this state.

29 2. Unincorporated towns are created to provide the governmental
30 services essential for sound county government and for the protection of
31 health, safety and welfare in areas being used for residential, commercial,
32 industrial, institutional and governmental purposes.

33 3. Town boundaries should be extended, in accordance with legis-
34 lative standards, to include such areas and to provide the high quality of
35 governmental services needed therein for the protection of the public
36 health, safety and welfare.

37 4. Areas annexed to towns in accordance with such uniform legis-
38 lative standards should receive the services provided for the annexing
39 town as soon as possible following the annexation.

40 5. Areas annexed to towns should include unincorporated areas
41 adjacent to such towns and piecemeal annexation of unincorporated areas
42 should be avoided, securing to residents within the area proposed to be
43 annexed the right of protest.

44 SEC. 24. 1. The board of county commissioners of each county in
45 which is located an unincorporated town shall make a complete report
46 to the 59th session of the legislature, covering the status of unincorpo-
47 rated towns within its jurisdiction.

48 2. Such report shall indicate compliance with sections 2 to 23, inclu-
49 sive, of this act or documented inability to comply.

S. B. 498

SENATE BILL NO. 498—COMMITTEE ON
GOVERNMENT AFFAIRS

APRIL 8, 1975

Referred to Committee on Government Affairs

SUMMARY—Revises law on disincorporation of cities.
Fiscal Note: No. (BDR 21-369)



EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to disincorporation of cities; eliminating obsolete references to incorporated towns; eliminating automatic disincorporation; clarifying various provisions; and providing other matters properly relating thereto.

*The People of the State of Nevada, represented in Senate and Assembly,
do enact as follows:*

1 SECTION 1. NRS 265.110 is hereby amended to read as follows:

2 265.110 The board of county commissioners of each county shall
3 have the power to disincorporate any city [or town] which may have
4 been incorporated under the laws of this state or the Territory of Nevada
5 upon the petition of a majority of the legal voters residing within the
6 corporate limits of such city; [or town,] but no corporation shall be
7 dissolved by virtue of NRS 265.110 to 265.180, inclusive:

8 1. Unless it shall appear to the satisfaction of the board of county
9 commissioners that notice has been given of the intended application for
10 such dissolution of the corporation, by advertisement in a newspaper pub-
11 lished in the city [or town] praying to be disincorporated, and in case no
12 such newspaper be published in the city, [or town,] then by written
13 notice, posted in 3 of the most public places in such city, [or town,] for
14 at least 30 days prior to such application.

15 2. Until all the liabilities of such city [or town] have been paid or
16 secured to the satisfaction of the board of county commissioners.
17 *Upon the appointment and qualification of the trustees, pursuant to the*
18 *provisions of NRS 265.130 and 265.140, the city shall lose all corporate*
19 *existence. Any pretended corporate act of the disincorporated city or of its*
20 *corporate officers or agents shall be of no legal effect.*

21 SEC. 2. NRS 265.120 is hereby amended to read as follows:

22 265.120 1. No dissolution of any corporation under NRS 265.110

1 to 265.180, inclusive, shall invalidate or affect any right, penalty or for-
2 feiture accruing to such corporation, or invalidate or affect any contract
3 entered into or imposed upon such corporation.

4 2. *If there shall be any debt or outstanding bonds of any disincor-*
5 *porated city, the board of county commissioners shall provide for the pay-*
6 *ment of the principal and interest of the same substantially in the time,*
7 *manner and form provided by law or ordinance touching the same at the*
8 *time of disincorporation, substituting the district established in lieu of*
9 *the city disincorporated.*

10 SEC. 3. NRS 265.130 is hereby amended to read as follows:

11 265.130 Whenever the board of county commissioners shall dissolve
12 any corporation, the board [may] shall appoint three competent persons
13 to act as trustees for the corporation so dissolved.

14 SEC. 4. NRS 265.140 is hereby amended to read as follows:

15 265.140 The trustees, before entering upon the discharge of their
16 duties, shall:

17 1. Take and subscribe an oath before some judge or justice of the
18 peace, that they will faithfully discharge the duties of their office.

19 2. Give bond, with sufficient sureties, to be approved by the board of
20 county commissioners, to the use of such disincorporated city, [or town,]
21 conditioned for the faithful discharge of the duties of their office.

22 SEC. 5. NRS 265.170 is hereby amended to read as follows:

23 265.170 If any city, [or town,] disincorporated as provided in NRS
24 265.110 to 265.180, inclusive, have annual revenue accruing thereto,
25 the same shall be paid to the board of county commissioners by persons
26 owing the same, and all moneys thus paid, as well as all moneys paid to
27 the trustees, shall be held and disposed of by the board for the benefit
28 of such city, [or town,] and may be applied by the board to any specific
29 object upon the petition of a majority of the taxable inhabitants of the
30 city; [or town,] provided always, that all of the just and lawful debts,
31 dues and demands against the corporation shall have been first paid.

32 SEC. 6. NRS 265.010 to 265.100, inclusive, 266.775, 266.780, 266.-
33 785, 266.790 and 266.795 are hereby repealed.

S. B. 505

**SENATE BILL NO. 505—COMMITTEE ON
GOVERNMENT AFFAIRS**

APRIL 9, 1975

Referred to Committee on Government Affairs

SUMMARY—Removes unincorporated towns from local government
finance laws. Fiscal Note: No. (BDR 27-371)

EXPLANATION—Matter in *italics* is new; matter in brackets [] is
material to be omitted.

AN ACT relating to local government finances; providing for the removal of unincorporated towns from the local government category; and providing other matters properly relating thereto.

*The People of the State of Nevada, represented in Senate and Assembly,
do enact as follows:*

- 1 **SECTION 1.** NRS 269.115 is hereby amended to read as follows:
2 269.115 [1. Except as provided in subsection 2, in addition to the
3 powers and jurisdiction conferred by other laws, the boards of county
4 commissioners of the counties of this state shall have the power and duty
5 to levy a tax, not exceeding 1.5 percent per annum, upon the assessed
6 value of all real and personal property, including the proceeds of mines,
7 situated in any unincorporated town or city in their respective counties,
8 made taxable by law for state and county purposes.
9 2. In addition to the taxes levied in accordance with the provisions of
10 subsection 1, each] *Each* board of county commissioners shall levy a tax
11 for the payment of interest and redemption of outstanding bonds of [the]
12 *any* unincorporated town [or city] issued pursuant to the provisions of
13 NRS 269.400 to 269.470, inclusive.
14 **SEC. 2.** NRS 332.020 is hereby amended to read as follows:
15 332.020 For the purpose of this chapter "local government" means
16 every political subdivision or other entity which has the right to levy or
17 receive moneys from ad valorem taxes, or other taxes or from any manda-
18 tory assessments and includes without limitation counties, cities, [towns,]
19 school districts and other districts organized pursuant to chapters 244,
20 309, 318, 379, 450, 473, 474, 539, 540, 541, 542, 543, and 555 of NRS,
21 county fair and recreation boards and the Las Vegas Valley Water Dis-
22 trict.
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-

1 SEC. 3. NRS 350.002 is hereby amended to read as follows:

2 350.002 1. There is hereby created in each county a general obliga-
3 tion bond commission, to be composed of one representative of the
4 county, one representative of the school district and the following addi-
5 tional representatives:

6 (a) In each county which contains more than one incorporated city:
7 **[or town:]**

8 (1) One representative of the city **[or town]** in which the county
9 seat is located;

10 (2) One representative of the other incorporated cities **[or towns]**
11 jointly; and

12 (3) One representative of the public at large.

13 (b) In each county which contains but one incorporated city: **[or**
14 **town:]**

15 (1) One representative of the incorporated city; **[or town:]** and

16 (2) Two representatives of the public at large.

17 (c) In each county which contains no incorporated city, **[or town,]**
18 one representative of the public at large.

19 2. In Carson City, there is hereby created a general obligation bond
20 commission, to be composed of one representative of the board of super-
21 visors, one representative of the school district and three representatives
22 of the public at large.

23 3. Each representative of a single local government shall be chosen
24 by its governing body. Each representative of two or more local govern-
25 ments shall be chosen by their governing bodies jointly, each governing
26 body having one vote. Each representative of the public at large shall
27 be chosen by the other members of the commission from residents of the
28 county, or Carson City, as the case may be, who have a knowledge of
29 its financial structure. A tie vote shall be resolved by lot.

30 4. The first members of the commission shall be chosen within 30
31 days following July 1, 1965, and shall serve until December 31, 1966.
32 Their respective successors shall be chosen in January of each odd-num-
33 bered year beginning in 1967, and shall hold office for a term of 2 years
34 beginning January 1, except the representatives of incorporated cities,
35 **[or towns,]** who shall be chosen after elections are held in the cities
36 **[or towns]** but prior to the annual meeting of the commission.

37 5. Any vacancy shall be filled in the same manner as the original
38 choice was made for the remainder of the unexpired term.

39 SEC. 4. NRS 350.010 is hereby amended to read as follows:

40 350.010 As used in NRS 350.010 to 350.070, inclusive:

41 1. "Clerk" means the clerk, secretary, or other like officer of the
42 municipal corporation.

43 2. "General election" means a general election, primary election, or
44 regular municipal election.

45 3. "Governing body" means the board of county commissioners, city
46 council, city commission, board of supervisors, board of directors or other
47 governing body of the municipal corporation.

48 4. "Municipal corporation" means a county **[, city or town.] or city.**

49 SEC. 5. NRS 350.020 is hereby amended to read as follows:

50 350.020 1. Whenever any municipal corporation in the State of

1 Nevada proposes to issue bonds or provide for loans in any amount within
 2 the limit of indebtedness authorized by law, the proposal for the bond
 3 issue or loan shall be submitted to the electors of the municipal corpora-
 4 tion at a general election or a special election called for that purpose.

5 2. The provisions of NRS 350.010 to 350.070, inclusive, shall not
 6 be applicable:

7 (a) To incorporated cities organized or reorganized and existing under
 8 the provisions of any special legislative act or special charter enacted or
 9 granted pursuant to the provisions of section 1 of article 8 of the constitu-
 10 tion of the State of Nevada; or

11 (b) To incorporated cities ~~or incorporated towns~~ organized or reor-
 12 ganized and existing under charters originally framed and adopted (and
 13 regardless of any amendments thereof or the method of amendment) by
 14 the electors thereof pursuant to section 8 of article 8 of the constitution
 15 of the State of Nevada.

16 3. Nothing contained in this section shall prevent the adoption of the
 17 provisions of NRS 350.010 to 350.070, inclusive, by reference thereto in
 18 any such act, any such special charter, other such charter, or ordinance or
 19 resolution of any such city. ~~or any such town.~~

20 SEC. 6. NRS 350.360 is hereby amended to read as follows:

21 350.360 Wherever used in NRS 350.350 to 350.490, inclusive, unless
 22 a different meaning clearly appears from the context:

23 1. "Governing body" means the board of county commissioners, city
 24 council, city commission, board of supervisors, ~~town council, town~~
 25 ~~board,~~ board of directors or board of trustees of a district, or other
 26 local legislative body by whatever name known of a municipality.

27 2. "Municipality" means:

28 (a) A county.

29 (b) An incorporated city. ~~or an incorporated town.~~

30 (c) ~~An unincorporated town or an unincorporated city.~~

31 (d) ~~An improvement district authorized to acquire and operate a~~
 32 sewer system or a water system or both such systems pursuant to the
 33 provisions of NRS 309.030 and all laws supplemental thereto.

34 ~~[(e)]~~ (d) A general improvement district authorized to furnish sani-
 35 tary sewer facilities or water facilities or both such facilities pursuant to
 36 the provisions of NRS 318.116 and all laws supplemental thereto.

37 ~~[(f)]~~ (e) Any other district or other type political subdivision of the
 38 state which is authorized by law any undertaking.

39 3. "Undertaking" includes the following revenue-producing undertak-
 40 ings or any combination of two or more of such undertakings, whether
 41 now existing or hereafter acquired or constructed: Systems, plants, works,
 42 instrumentalities and properties used or useful in connection with:

43 (a) The obtaining of a water supply and the conservation, treatment
 44 and disposal of water for public and private uses.

45 (b) The collection, treatment and disposal of sewage, waste and storm
 46 water, together with all parts of any such undertaking and all appurte-
 47 nances thereto, including lands, easements, rights in land, water rights,
 48 contract rights, franchises, approaches, dams, reservoirs, sewage disposal
 49 plants, intercepting sewers, trunk, connection and other sewer and water
 50 mains, filtration works, pumping stations and equipment.

1 SEC. 7. NRS 350.508 is hereby amended to read as follows:
2 350.508 "Chairman" or "chairman of the municipality" or any phrase
3 of similar import means the de facto or de jure chairman of the board of
4 county commissioners, mayor of the city, [or town,] president of the
5 board of trustees of the school district, chairman of the board of directors
6 of any other type district, or the president thereof, or any other presiding
7 officer or titular head of the municipality, or his successor in functions,
8 if any.

9 SEC. 8. NRS 350.510 is hereby amended to read as follows:
10 350.510 "Clerk" means the de facto or de jure county clerk, city
11 clerk, [town clerk,] clerk of the board of trustees of the school district,
12 secretary or clerk of the board of directors of any other type district, or
13 other officer of the municipality who is the custodian of any seal of the
14 municipality and of the records of the proceedings of the municipality's
15 governing body, or his successor in functions, if any.

16 SEC. 9. NRS 350.524 is hereby amended to read as follows:
17 350.524 "Governing body" means the board of county commission-
18 ers, city council, city commission, board of supervisors, [town council,]
19 board of trustees of the school district, board of directors or trustees of
20 any other type district, or other local legislative or governing body of the
21 municipality.

22 SEC. 10. NRS 350.538 is hereby amended to read as follows:
23 350.538 "Municipality" means any county, any incorporated city [or
24 town] (including without limitation any city [or town] organized under
25 the provisions of a special legislative act or other special charter), any
26 [unincorporated city or town, any] school district, or any quasi-municipal
27 district (including without limitation any district governed by Title 25 of
28 NRS) of this state. Where the context so indicates, "municipality" means
29 the geographical area comprising the municipality.

30 SEC. 11. NRS 354.474 is hereby amended to read as follows:
31 354.474 1. Except as otherwise provided in subsection 2, the pro-
32 visions of NRS 354.470 to 354.626, inclusive, shall apply to all local
33 governments. For the purpose of NRS 354.470 to 354.626, inclusive,
34 "local government" means every political subdivision or other entity
35 which has the right to levy or receive moneys from ad valorem or other
36 taxes or any mandatory assessments, and includes without limitation
37 counties, cities, [towns,] boards, school districts and other districts orga-
38 nized pursuant to chapters 244, 309, 318, 379, 474, 540, 541, 542,
39 543 and 555 of NRS, NRS 450.550 to 450.700, inclusive, and any
40 agency or department of a county or city which prepares a budget sepa-
41 rate from that of the parent political subdivision.

42 2. An irrigation district organized pursuant to chapter 539 of NRS
43 shall fix rates and levy assessments as provided in NRS 539.667 to
44 539.683, inclusive. The levy of such assessments and the posting and
45 publication of claims and annual financial statements as required by
46 chapter 539 of NRS shall be deemed compliance with the budgeting,
47 filing and publication requirements of NRS 354.470 to 354.626, inclu-
48 sive, but any such irrigation district which levies an ad valorem tax is
49 required to comply with the filing and publication requirements of NRS

1 354.470 to 354.626, inclusive, in addition to the requirements of chapter
2 539 of NRS.

3 SEC. 12. NRS 365.560 is hereby amended to read as follows:

4 365.560 1. The receipts of the tax as levied in NRS 365.190 shall be
5 ~~allocated monthly by the tax commission to the counties in which the tax~~
6 payment originates. All receipts of such tax originating in Carson City
7 shall be allocated monthly to Carson City.

8 2. Such receipts shall be apportioned between the county [], towns
9 with town boards as organized under NRS 269.016 to 269.019, inclu-
10 sive,] and incorporated cities within the county from the general road
11 fund of the county in the same ratio as the assessed valuation of property
12 within the boundaries of such [towns or] incorporated cities within the
13 county bears to the total assessed valuation of property within the cou ty,
14 including property within the [towns or] incorporated cities.

15 3. All such money so apportioned to a county or Carson City shall be
16 expended by the county or Carson City solely for the service and redemp-
17 tion of revenue bonds issued pursuant to chapter 373 of NRS, for the
18 construction, maintenance and repair of the public highways of the county
19 or Carson City and for the purchase of equipment for such work, and
20 shall not be used to defray the expenses of administration.

21 4. All such money so apportioned to [towns or] incorporated cities
22 shall be expended only upon the streets, alleys and public highways of
23 such [town or] city, other than state highways, under the direction and
24 control of the governing body of the [town or] city.

25 SEC. 13. NRS 370.260 is hereby amended to read as follows:

26 370.260 1. All taxes and license fees imposed by this chapter, less
27 any refunds granted as provided by law, shall be paid to the tax commis-
28 sion in the form of remittances payable to the Nevada tax commission.

29 2. The tax commission shall:

30 (a) As compensation to the state for the costs of collecting the taxes
31 and license fees, transmit on a monthly basis such sum as the legislature
32 shall specify from the remittances made to it pursuant to subsection 1
33 during the preceding month to the state treasurer, who shall deposit the
34 same to the credit of the tax commission. Such deposited moneys shall
35 be expended by the tax commission in accordance with its work program
36 established pursuant to law.

37 (b) Transmit the balance of such payments each month to the state
38 treasurer to be deposited in the state treasury to the credit of the cigarette
39 tax fund.

40 (c) Report to the state controller monthly the amount of collections.

41 3. The money in the cigarette tax fund is hereby appropriated to Car-
42 son City and to each of the counties in proportion to their respective
43 populations as determined by the last preceding national census of the
44 Bureau of the Census of the United States Department of Commerce;
45 the amount in such fund which was collected during the preceding month
46 shall be apportioned and distributed by the state treasurer as follows:

47 (a) In counties having a population of 5,000 or more:

48 (1) If there are no incorporated cities within the county, the entire
49 amount shall go into the county treasury.

50 (2) If there is one incorporated city within the county the money

1 shall be apportioned between the city and the county on the basis of the
 2 population of such city and the population of such county excluding the
 3 population of such city, as determined by the last preceding national cen-
 4 sus of the Bureau of the Census of the United States Department of
 5 Commerce.

6 (3) If there are two or more incorporated cities within the county,
 7 the entire amount shall be apportioned among such cities in proportion
 8 to their respective populations as determined by the last preceding
 9 national census of the Bureau of the Census of the United States Depart-
 10 ment of Commerce.

11 (b) In counties having a population of less than 5,000:

12 (1) If there are no incorporated cities [or unincorporated towns]
 13 within the county, the entire amount shall go into the county treasury.

14 (2) If there is one incorporated city [or one unincorporated town]
 15 within the county the money shall be apportioned between the city [or
 16 town] and the county on the basis of the population of such city [or
 17 town] and the population of such county excluding the population of
 18 such city, [or town,] as determined by the last preceding national census
 19 of the Bureau of the Census of the United States Department of Com-
 20 merce, regardless of the form of government of such city [or town] at
 21 the time such census was conducted.

22 (3) If there are two or more incorporated cities [or unincorporated
 23 towns or an incorporated city and an unincorporated town] within the
 24 county, the entire amount shall be apportioned among such cities [or
 25 towns] in proportion to their respective populations as determined by the
 26 last preceding national census of the Bureau of the Census of the United
 27 States Department of Commerce, regardless of the form of government of
 28 such city [or town] at the time such census was conducted.

29 (c) In Carson City the entire amount shall go into the city treasury.

30 [4. For the purposes of this section, "unincorporated town" means
 31 only those towns governed by town boards organized pursuant to NRS
 32 269.016 to 269.019, inclusive.]

33 SEC. 14. NRS 463.320 is hereby amended to read as follows:

34 463.320 1. All gaming license fees imposed by the provisions of NRS
 35 463.370, 463.373, 463.375, 463.380, 463.383 and 463.390 shall be col-
 36 lected and disposed of as herein provided.

37 2. All state gaming license fees and penalties shall be collected by the
 38 commission and paid over immediately to the state treasurer to be dis-
 39 posed of as follows:

40 (a) All state gaming license fees and penalties other than the license
 41 fees imposed by the provisions of NRS 463.380 shall be deposited for
 42 credit to the general fund.

43 (b) All state gaming license fees imposed by the provisions of NRS
 44 463.380 shall, after deduction of costs of administration and collection,
 45 be divided equally among the various counties and transmitted to the
 46 respective county treasurers. Such fees, except as otherwise provided
 47 herein, shall be deposited by the county treasurer in the county general
 48 fund and shall be expended for county purposes. If the board of county
 49 commissioners desires to apportion and allocate all or a portion of such
 50 fees to one or more incorporated [or unincorporated] cities [or towns]

1 within the county, the board of county commissioners shall, annually,
2 prior to the preparation of the city [or town] budget or budgets as
3 required by chapter 354 of NRS, adopt a resolution so apportioning and
4 allocating a percentage of such fees anticipated to be received during the
5 coming fiscal year to such city or cities [or town or towns] for the next
6 fiscal year commencing July 1. After the adoption of the resolution the
7 percentage so apportioned and allocated shall be converted to a dollar
8 figure and included in city [or town] budget or budgets as an estimated
9 receipt for the next fiscal year. Quarterly upon receipt of the moneys from
10 the state, the county treasurer shall deposit an amount of money equal to
11 the percentage so apportioned and allocated to the credit of the city [or
12 town fund] to be used for city [or town] purposes, and the balance
13 remaining shall be deposited in the county general fund and shall be
14 expended for county purposes.

15 3. (a) County license fees shall be collected by the sheriff, and no
16 license money paid to the sheriff shall be refunded, whether the slot
17 machine, game or device for which such license was issued has volun-
18 tarily ceased or its license has been revoked or suspended, or for any
19 other reason.

20 (b) The sheriff in his county shall demand that all persons required to
21 procure county licenses in accordance with this chapter take out and pay
22 for the same, and he shall be held liable on his official bond for all
23 moneys due for such licenses remaining uncollected by reason of his
24 negligence.

25 (c) On or before the 5th day of each month the sheriff shall pay over
26 to the county treasurer all moneys received by him for licenses and take
27 from the county treasurer a receipt therefor, and he shall immediately on
28 the same day return to the county auditor all licenses not issued or dis-
29 posed of by him as is by law provided in respect to other county licenses.

30 (d) All moneys received for county gaming licenses under this chapter
31 shall be paid: 25 percent to the state treasurer for credit to the general
32 fund of the state, and 75 percent shall be retained by the county treas-
33 urer for credit to the county general fund, [except:

34 (1) Where] *except where* the license is collected within the bound-
35 aries of any incorporated city, [or town,] the county shall retain 25 per-
36 cent of such moneys, and the incorporated city [or town] shall receive
37 50 percent of such moneys, which shall be paid into the general fund
38 of such incorporated city. [or town.

39 (2) Where the license is collected within the boundaries of any unin-
40 corporated city or town that is under the control of the board of county
41 commissioners under and by virtue of chapter 269 of NRS, the county
42 shall retain 25 percent of such moneys, and 50 percent of such moneys
43 so collected shall be placed in the town government fund for general use
44 and benefit of such unincorporated city or town.]

45 SEC. 15. NRS 710.400 to 710.590, inclusive, are hereby repealed.

46 SEC. 16. This act shall become effective July 1, 1977.

S. B. 357

SENATE BILL NO. 357—COMMITTEE ON
GOVERNMENT AFFAIRS

MARCH 19, 1975

Referred to Committee on Government Affairs

SUMMARY—Authorizes the City of Reno to issue tax increment securities which may be also payable from other tax proceeds and other revenues and provides other provision concerning the foregoing. Fiscal Note: No. (BDR S-1318)

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT designated as the Reno Revitalization and Redevelopment Law; providing tax increment accounts as special accounts for crediting thereto certain tax proceeds for the payment of bonds and other securities issued by the City of Reno to defray costs of acquiring, improving or equipping (or any combination thereof) any project or projects authorized by the City Bond Law, among other methods for their payment; providing procedures for determining tax increment areas pertaining to such tax allocations and for the issuance of such securities; concerning powers, rights, privileges, immunities, liabilities, duties, disabilities and other details in connection with such undertakings, such projects, such securities, the taxes and other revenues for their payment, their proceeds, other moneys, and pledges and liens pertaining thereto, including, without limitation, by reference to the City Bond Law and the Local Government Securities Law; concerning cooperative powers and other provisions among the city, other public bodies, the state and the Federal Government in connection therewith; and providing other matters properly relating thereto.

*The People of the State of Nevada, represented in Senate and Assembly,
do enact as follows:*

- 1 SECTION 1. Short title. This act may be cited as the Reno Revital-
2 ization and Redevelopment Law.
- 3 SEC. 2. Legislative determination. The legislature by this act deter-
4 mines, finds and declares:
- 5 1. All property to be acquired by the city hereunder shall be owned,
6 operated, administered and maintained for and on behalf of all the people
7 of the city.
- 8 2. The reorganization of the city hereby promotes the public health,
9 comfort, safety, convenience and welfare of all the people of the state,
10 and will be of special benefit to the inhabitants of the city and the prop-
11 erty therein.
- 12 3. The provision in this act of the purposes, powers, rights, privileges,
13 immunities, liabilities, duties and disabilities concerning the city will
14 serve a public purpose.

1 4. Any notice provided for herein for any purpose is reasonably
2 calculated to inform each person of interest in any proceedings hereunder
3 which may directly and adversely affect his legally protected interests,
4 if any.

5 5. The necessity for this act results from:

6 (a) The large population growth in the urban areas hereby included
7 within the city and its environs, constituting in the aggregate a significant
8 portion of the state's population;

9 (b) The numerous capital improvements and large amount of
10 improved real property situated within such urban areas;

11 (c) The need of capital improvements within certain areas within the
12 city to provide needed services, facilities and other improvements for
13 public use;

14 (d) The existence of blighted or deteriorating areas within the city
15 constituting a serious and growing menace which is condemned as inju-
16 rious and inimical to the public health, safety and welfare of the people
17 of the state, and particularly the city;

18 (e) Such lack of such municipally owned capital improvements and
19 such blighted or deteriorating areas presenting difficulties and handicaps
20 which are beyond remedy and control solely by regulatory processes in
21 the exercise of the police power;

22 (f) Such deficiencies contributing substantially and increasingly to the
23 problems of, and necessitating excessive and disproportionate expenditures
24 for, crime prevention, and the preservation of the public health, safety
25 and welfare;

26 (g) Such deficiencies constituting an economic and social liability
27 imposing onerous municipal burdens which decrease the tax base and
28 reduce tax revenues, and aggravate traffic hazards and the improvement
29 of the traffic facilities; and

30 (h) The areas in which such deficiencies exist consuming an excessive
31 proportion of the city's revenues because of the extra services required
32 for police, fire, accident, hospitalization and other forms of public pro-
33 tection.

34 6. This menace is becoming increasingly direct and substantial in its
35 significance and effect.

36 7. The benefits which will result from the remedying of such defi-
37 ciencies by making available additional revenues to defray indirectly the
38 costs of undertakings within the city authorized by the City Bond Law
39 and the redevelopment of blighted or deteriorative areas therein will
40 accrue to the inhabitants and the property owners of the city as a whole,
41 will be of general benefit thereto, and will be of special benefits to the
42 taxable real property within a tax increment area and to the owners of
43 such property.

44 8. The method of paying the bond requirements of securities issued
45 hereunder is equitable and enables the city to issue securities to defray
46 the cost of any project or projects.

47 9. A general law cannot be made applicable to the city, and to prop-
48 erties, powers, rights, privileges, immunities, liabilities, duties and dis-
49 abilities pertaining thereto as herein provided, because of the number of
50 atypical factors and special conditions concerning them.

1 10. The powers, rights and privileges herein granted and the immuni-
2 ties, liabilities, duties and disabilities herein provided comply in all
3 respects with any requirement or limitation imposed by any constitutional
4 provision.

5 11. For the accomplishment of the purposes provided in this section
6 the provisions of this act shall be broadly construed.

7 SEC. 3. Definitions. Except as otherwise provided in this act or
8 where the context thereof otherwise requires, terms used or referred to
9 herein are as defined in the City Bond Law, as from time to time amended,
10 and except as otherwise provided in such law, as defined in the Local
11 Government Securities Law, as from time to time amended; but the defi-
12 nitions in sections 4 to 21, inclusive, of this act, except where the context
13 otherwise requires, govern the construction hereof.

14 SEC. 4. Act defined. "Act" means this Reno Revitalization and
15 Redevelopment Law.

16 SEC. 5. Bond requirements defined. "Bond requirements" means
17 the principal of, any prior redemption premiums due in connection with,
18 and the interest on designated bonds or other securities.

19 SEC. 6. City, municipality defined. "City" or the "municipality"
20 means the City of Reno, in the county of Washoe and the State of Nevada.

21 SEC. 7. City charter defined. "City charter" means the special act
22 for the government of the city which was enacted as chapter 662, Stat-
23 utes of Nevada 1971, as from time to time amended.

24 SEC. 8. Cost of the undertaking defined. "Cost of the undertaking,"
25 or any phrase of similar import, means the "cost of any project" as the
26 latter phrase is defined in the Local Government Securities Law in NRS
27 350.516.

28 SEC. 9. County defined. "County" means the county of Washoe, in
29 the State of Nevada.

30 SEC. 10. Engineer defined. "Engineer" means the city engineer or
31 firm of engineers employed by the municipality in connection with any
32 undertaking, any project or the exercise of any power herein authorized.

33 SEC. 11. Facilities defined. 1. "Facilities" means buildings, struc-
34 tures, utilities or other properties pertaining to any undertaking or any
35 project herein authorized, including, without limitation, income-produc-
36 ing facilities, and facilities acquired with the proceeds of bonds or other
37 securities issued hereunder.

38 2. Facilities may consist of all properties, real, personal, mixed or
39 otherwise acquired by the city or the public body, as the case may be,
40 by any undertaking for any one or more projects through purchase,
41 condemnation, construction or otherwise, and used in connection with
42 any such project and related services or in any way pertaining thereto,
43 whether situated within or without or both within and without the ter-
44 ritorial limits of the city or the public body, as the case may be.

45 3. The city shall not acquire as a part of its facilities any properties
46 which at the time of their acquisition compete in any area with then exist-
47 ing properties of a public body providing the same or a similar function or
48 service therein, but the facilities of the city may complement such existing
49 properties of a public body by providing in such an area supplemental

1 functions or services if such existing properties provide inadequate func-
2 tions or services.

3 4. The city may acquire properties of any public body situate in the
4 city as one undertaking or a project of the city or an interest therein.

5 SEC. 12. Governing body defined. "Governing body," unless fur-
6 ther qualified, means the city council of the municipality; but if such term
7 is so qualified, such term has the meaning stated in the Local Government
8 Securities Law in NRS 350.524.

9 SEC. 13. Hereby, etc., defined. 1. "Hereby," "herein," "herein-
10 above," "hereinafter," "hereof," "hereunder," "herewith," or any term of
11 similar import, refers to this act and not solely to the particular portion
12 thereof in which such word is used.

13 2. "Heretofore" means before the adoption of this act.

14 3. "Hereafter" means after the adoption of this act.

15 SEC. 14. Mailed notice, notice by mail defined. 1. "Mailed notice"
16 or "notice by mail" means the giving by the engineer, clerk, or any deputy
17 thereof, as determined by the governing body, of any designated
18 written or printed notice addressed to the last-known owner or owners
19 of each tract in a tax increment area or other designated person at his
20 or their last-known address or addresses by deposit, at least 20 days
21 prior to the designated hearing or other time or event, in the United
22 States mails, postage prepaid as first-class mail.

23 2. The names and addresses of such property owners shall be
24 obtained from the records of the county assessor or from such other
25 source or sources as the clerk or the engineer deems reliable. Any list
26 of such names and addresses pertaining to any tax increment area may
27 be revised from time to time, but such a list need not be revised more
28 frequently than at 12-month intervals if any such list is needed for a
29 period longer than 12 months.

30 3. Any mailing of any notice herein required shall be verified by
31 the affidavit or certificate of the engineer, clerk, deputy, or other person
32 mailing the notice, which verification shall be retained in the records of
33 the municipality at least until all bonds and any other securities pertain-
34 ing to a tax increment account have been paid in full, or any claim is
35 barred by a statute of limitations.

36 4. Such verification of mailing shall be prima facie evidence of the
37 mailing of such notice in accordance with the requirements of this section.

38 SEC. 15. Newspaper defined. "Newspaper" means a newspaper
39 printed in the English language at least once each calendar week and pub-
40 lished and of general circulation in the city.

41 SEC. 16. Municipality defined. "Municipality" means the "city," as
42 herein defined.

43 SEC. 17. Posting defined. 1. "Posting" means posting in three pub-
44 lic places at or near the site of the undertaking or any project designated
45 at least 20 days prior to the designated hearing or other time or event.

46 2. Any posting of any notice herein required shall be verified by the
47 affidavit or certificate of the engineer, clerk, deputy, or other person post-
48 ing the notice and filed with the clerk, which verification shall be retained
49 in the records of the municipality at least until all the bonds and other

1 securities pertaining to a tax increment account have been paid in full, or
2 any claim is barred by a statute of limitations.

3 3. Such verification of posting shall be prima facie evidence of the
4 posting of such notice in accordance with the requirements of this section.

5 SEC. 18. Publication, publish defined. 1. "Publication" or "pub-
6 lish" means publication in at least one newspaper.

7 2. ~~Except as herein otherwise expressly provided or necessarily~~
8 implied, "publication" or "publish" also means publication for at least
9 once a week for 3 consecutive weeks by 3 weekly insertions, the first pub-
10 lication being at least 15 days prior to the designated time or event.
11 Unless otherwise so stated, it shall not be necessary that publication be
12 made on the same day of the week in each of the 3 calendar weeks, but
13 not less than 14 days shall intervene between the first publication and
14 the last publication.

15 3. Publication shall be complete on the day of the last publication

16 4. Any publication herein required shall be verified by the affidavit
17 of the publisher and filed with the clerk, which verification shall be
18 retained in the records of the municipality at least until all the bonds and
19 any other securities pertaining to a tax increment account have been paid
20 in full, or any claim is barred by a statute of limitations.

21 5. Such verification of publication shall be prima facie evidence of
22 the publication of such notice in accordance with the requirements of
23 this section.

24 SEC. 19. Tax increment account defined. "Tax increment account"
25 means a special account created pursuant to subsection 3 of section 28
26 hereof and other provisions herein supplemental thereto.

27 SEC. 20. Tax increment area defined. "Tax increment area" means
28 the area specially benefited by an undertaking hereunder, designated by
29 ordinance as provided in subsection 3 of section 28 hereof, and in which
30 is located the taxable property the assessed valuation of which is the
31 basis for the allocation of tax proceeds to the tax increment account
32 under section 29 hereof.

33 SEC. 21. Undertaking defined. "Undertaking" means any enterprise
34 to acquire, improve or equip (or any combination thereof) any project
35 or projects authorized in the City Bond Law and to defray the cost of
36 such enterprise wholly or in part by the issuance of the city's bonds or
37 other securities payable wholly or in part from tax proceeds allocated
38 to the tax increment account pertaining to such enterprise pursuant to
39 section 29 hereof.

40 SEC. 22. Construction. 1. This act, except where the context by
41 clear implication herein otherwise requires, shall be construed as follows:

42 (a) Sections, subsections, paragraphs and subparagraphs mentioned
43 by number, letter, or otherwise, correspond to the respective sections,
44 subsections, paragraphs and subparagraphs of this act so numbered or
45 otherwise so designated.

46 (b) The titles or headlines applied to sections in this act are inserted
47 only as a matter of convenience and ease in reference and in no way
48 define, limit or describe the scope or intent of any provision of this act.

49 (c) Figures may be used instead of words, and words may be used

1 instead of figures in all notices, proceedings, and other documents required
2 hereby or otherwise pertaining hereto.

3 (d) Words in the singular number include the plural, and words in the
4 plural include the singular.

5 (e) Where the sense so indicates, words in the masculine gender
6 include the feminine and the neuter and words of the neuter gender refer
7 to any gender.

8 2. This act being necessary to secure and preserve the public health,
9 safety, convenience and general welfare, the rule of strict construction
10 shall have no application hereto, but it shall be liberally construed to effect
11 the purpose and objects for which this act is intended.

12 SEC. 23. Authorization of tax increment area. The governing body,
13 on the behalf and in the name of the city, may at any time designate a
14 tax increment area within the city for the purpose of creating a special
15 account for the payment of bonds or other securities issued to defray
16 the cost of the acquisition, improvement or equipment (or any combina-
17 tion thereof) of a project or projects authorized in the City Bond Law,
18 as from time to time amended, including, without limitation, the condem-
19 nation of property for any such undertaking, as supplemented by the
20 Local Government Securities Law, except as herein otherwise provided.

21 SEC. 24. Initiating procedure. 1. Whenever the governing body is
22 of the opinion that the interest of the city requires any undertaking which
23 is financed hereunder, the governing body, by resolution, shall direct the
24 engineer to prepare:

25 (a) Preliminary plans and a preliminary estimate of the cost of the
26 undertaking, including, without limitation, all estimated financing costs
27 to be capitalized with the proceeds of the city's securities and all other
28 estimated incidental costs relating to the undertaking;

29 (b) A statement of the proposed tax increment area pertaining thereto,
30 the last finalized amount of the assessed valuation of the taxable property
31 in such area, and the amount of taxes (including in such amount the sum
32 of any unpaid taxes, whether or not delinquent) resulting from the last
33 taxation of such property, based upon the records of the county assessor
34 and the county treasurer; and

35 (c) A statement of the estimated amount of the tax proceeds to be
36 credited annually to the tax increment account during the term of the pro-
37 posed securities payable therefrom.

38 2. The resolution shall describe the undertaking in general terms.

39 3. The resolutions shall state:

40 (a) What part or portion of the expense thereof shall be paid with the
41 proceeds of securities issued by the city in anticipation of tax proceeds to
42 be credited to the tax increment account and payable wholly or in part
43 therefrom;

44 (b) How the remaining part or portion of such expenses, if any, is to
45 be financed; and

46 (c) The basic security and any additional security for the payment of
47 securities of the city pertaining to the undertaking.

48 4. The resolution need not describe minutely each particular tract of
49 taxable real property proposed to be included within the tax increment
50 area, but simply designate the tax increment area or its location, so that

1 the various tracts of taxable real property and taxable personal property
2 located thereat can be ascertained and determined to be within or with-
3 out the proposed tax increment area.

4 5. The engineer shall forthwith file with the city clerk such prelim-
5 inary plans, estimate of cost, and statements.

6 6. Upon their filing, the governing body shall examine the same;
7 and if it finds them to be satisfactory, it shall, by resolution, provision-
8 ally order the undertaking.

9 SEC. 25. Provisional order resolution; Notice. 1. In the provisional
10 order resolution the governing body shall set a time at least 20 days
11 thereafter and place when and where any representative of the Federal
12 Government, the state or any public body, or any person resident of the
13 city or owning taxable personal or real property therein, or any repre-
14 sentative of any such person, may appear before the governing body and
15 be heard as to the propriety and advisability of the undertaking.

16 2. Notice shall be given:

17 (a) By mail;

18 (b) By posting; and

19 (c) By publication.

20 3. Proof of mailing and posting shall be by affidavit of the engineer,
21 clerk or any deputy mailing or posting, or both mailing and posting, the
22 notice, respectively.

23 4. Proof of publication shall be by affidavit of the publisher.

24 5. The notice shall:

25 (a) Describe the undertaking and the project or projects relating
26 thereto (without mentioning minor details or incidentals);

27 (b) State the preliminary estimate of the cost of the undertaking,
28 including all incidental costs, as stated in the engineer's report filed with
29 the governing body under the next preceding section hereof;

30 (c) Describe the proposed tax increment area pertaining to the under-
31 taking, the last finalized amount of the assessed valuation of the taxable
32 property in such area, and the amount of taxes (including in such amount
33 the sum of any unpaid taxes, whether or not delinquent) resulting from
34 the last taxation of such property, based upon the records of the county
35 assessor and the county treasurer;

36 (d) State what part or portion of the expense of the undertaking shall
37 be paid with the proceeds of securities issued by the city in anticipation
38 of tax proceeds to be credited to the tax increment account and payable
39 wholly or in part therefrom, and state the basic security and any addi-
40 tional security for the payment of securities of the city pertaining to the
41 undertaking;

42 (e) State how the remaining part or portion of such expense, if any, is
43 to be financed;

44 (f) State the estimated amount of the tax proceeds to be credited
45 annually to the tax increment account pertaining to the undertaking dur-
46 ing the term of the proposed securities payable from such tax proceeds,
47 and the estimated amount of any net revenues derived annually from the
48 operation of the project or projects pertaining to the undertaking and
49 pledged for the payment of such securities;

1 (g) State the estimated aggregate principal amount to be borrowed by
2 the issuance of such securities (excluding proceeds thereof to fund or
3 refund outstanding securities), and the estimated total bond requirements
4 of the securities;

5 (h) State whether the governing body finds, determines and declares
6 that the estimated tax proceeds credited to the tax increment account and
7 any such net pledged revenues shall be fully sufficient to pay the bond
8 requirements of such securities as the same become due; and

9 (i) The time and place when and where the governing body will con-
10 sider the ordering of the undertaking and hear all complaints, protests,
11 objections and other relevant comments concerning the same which may
12 be made in writing by any individual or body corporate designated in sub-
13 section 1 of this section and filed with the city clerk at least 3 days prior
14 thereto, or made verbally at the hearing by any individual designated in
15 subsection 1 of this section.

16 6. All proceedings may be modified or rescinded wholly or in part by
17 resolution adopted by the governing body at any time prior to the passage
18 of the ordinance ordering the undertaking and creating the tax increment
19 area and the tax increment account pertaining thereto pursuant to subsec-
20 tion 3 of section 28 hereof.

21 7. No substantial change in the undertaking, the preliminary esti-
22 mates, the proposed tax increment area or other statements relating
23 thereto shall be made after the first publication, posting or mailing of
24 notice to property owners, whichever occurs first, except for the deletion
25 of a portion of the undertaking and property from the proposed tax
26 increment area, unless the governing body after ordering such a change
27 provides for another provisional order hearing on all matters in the
28 premises and for notice of the hearing in the same manner as provided
29 herein for the initial hearing, but a subsequent finalization of the amount
30 of assessed valuation of taxable property in the tax increment area or a
31 subsequent levy of taxes shall not adversely affect proceedings taken
32 hereunder.

33 8. The engineer also shall have the right to make minor changes in
34 and to develop the undertaking as to the time, plans and materials
35 entering into the undertaking at any time before its completion.

36 SEC. 26. Provisional order hearing. 1. At the time and place of
37 the hearing, or at any adjournment thereof, the governing body shall
38 proceed to cause to be read and to consider all written complaints, pro-
39 tests, objections and other relevant comments properly made and so
40 filed with the clerk and to hear all verbal comments relating to the
41 undertaking.

42 2. After the hearing has been concluded, after all written complaints,
43 protests, objections and other relevant comments have been read and duly
44 considered, and after the governing body has heard and considered all
45 verbal comments made by individuals in interest and also has considered
46 any other relevant material put forth, if the governing body shall deter-
47 mine that the undertaking, or a part thereof, is not in the public interest,
48 the governing body by resolution shall make an order to that effect and
49 may modify the proposed tax increment area to conform to such order.
50 Thereupon the undertaking or the part thereof determined against by such

1 order shall stop and shall not be begun again until any adoption of a new
2 resolution.

3 3. Any complaint, protest or objection to the regularity, validity and
4 correctness of the proceedings taken and the instruments made prior to
5 the date of the hearing shall be deemed waived unless presented in writing
6 at the time and in the manner herein specified.

7 SEC. 27. Appeal from adverse order. Any person, public body, the
8 state or the Federal Government filing a written complaint, protest or
9 objection as provided in paragraph (i), subsection 5, section 25 hereof,
10 shall have the right, within 30 days after the governing body has finally
11 passed on such complaint, protest or objection by resolution pursuant to
12 subsection 2 of the next preceding section or by ordinance pursuant to
13 subsection 3 of the next succeeding section, to commence an action or suit
14 in any court of competent jurisdiction to correct or set aside such deter-
15 mination, but thereafter all actions or suits attacking the validity of the
16 proceedings shall be perpetually barred.

17 SEC. 28. Final order of undertaking. 1. After the provisional order
18 hearing and the consideration of all matters in the premises, and in the
19 event of any material changes other than the deletion of a part of the
20 undertaking and any modification of the tax increment area to conform
21 to such modification under subsection 2 of section 26 hereof, after the
22 supplemental provisional order hearing and the consideration of any
23 supplemental matters in the premises, the governing body shall determine
24 whether to proceed hereunder. If it has ordered any modification and
25 desires to proceed, it shall direct the engineer appropriately to modify
26 the plans, estimates and statements filed by him with the clerk under
27 subsection 5 of section 24 hereof.

28 2. The engineer shall appropriately modify the same and shall forth-
29 with file the modified plans, estimates and statements with the clerk.

30 3. When such plans, estimates and statements are prepared, filed with
31 the clerk and are satisfactory to the governing body, it shall, by ordinance,
32 overrule all complaints, protests and objections not otherwise acted upon,
33 unconditionally order the undertaking, as modified, if modified, describe
34 the tax increment area pertaining thereto, and create the tax increment
35 account therefor.

36 4. The ordinance may be introduced and adopted at one meeting by
37 not less than 5 affirmative votes as if an emergency exists and may be
38 effective upon its adoption and publication by title and collateral state-
39 ment or may be introduced and adopted as a regular measure, pursuant
40 to section 2,100, city charter, except as otherwise provided in this sub-
41 section.

42 SEC. 29. Allocation, division and disposition of tax proceeds. After
43 the effective date of such ordinance unconditionally ordering the under-
44 taking and providing for tax increment financing, any taxes levied upon
45 taxable property in the tax increment area each year by or for the bene-
46 fit of the state, the city and any public body shall be divided as follows:

47 1. That portion of the taxes which would be produced by the rate
48 upon which the tax is levied each year by or for each of such taxing
49 agencies upon the total sum of the assessed value of the taxable prop-
50 erty in the tax increment area as shown upon the assessment roll used

1 in connection with the taxation of such property by such taxing agency,
2 last equalized prior to the effective date of such ordinance, shall be allo-
3 cated to and when collected shall be paid into the funds of the respec-
4 tive taxing agencies as taxes by or for such taxing agencies as taxes on
5 all other property are paid.

6 2. That portion of such levied taxes each year in excess of such
7 amount shall be allocated to and when collected shall be paid into the tax
8 increment account pertaining to the undertaking to pay the bond require-
9 ments of loans, moneys advanced to, or indebtedness, whether funded,
10 refunded, assumed, or otherwise, incurred by the city to finance or refi-
11 nance, in whole or in part, such undertaking. Unless and until the total
12 assessed valuation of the taxable property in the tax increment area
13 exceeds the total assessed value of the taxable property in such area as
14 shown by the last equalized assessment roll referred to in subsection one,
15 all of the taxes levied and collected upon the taxable property in such area
16 shall be paid into the funds of the respective taxing agencies. When such
17 loans, advances and indebtedness, if any, and interest thereon, have been
18 paid, all moneys thereafter received from taxes upon the taxable property
19 in such area shall be paid into the funds of the respective taxing agencies
20 as taxes on all other property are paid.

21 SEC. 30. Municipal securities. 1. The city may issue, to defray
22 wholly or in part the cost of the undertaking, the following securities:

- 23 (a) Notes;
- 24 (b) Warrants;
- 25 (c) Interim debentures;
- 26 (d) Bonds; and
- 27 (e) Temporary bonds.

28 2. Such securities may be payable from:

- 29 (a) Tax proceeds accounted for in the tax increment account, and at
30 the city's option;
- 31 (b) Net revenues derived from the operation of the project or projects
32 acquired, improved or equipped (or any combination thereof) under
33 the undertaking and pledged for the payment of the securities, and also
34 at the city's option; or
- 35 (c) Taxes levied by the city for the payment of the bond requirements
36 of the securities.

37 3. Any securities payable only in the manner provided in either
38 paragraph (a) of the next preceding subsection or both paragraph (a)
39 and (b) of such subsection shall be special obligations of the city, shall
40 not in their issuance be subject to the debt limitation in subsection 1, sec-
41 tion 7.010, city charter, or otherwise imposed by law, nor, while they are
42 outstanding, exhaust the city's debt incurring power thereunder, and may
43 be issued under the provisions of the Local Government Securities Law,
44 except as otherwise provided herein, without any compliance with the
45 provisions of NRS 350.001 to 350.006, inclusive, or NRS 350.010 to
46 350.070, inclusive, and without any approval or other preliminaries,
47 except as provided in the Local Government Securities Law.

48 4. Any securities payable from taxes in the manner provided in para-
49 graph (c) of subsection 2 of this section, regardless of whether they are

1 also payable in the manner provided only in paragraph (a) of such sub-
2 section or in both paragraphs (a) and (b) of such subsection, shall be
3 general obligations of the city, shall in their issuance be subject to such
4 debt limitation and, while they are outstanding, shall exhaust the city's
5 debt incurring power thereunder, and may be issued under the provisions
6 of the Local Government Securities Law only after the issuance of city
7 bonds is approved under the provisions of:

8 (a) NRS 350.001 to 350.006, inclusive; and

9 (b) NRS 350.010 to 350.070, inclusive,

10 except for the issuance of notes or warrants under the Local Government
11 Securities Law which are payable out of the current year's revenues and
12 are not to be funded with the proceeds of interim debentures or bonds in
13 the absence of such bond approval under the two acts designated in para-
14 graphs (a) and (b) of this subsection.

15 5. In the proceedings for the advance of moneys, or making of loans,
16 or the incurring of any indebtedness, whether funded, refunded, assumed
17 or otherwise, by the city to finance or refinance, in whole or in part, the
18 undertaking, wholly or in part, the portion of taxes mentioned in subsec-
19 tion 2 of the next preceding section shall be irrevocably pledged for the
20 payment of the bond requirements of such loans, advances or indebted-
21 ness. The provisions in the Local Government Securities Law pertaining
22 to net pledged revenues are applicable to such pledge to secure the pay-
23 ment of such tax increment bonds.

24 SEC. 31. Cooperative powers. The city shall also have the following
25 powers:

26 1. To accept contributions or loans from the Federal Government,
27 the state or any public body (or any combination thereof) for the purpose
28 of financing the planning, acquisition, improvement, equipment, mainte-
29 nance and operation of any enterprise pertaining to an undertaking in
30 which the city is authorized to engage, and to enter into contracts and
31 cooperate with, and accept cooperation from, the Federal Government,
32 the state or any public body (or any combination thereof) in the planning,
33 acquisition, improvement, equipment, maintenance and operation, and in
34 financing the planning, acquisition, improvement, equipment, maintenance
35 and operation of any such enterprise in accordance with any legislation
36 which Congress, the state legislature or any governing body of any public
37 body (or any combination thereof) may have heretofore adopted or may
38 hereafter adopt, under which aid, assistance and cooperation may be fur-
39 nished by the Federal Government, the state or public body (or any com-
40 bination thereof) in the planning, acquisition, improvement, equipment,
41 maintenance and operation or in financing the planning, acquisition,
42 improvement, equipment, maintenance and operation of any such enter-
43 prise, including, without limitation, costs of engineering, architectural, and
44 economic investigations and studies, surveys, designs, plans, working
45 drawings, specifications, procedures and other action preliminary to the
46 acquisition, improvement or equipment of any project, and to do any and
47 all things necessary in order to avail itself of such aid, assistance and
48 cooperation under any federal or state legislation now or hereafter
49 enacted.

1 2. To enter, without any election, into joint operating or service con-
2 tracts and agreements, acquisition, improvement, equipment or disposal
3 contracts or other arrangements, for any term not exceeding 50 years,
4 with the Federal Government, the state and any public body (or any
5 combination thereof), concerning the undertaking, and any project or
6 property pertaining thereto, whether acquired by the city, by the Federal
7 Government, by the state or by any public body, and to accept grants
8 and contributions from the Federal Government, the state, any public
9 body or any person (or any combination thereof) in connection there-
10 with.

11 3. To enter into and perform, without any election, when determined
12 by the governing body of the city to be in the public interest, contracts
13 and agreements, for any term not exceeding 50 years, with the Federal
14 Government, the state, any public body or any person (or any combina-
15 tion thereof) for the provision and operation by the city of any facilities
16 whether or not pertaining to the undertaking of the city or any project
17 relating thereto and the payment periodically thereby to the city of
18 amounts at least sufficient, if any, in the determination of the governing
19 body, to compensate the city for the cost of providing, operating and
20 maintaining such facilities serving the Federal Government, the state,
21 such public body or such person, or otherwise.

22 4. To enter into and perform, without any election, contracts and
23 agreements with the Federal Government, the state, any public body or
24 any person (or combination thereof) for or concerning the planning, con-
25 struction, lease or other acquisition, improvement, equipment, operation,
26 maintenance, disposal and the financing of any property pertaining to the
27 facilities of the city or to any undertaking or any project of the city, or
28 otherwise, including, without limitation, any contract or agreement for any
29 term not exceeding 50 years.

30 5. To cooperate with and act in conjunction with the Federal Gov-
31 ernment, or any of its engineers, officers, boards, commissions or depart-
32 ments, or with the state, or any of its engineers, officers, boards,
33 commissions or departments, or with any public body or any person in the
34 acquisition, improvement or equipment of any facilities or any project
35 authorized for the city or for any other works, acts or purposes provided
36 for herein, and to adopt and carry out any definite plan or system of work
37 for any such purpose.

38 6. To cooperate with the Federal Government, the state or any pub-
39 lic body (or any combination thereof) by an agreement therewith by
40 which the district may:

41 (a) Acquire and provide, without cost to the cooperating entity, the
42 land, easements and rights-of-way necessary for the acquisition, improve-
43 ment or equipment (or any combination thereof) of any properties per-
44 taining to the undertaking or any other facilities;

45 (b) Hold and save harmless the cooperating entity free from any claim
46 for damages arising from the acquisition, improvement, equipment, main-
47 tenance and operation (or any combination thereof) of any facilities;

48 (c) Maintain and operate any facilities in accordance with regulations
49 prescribed by the cooperating entity; and

1 (d) Establish and enforce regulations, if any, concerning the facilities
2 and satisfactory to the cooperating entity.

3 7. To provide, by any contract for any term not exceeding 50 years,
4 or otherwise, without an election:

5 ~~(a) For the joint use of personnel, equipment, and facilities of the city,~~
6 the Federal Government, the state and any public body (or any com-
7 bination thereof), including, without limitation, public buildings con-
8 structed by or under the supervision of the governing body of the city
9 or the other party or parties to the contract concerned, upon such terms
10 and agreements and within such areas within the city as may be deter-
11 mined, for the promotion and protection of health, comfort, safety, life,
12 welfare and property of the inhabitants of the city, the Federal Govern-
13 ment, the state, any such public body and any persons of interest, as the
14 case may be; and

15 (b) For the joint employment of clerks, stenographers and other
16 employees pertaining to the facilities, any project or the undertaking, now
17 existing or hereafter established in the city, upon such terms and condi-
18 tions as may be determined for the equitable apportionment of the
19 expenses therefrom resulting.

20 8. In connection with any facilities of the city or any part of the facil-
21 ities, acquired or proposed in connection with an undertaking, or with any
22 project, to consult with any regulatory or other agency of the Federal
23 Government, the state or any public body and to submit plans, specifica-
24 tions or other instruments or documents (or any combination thereof) to
25 each such governmental agency for its review, recommendations and other
26 comments.

27 SEC. 32. Public purpose. The exercise of any power herein author-
28 ized by the governing body of the city upon its behalf has been deter-
29 mined, and is hereby declared, to effect a public purpose; and any
30 undertaking herein authorized shall effect a public purpose.

31 SEC. 33. Sufficiency of act. 1. This act, without reference to other
32 statutes of the state, except as herein otherwise expressly provided, shall
33 constitute full authority for the exercise of powers herein granted.

34 2. No other act or law with regard to the exercise of any power herein
35 granted that provides for an election, requires an approval, or in any way
36 impedes or restricts the carrying out of the acts herein authorized to be
37 done shall be construed as applying to any proceedings taken hereunder
38 or acts done pursuant hereto, except as herein provided.

39 3. The powers conferred by this act shall be in addition and supple-
40 mental to, and not in substitution for, and the limitations imposed by this
41 act shall not affect the powers conferred by, any other law.

42 4. No part of this act shall repeal or affect any other law or part
43 thereof, it being intended that this act shall provide a separate method of
44 accomplishing its objectives and not an exclusive one; and this act shall
45 not be construed as repealing, amending or changing any such other law.

46 SEC. 34. Severability. If any provision of this act or the application
47 thereof to any person, thing or circumstance is held invalid, such invalidity
48 shall not affect other provisions or applications of this act that can be

- 1 given effect without the invalid provision or application, and to this end
- 2 the provisions of this act are declared to be severable.
- 3 SEC. 35. Effective date. This act shall become effective 7 days after
- 4 its passage and approval.

50

S. B. 497

SENATE BILL NO. 497—SENATORS YOUNG AND GOJACK

APRIL 8, 1975

Referred to Committee on Government Affairs

SUMMARY—Requires creation of joint river development review boards in certain counties. Fiscal Note: No. (BDR 22-1686)

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to planning and zoning; requiring the creation of joint river development review boards in certain counties; specifying the recommendatory powers and duties of such boards; providing for the payment of expenses of such boards; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. Chapter 278 of NRS is hereby amended by adding
2 thereto a new section which shall read as follows:
3 1. *The legislature finds that:*
4 (a) Pursuant to NRS 278.160 the conservation and recreation plans,
5 elements of the master plan, are required to include provisions for flood
6 control, the prevention and control of the pollution of streams and other
7 waters, the prevention, control and correction of the erosion of soils
8 through proper clearing, grading and landscaping, and the reservation
9 of riverbank strips.
10 (b) The rivers of Nevada possess scenic, recreational and other values
11 of present and future benefit which require review of activities reasonably
12 adjacent thereto for the purpose of determining possible effects which
13 such activities will have on the rivers' channels, banks and vegetation and
14 to insure proper controls over drainage and site improvements necessary
15 to protect the water quality of the rivers and their appearance.
16 (c) The institution of additional safeguards are necessary whereby prop-
17 erty owners, land developers and governing bodies of local governments
18 can be assured that activities within reasonable distances from the river
19 bank will be of high quality and in the best interests of the public.
20 (d) Uncontrolled development, construction and the use of land adja-
21 cent to a river may affect detrimentally the future preservation of
22 Nevada's rivers as valuable natural resources and recreational assets.
23 2. In a county having a population of not less than 100,000 or more
24 than 200,000, as determined by the last preceding national census of the
25 Bureau of the Census of the United States Department of Commerce,
26 containing one or more interstate rivers and in which a regional planning
27 commission exists pursuant to the provisions of NRS 278.090, the board

1 of county commissioners and the governing bodies of the municipalities
 2 within the county shall, by ordinance to be effective within 90 days of
 3 the effective date of this act:

4 (a) Create a joint river development review board, specifying the num-
 5 ber, terms, compensation, if any, and the method of removal of the mem-
 6 bers thereof.

7 (b) Specify the dimensions of the riverbank area subject to review by
 8 such board.

9 (c) Specify the powers and duties of such board. The powers and duties
 10 shall be only recommendatory and may pertain to but shall not be limited
 11 to:

12 (1) Review of development plans on property along the river.

13 (2) Recommendations to the regional planning commission, zoning
 14 boards of adjustment and building inspectors with respect to maintaining
 15 the river as a natural environmental corridor.

16 (3) Cooperative development along the river.

17 (4) Maintenance of open space along the river.

18 (5) Public access to the river.

19 (6) Water quality of the river.

20 (7) Acquisition and retention of the riverbank for public use.

21 3. Except as otherwise provided in this subsection, the regional plan-
 22 ning commission, zoning boards of adjustment and building inspectors
 23 shall not proceed to consider, hear, grant or make recommendations to
 24 governing bodies of local governments until the recommendations of the
 25 joint river development review board have been received concerning:

26 (a) Applications for building permits where the estimated value of the
 27 proposed improvement exceeds \$1,000.

28 (b) Changes of land use classification.

29 (c) Variances.

30 (d) Special use permits.

31 (e) Tentative subdivision plats.

32 (f) Parcel maps.

33 Immediately upon the filing of an application for a building permit,
 34 change of land use, variance, special use permit, tentative subdivision map
 35 or parcel map which concerns land lying within the riverbank area subject
 36 to review by the joint river development review board, the officer, board
 37 or commission with whom such application or map is filed shall transmit a
 38 copy of such application or map to the joint river development board for
 39 its written recommendations. Failure of the joint river development review
 40 board to respond to such application or map within 10 days from the date
 41 of transmittal shall be deemed to be a recommendation of approval.

42 4. The joint river development review board may make independent
 43 recommendations to the regional planning commission concerning the
 44 desirability of regulations for the protection of the river as a natural
 45 resource and recreational asset.

46 5. Expenses of the joint river development review board may be paid
 47 from appropriations made to the regional planning commission pursuant
 48 to NRS 278.120.

49 SEC. 2. This act shall become effective upon passage and approval.

S. B. 28**SENATE BILL NO. 28—SENATORS HILBRECHT,
NEAL, GOJACK, FOOTE AND BRYAN**

JANUARY 27, 1975

Referred to Committee on Government Affairs

SUMMARY—Changes composition of state dairy commission.
Fiscal Note: No. (BDR 51-438)EXPLANATION—Matter in *italics* is new; matter in brackets [] is
material to be omitted.

AN ACT relating to the state dairy commission of the State of Nevada; reconstituting the membership thereof; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. NRS 584.430 is hereby amended to read as follows:
2 584.430 [Two members of the commission shall be producers, one
3 member shall be a distributor, and one member shall be a producer-
4 distributor, two members shall be operators of retail stores and three
5 members shall be persons representing the consuming public who have
6 no connection with producers, distributors, producer-distributors, or the
7 retail stores.] *The composition of the commission shall be as follows:*
8 1. *Two members shall be producers;*
9 2. *One member shall be a distributor or a producer-distributor;*
10 3. *One member shall be an operator of a retail store; and*
11 4. *Five members shall be persons representing the consuming public*
12 *who have no connection with producers, distributors, producer-distribu-*
13 *tors or the retail stores, as follows:*
14 (a) *One representative from a business employing no more than 10 per-*
15 *sons;*
16 (b) *One representative from a nonprofit consumer organization;*
17 (c) *One representative from a senior citizens' organization;*
18 (d) *One representative from a financial institution; and*
19 (e) *One representative from the public at large.*
20 SEC. 2. The governor shall, no later than August 1, 1975, remove one
21 member of the state dairy commission of the State of Nevada who is a
22 producer, one member who is an operator of a retail store and three mem-
23 bers who are representatives of the consuming public and appoint five
24 representatives of the consuming public, as specified in section 1 of this
25 act, to replace them.

S. B. 178

SENATE BILL NO. 178—SENATORS
BRYAN AND HILBRECHT

FEBRUARY 11, 1975

Referred to Committee on Government Affairs

SUMMARY—Changes composition of state dairy commission.
Fiscal Note: No. (BDR 51-400)

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to the state dairy commission of the State of Nevada; reconstituting the membership thereof; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. NRS 584.430 is hereby amended to read as follows:
2 584.430 **[Two members]** *One member* of the commission shall be
3 **[producers,]** *a producer*, one member shall be a distributor, **[and]** one
4 member shall be a producer-distributor, **[two members]** *one member*
5 shall be **[operators of retail stores and three]** *an operator of a retail*
6 *store and five members* shall be persons representing the consuming
7 public who have no connection with producers, distributors, producer-
8 distributors, or the retail stores.
9 SEC. 2. The governor shall, no later than August 1, 1975, remove
10 one member of the state dairy commission of the State of Nevada who
11 is a producer and one member who is an operator of a retail store and
12 appoint two representatives of the consuming public to replace them.

(REPRINTED WITH ADOPTED AMENDMENTS)

SECOND REPRINT

A. B. 29

ASSEMBLY BILL NO. 29—ASSEMBLYMEN MANN, MELLO,
LOWMAN, WITTENBERG, DREYER, DEMERS, VERGIELS,
BENNETT, BREMNER, CHANEY, SENA, POLISH AND
SCHOFIELD

JANUARY 22, 1975

Referred to Committee on Agriculture

SUMMARY—Abolishes state dairy commission. Fiscal Note:
No. (BDR 51-406)

EXPLANATION—Matter in *italics* is new; matter in brackets [] is
material to be omitted.

AN ACT relating to dairy products and substitutes; altering the composition and duties of the state dairy commission; limiting the regulation of retail prices; providing for an executive director of the commission to be in the unclassified service of the state; and providing other matters properly relating thereto.

*The People of the State of Nevada, represented in Senate and Assembly,
do enact as follows:*

- 1 SECTION 1. NRS 584.410 is hereby amended to read as follows:
2 584.410 The purposes of NRS 584.325 to 584.690, inclusive, are:
3 1. To provide funds for administration and enforcement of NRS
4 584.325 to 584.690, inclusive, by assessments to be paid by producers
5 of fluid milk or fluid cream or both, and from licenses issued to distrib-
6 utors in the manner prescribed herein.
7 2. To authorize and enable the commission to prescribe marketing
8 areas and to fix prices at which fluid milk or fluid cream, or both, may be
9 sold by producers [, distributors and retailers,] and distributors, which
10 areas and prices are necessary due to varying factors of costs of produc-
11 tion, health regulations, transportation and other factors in the marketing
12 areas of this state; but the price of fluid milk or fluid cream within any
13 marketing area shall be uniform for all purchasers of fluid milk or fluid
14 cream of similar grade or quality under like terms and conditions.
15 3. To authorize and enable the commission to formulate stabilization
16 and marketing plans subject to the limitations [herein] prescribed in NRS
17 584.325 to 584.690, inclusive, with respect to the contents of such stabil-
18 ization and marketing plans and declare such plans in effect for any mar-
19 keting area.
20 4. To enable the dairy industry with the aid of the state to correct

1 existing evils, develop and maintain satisfactory marketing conditions and
2 bring about a reasonable amount of stability and prosperity in the pro-
3 duction and marketing of fluid milk and fluid cream.

4 SEC. 2. NRS 584.420 is hereby amended to read as follows:

5 584.420 1. There is hereby created the state dairy commission of the
6 State of Nevada in which shall be vested the administration of the provi-
7 sions of NRS 584.325 to 584.690, inclusive.

8 2. The commission shall consist of [nine] eight members appointed
9 by the governor. The members shall select a chairman from among their
10 number.

11 SEC. 2.5. NRS 584.425 is hereby amended to read as follows:

12 584.425 [The members] 1. Except as provided in subsection 2,
13 each member of the commission shall serve [at the pleasure of the gov-
14 ernor; but no appointment shall extend beyond a period of 4 years from
15 the date of expiration of the preceding appointment.] for a term of 4
16 years.

17 2. As soon as convenient after July 1, 1975, the governor shall
18 appoint:

19 (a) Two members whose terms expire June 30, 1976;

20 (b) Two members whose terms expire June 30, 1977;

21 (c) Two members whose terms expire June 30, 1978; and

22 (d) Two members whose terms expire June 30, 1979.

23 One consumer member shall be appointed into each of these classes,
24 and the two producer members shall be appointed into different classes.

25 3. Any vacancy shall be filled by appointment for the unexpired term.

26 SEC. 3. NRS 584.430 is hereby amended to read as follows:

27 584.430 Two members of the commission shall be producers, one
28 member shall be a distributor [and one member shall be] or a producer-
29 distributor, [two members shall be operators of retail stores and three]
30 one member shall be an operator of a retail store and four members shall
31 be persons representing the consuming public who have no connection
32 with producers, distributors, producer-distributors, or [the] retail stores.

33 SEC. 4. NRS 584.435 is hereby amended to read as follows:

34 584.435 [Continued absence from meetings of the commission may
35 constitute] Absence from two consecutive meetings of the commission
36 constitutes good and sufficient cause for removal of a member by the gov-
37 ernor.

38 SEC. 4.5. NRS 584.455 is hereby amended to read as follows:

39 584.455 1. The commission, with the approval of the governor, shall
40 appoint an executive director, who shall serve ex officio as its secretary.
41 The commission may arrange and classify its work and may appoint such
42 assistants, deputies, agents, experts and other employees as are necessary
43 for the administration of NRS 584.325 to 584.690, inclusive, prescribe
44 their duties and fix their salaries in accordance with classifications made
45 by the [state department of] personnel [.] division of the department of
46 administration.

47 2. The executive director shall be in the unclassified service of the
48 state. All assistants, deputies, agents, experts and other employees shall
49 be [subject] in the classified service pursuant to the provisions of chap-
50 ter 284 of NRS.

1 3. *The executive director may be removed by a vote of six members*
2 *of the commission. The commission need not seek the approval of the*
3 *governor prior to removing the executive director.*

4 SEC. 5. NRS 584.520 is hereby amended to read as follows:

5 584.520 1. The commission may amend or terminate any stabiliza-
6 tion and marketing plan, after notice and public hearing as prescribed in
7 ~~NRS 584.550 to 584.565~~, inclusive, if it finds that such plan is no longer
8 in conformity with the standards prescribed in, or will not tend to effec-
9 tuate the purposes of, NRS 584.325 to 584.690, inclusive.

10 2. Such hearing may be held upon the motion of the commission and
11 shall be held upon receipt of a petition signed by producers representing
12 not less than 55 percent of the total number of all of the producers and
13 not less than 55 percent of the total production of all producers who are
14 eligible to petition the commission for the formulation of such plan.

15 3. Notwithstanding the provisions of subsections 1 and 2 of this sec-
16 tion, if the producers wish to abandon an existing stabilization and market-
17 ing plan and establish a Federal Milk Marketing Order or other similar
18 type of milk marketing order, the commission may continue a marketing
19 and stabilization plan in effect for any given area, insofar as wholesale
20 [and retail] provisions are concerned, whenever it appears that 55 per-
21 cent of the distributors in any given area, whose major interest in the fluid
22 milk and fluid cream business consists of at least 55 percent of the fluid
23 milk and fluid cream distributed within the area by volume, desire that
24 the wholesale [and retail] provisions, including price regulations, be
25 continued.

26 4. Notwithstanding the provisions of subsections 1, 2 and 3 of this
27 section, areas which are nonproducing may terminate a stabilization and
28 marketing plan insofar as it affects wholesale [and retail prices providing
29 that] prices if 55 percent of the licensed distributors delivering 55 percent
30 of the products to such area wish to terminate such plan after notice and
31 public hearing as prescribed in NRS 584.550 to 584.565, inclusive.

32 SEC. 6. NRS 584.568 is hereby amended to read as follows:

33 584.568 1. Each stabilization and marketing plan shall contain pro-
34 visions fixing the price at which fluid milk and fluid cream may be sold by
35 producers [, distributors and retailers] *and distributors* and regulating
36 all discounts allowed by producers [, distributors and retailers.] *and*
37 *distributors.*

38 2. In determining the minimum prices to be paid by distributors to
39 producers the commission shall consider, but not be limited to, the fol-
40 lowing factors:

41 (a) Cost of production.

42 (b) Reasonable return upon capital investment.

43 (c) Producer transportation costs.

44 (d) Cost of compliance with health regulations.

45 (e) Current and prospective supplies of fluid milk and fluid cream in
46 relation to current and prospective demands for such fluid milk and fluid
47 cream.

48 3. In determining the minimum prices to be paid by retailers to
49 [wholesalers and by consumers to retailers] *distributors* the commission
50 shall consider, but not be limited to, the following factors:

1 (a) The quantities of fluid milk or fluid cream, or both, distributed in
2 the marketing area covered by the stabilization and marketing plan.

3 (b) The quantities of fluid milk or fluid cream, or both, normally
4 required by consumers in such marketing area.

5 (c) The cost of fluid milk or fluid cream, or both, to distributors [and
6 retail stores,] , which in all cases shall be [, respectively,] the prices paid
7 by distributors to producers [and the minimum wholesale prices,] as
8 established pursuant to NRS 584.325 to 584.690, inclusive.

9 (d) The reasonable cost of handling fluid milk or fluid cream, or both,
10 incurred by distributors, [and retail stores, respectively,] including all
11 costs of hauling, processing, selling and delivering by the several methods
12 used in such marketing area in accomplishing such hauling, processing,
13 selling and delivering, as such costs are determined by impartial audits
14 of the books and records, or surveys, or both, of all or such portion of
15 the distributors [and retail stores, respectively,] of each type or class in
16 such marketing area as are reasonably determined by the commission to
17 be sufficiently representative to indicate the costs of all distributors [and
18 retail stores, respectively,] in such marketing area.

19 SEC. 7. NRS 584.570 is hereby amended to read as follows:

20 584.570 1. No distributor may engage in any of the practices set
21 forth in paragraphs (a) to (d), inclusive, of subsection 2 of this section,
22 whether or not a stabilization and marketing plan is in effect in the area in
23 which he carries on his business.

24 2. Each stabilization and marketing plan shall contain provisions for
25 prohibiting distributors [and retail stores] from engaging in the unfair
26 practices [hereinafter] set forth [:] in this subsection:

27 (a) The payment, allowance or acceptance of secret rebates, secret
28 refunds or unearned discounts by any person, whether in the form of
29 money or otherwise.

30 (b) The giving of any milk, cream, dairy products, services or articles
31 of any kind, except to bona fide charities, for the purpose of securing or
32 retaining the fluid milk or fluid cream business of any customer.

33 (c) The extension to certain customers of special prices or services not
34 made available to all customers who purchase fluid milk or fluid cream
35 or like quantity under like terms and conditions.

36 (d) The purchase of any fluid milk in excess of 200 gallons monthly
37 from any producer or association of producers unless a written contract
38 has been entered into with such producer or association of producers
39 stating the amount of fluid milk to be purchased for any period, the quan-
40 tity of such milk to be paid for as class 1 in pounds of milk or pounds of
41 milk fat or gallons of milk, and the price to be paid for all milk received.
42 The contract shall also state the date and method of payment for such
43 fluid milk, which shall be that payment shall be made for approximately
44 one-half of the milk delivered in any calendar month not later than the 1st
45 day of the next following month and the remainder not later than the 15th
46 day of the month, the charges for transportation if hauled by the distribu-
47 tor, and may contain such other provisions as are not in conflict with NRS
48 584.325 to 584.690, inclusive, and shall contain a proviso to the effect
49 that the producer shall not be obligated to deliver in any calendar month
50 fluid milk to be paid for at the minimum price for fluid milk that is used

1 for class 3, as that class is defined in NRS 584.490. A signed copy of such
2 contract shall be filed by the distributor with the commission within 5 days
3 from the date of its execution. The provisions of this subsection relating to
4 dates of payment [shall] do not apply to contracts for the purchase of
5 fluid milk from nonprofit cooperative associations of producers.

6 SEC. 8. NRS 584.583 is hereby amended to read as follows:

7 584.583. 1. No distributor or retailer may sell *fluid milk, fluid cream,*
8 *butter or fresh dairy byproducts* below cost. "Fresh dairy byproducts"
9 includes but is not limited to the following items: buttermilk, skim milk,
10 chocolate drink, ice cream, ice milk mix, sherbet, sour cream, sour cream
11 dressing and cottage cheese; and does not necessarily define the class of
12 fluid milk or fluid cream which is used to make such products.

13 2. In determining cost in the case of a [manufacturing] distributor
14 [.] who processes or manufactures fluid milk, fluid cream, butter or fresh
15 dairy byproducts, the following factors [shall be] are included, but cost
16 [shall] is not necessarily [be] limited to such factors:

17 (a) Cost of raw products based on actual cost or on current and pro-
18 spective supplies of fluid milk and fluid cream in relation to current and
19 prospective demands for such fluid milk and fluid cream.

20 (b) Cost of production.

21 (c) Reasonable return upon capital investment.

22 (d) Producer transportation costs.

23 (e) Cost of compliance with health regulations.

24 (f) Overhead cost of handling based on a percentage of overall plant
25 and sales operating cost.

26 3. In determining cost in the case of a peddler-distributor, [or
27 retailer,] the following factors [shall be] are included, but cost [shall]
28 is not necessarily [be] limited to such factors:

29 (a) Purchase price of product.

30 (b) Overhead cost for handling.

31 (c) Reasonable return upon capital investment.

32 4. In determining cost in the case of a retailer, the following factors
33 shall be considered:

34 (a) The invoice price paid by the retailer or, in the case of a retailer
35 who processes or manufactures fluid milk, fluid cream, butter or fresh
36 dairy byproducts, the transfer price; and

37 (b) The retailer's cost of doing business.

38 For purposes of this section the "transfer price" shall be determined pur-
39 suant to the factors contained in subsection 2. For purposes of this section
40 the "retailer's cost of doing business" means all overhead costs incurred by
41 the retailer in operating his retail business. A retailer's cost of doing busi-
42 ness shall be presumed to be equal to 10 percent of the invoice price or
43 transfer price paid by such retailer for his dairy byproducts unless he can
44 substantiate a lower price.

45 5. Each [manufacturing] distributor who processes or manufactures
46 fluid milk, fluid cream, butter or fresh dairy byproducts shall file with the
47 commission a statement of costs, listing separately the items set forth in
48 subsection 2 of this section and any other applicable cost factors. Such
49 statements shall be kept current by supplement under regulations promul-
50 gated by the commission. All such statements shall be kept confidential by

1 the commission except when used in judicial proceedings or administrative
2 proceedings under NRS 584.325 to 584.690, inclusive.

3 **[5.]** 6. Each **[manufacturing]** distributor *who processes or manu-*
4 *factures fluid milk, fluid cream, butter or fresh dairy byproducts* and each
5 peddler-distributor shall file with the commission a list of wholesale, retail
6 and distributor or dock prices. No such distributor shall sell at prices other
7 than those contained in such list, except in the case of bids to departments
8 or agencies of federal, state and local governments; but in no case shall the
9 distributor sell below cost as provided in this section.

10 *Prices which are filed pursuant to this subsection shall not become effec-*
11 *tive until the seventh day after filing, but any other distributor may meet*
12 *such price so filed if such other distributor files with the commission a*
13 *schedule of prices in the manner required by NRS 584.584.*

14 **[6.]** 7. The commission or any agent of the commission may
15 examine, at any reasonable time and place, the books and records of any
16 **[manufacturing distributor or]** *distributor who processes or manufac-*
17 *tures fluid milk, fluid cream, butter or fresh dairy byproducts, any*
18 *peddler-distributor or any retailer* relating to cost and prices.

19 SEC. 9. NRS 584.650 is hereby amended to read as follows:

20 584.650 Every distributor who purchases fluid milk or fluid cream
21 from a producer and every producer cooperative organization which
22 handles milk for its members or other producers shall make and keep for
23 1 year a correct record showing in detail the following information for
24 each producer with reference to the handling, sale or storage of such
25 fluid milk or fluid cream:

- 26 1. The name and address of the producer.
- 27 2. The date the fluid milk or fluid cream was received.
- 28 3. The amount of fluid milk or fluid cream received.
- 29 4. The official butterfat test of the fluid milk or fluid cream if pur-
30 chased on a butterfat basis.
- 31 5. The usage of the fluid milk or fluid cream.
- 32 6. Evidence of payment for the fluid milk or fluid cream purchased
33 **[.]** or handled.

34 SEC. 10. NRS 584.665 is hereby amended to read as follows:

35 584.665 In addition to the compilation of information pertaining to
36 fluid milk and fluid cream from the reports required by NRS 584.325 to
37 584.690, inclusive, the commission shall collect, assemble, compile, and
38 distribute statistical data relative to fluid milk, fluid cream, other milk and
39 milk products, and such other information as may relate to the dairy
40 industry and the provisions of NRS 584.325 to 584.690, inclusive. *For*
41 *purposes of this section the commission may require such information as it*
42 *deems necessary from distributors, producers, cooperative associations of*
43 *producers, retailers and others who are engaged in the production, sale,*
44 *distribution, handling or transportation of fluid milk, fluid cream or other*
45 *dairy products.*

46 SEC. 11. NRS 584.690 is hereby amended to read as follows:

47 584.690 **[NRS 584.325 to 584.685, inclusive,** shall apply to retail
48 stores in the following particulars only:

- 49 1. The examination by the commission of the purchase records of
50 retail stores from distributors.

1 2. The unfair practices prohibited in NRS 584.570.

2 3. The provisions of any stabilization and marketing plan which
3 includes retailers.] The provisions of paragraphs (a), (b) and (c) of sub-
4 section 2 of NRS 584.570 apply to retailers.

5 SEC. 12. Chapter 584 of NRS is hereby amended by adding thereto
6 the provisions set forth as sections 13 to 15, inclusive, of this act.

7 SEC. 13. 1. Any petition requesting a hearing for the amendment
8 of a stabilization and marketing plan shall be filed in ten copies and
9 include:

10 (a) The name and address of every person joining in the petition. If
11 the petitioner is a cooperative association of producers, a partnership or
12 corporation the names of the duly authorized representative or repre-
13 sentatives thereof shall be listed.

14 (b) A concise statement of the specific relief requested.

15 (c) A specific statement of the reasons why such relief is needed.

16 (d) A statement of the substantiating evidence.

17 2. The petition shall be signed by the petitioners and an affidavit shall
18 accompany each such petition setting forth that the facts set forth therein
19 are true and correct to the best of the petitioners' knowledge, information,
20 and belief.

21 3. There shall be attached as an exhibit to the original copy only of
22 each petition filed substantiating evidence in support of such petition.
23 Additional information shall be supplied to the commission upon request.

24 4. Any person may, before the hearing, examine a copy of the peti-
25 tion and accompanying statements, but not the exhibits attached thereto
26 and file an answer, protest or any other statement concerning the petition,
27 and may appear at the hearing to give evidence in support of or in pro-
28 test of the petition.

29 5. Additional copies of the petition must be available for distribution
30 at the scheduled hearing.

31 6. At least 20 days before the date set for the hearing, the secretary
32 shall mail a notice of the date and a copy of the petition to each member
33 of the commission.

34 SEC. 14. It is unlawful for any distributor or retailer to manipulate
35 the prices of fluid milk, fluid cream, butter or fresh dairy byproducts for
36 the purpose of injuring, harassing or destroying competition.

37 SEC. 15. 1. If after public hearing the commission finds that condi-
38 tions in the market with regard to wholesale or retail milk prices are such
39 as to cause, or threaten to cause, irreparable damage to the fluid milk
40 industry or to cause or threaten to cause the creation of monopoly in the
41 fluid milk industry, the commission shall establish the price or prices
42 below which fluid milk shall not be sold by distributors and retailers, and
43 shall regulate any discounts allowed by distributors and retailers. Any
44 price established pursuant to this section shall not be effective for a period
45 longer than 6 months.

46 2. The minimum prices so established shall be at a level which the

1 commission determines will maintain fair price competition and promote
2 orderly marketing conditions.

3 SEC. 16. The terms of office of all members of the state dairy com-
4 mission incumbent on July 1, 1975, expire on that date.