

MEMBERS PRESENT: Chairman Dini
Vice Chairman Schofield
Mr. Craddock
Mr. DuBois
Mr. Jeffrey
Mr. May
Mr. Mello
Mr. Nicholas
Mr. Polish
Mr. Prengaman
Mr. Redelsperger

MEMBERS ABSENT: None

GUESTS: Mr. Lody Smith, Nevada Division of Forestry
Mr. Lyle E. Campbell
Mr. Glenn Rock, State Personnel
Mr. G. P. Etcheverry, Nevada League of Cities
Mr. Al McNitt, Nevada Housing Division

Chairman Dini called the meeting to order at 8:10 A.M.

Senator Lawrence Jacobsen testified on SCR-14. The interim committee met with fire services throughout the state and one of the concerns is the search and rescue group. There have been a number of occasions where this group has assisted in accidents. The problem we have had over the years is no coordination of activities. We generally have a lot of people respond but there is no organization of operations. This is an area that needs some attention. The Nevada Civil Defense Act gives the responsibility to the Governor and he in turn can confer it to someone else. This, of course, does not coordinate activities or catalog equipment. There is a piece of legislation that will take Civil Defense and put it in with the National Guard or back to the military where it is presently housed, anyway. The most important thing is to have Civil Defense do a study and report back to us at the next session.

Senator Jean Ford, Dist. 3 testified on SB-174 which was introduced together with SCR-16, two measures which encourage the recognition by employers of the value of volunteer training and experience in qualifying for employment. One should be able to indicate this kind of work at the time they are making applications for employment. The bill states that every application form for employment with the state, any political subdivisions or agencies, must indicate that volunteer relevant to the position applied for is considered in the evaluation of the applicant qualifications and must provide space for the applicant to list any volunteer work that he considers appropriate. Mr. Wittenberg of the State Personnel Division testified in support of this bill when it was

heard in the Senate and found no problem in changing the state personnel application to include a space for volunteer experience. There would be no fiscal note involved as there would be a new supply request for applications about the time this bill would be passed, if it is. This is of value to both men and women. It is of particular value to older women who through necessity or choice have to reenter the work force and who have gained a great deal of experience in a variety of jobs most of which have not been paid jobs.

Mr. Dan Fitzpatrick, Clark County, testified that Clark County supports SB-174. We have been utilizing notations on our applications for a number of years regarding volunteer work. As a graduate student looking for that first job, everyone of those little intern jobs I had all through college was useful to put on the resume or applications that helped me get that first job.

This concluded testimony on SB-174.

Sue Wagner, Senate District #1, testified for another party who had not arrived as yet. The complaint involves Storey County allowing persons to file quit claims under fictitious names and parcels showing 'unknown or absentee ownership'. After such filing, taxes are paid by those persons in who favor the quit claim was made and as a result they are then permitted to claim ownership. That is her concern. On Page 4, Line 38, the language is her concern because she lives close to a county line. Her suggestion is that the subsection 1 should read: '..... whether or not it is in the same county'. This wording is also on Page 2, Lines 6 and 7. The language does not appear in the other section. She stated that she was not notified of pending sale, even though she was some distance from the property, but it was in another county. The problem is basically of notification.

Mr. Dini stated that quit claim deeds really can't be handled in this bill. It appears that she wants us to reach in an area that I don't think we should be handling. That situation is history, anyway.

Mrs. Wagner indicated that the party was interested in dealing with future cases. Perhaps there is something you can do to help in this situation as far as notification procedures are concerned.

Mr. Lyle Campbell, Pershing Co. testified in opposition, although the bill could be changed to take care of the problem of Sister McCarran. Everyone would like to be notified of a piece of property

being sold it is anywhere near you so you have a chance to bid. The problem here is that it would essentially take any piece of property that went up for sale for taxes in the county off the tax rolls forever. In a mining district, especially, you could have one piece of property that would be back for taxes and to be sold which could be bounded by four pieces of property that would have a minimum of 32 legal owners. These owners could be from fifty to sixty years ago, or more, and due to the length of people's lives, there could be estates owning a claim that could have several hundred people as legal owners of one piece of property. The bill states that they would have to be notified which involves a certified letter with return receipt requested. If any one of these people didn't return a receipt, the county would then not be able to sell this property, ever. If they did and maybe this mining property turned into another Carlin, and operated for ten or fifteen years, which could run into the hundreds of millions of dollars, the person who was not notified could then come to the county and sue them, if this bill was law.

I think what you could do to take care of the problem would be on Page 2, Lines 5-7, remove that section and after Line 14, insert: "published in some newspaper having general circulation in a neighboring county if boundary lies within one mile of the property to be sold".

Again, on Page 2, remove Lines 39-43; On Page 4, remove Lines 36-38 and after line 45, insert "published in some newspaper....". The counties would live with that because you are only talking about a \$25-\$50 maximum extra cost for the publishing.

SB 194

This concluded testimony on AB-194.

Mr. Lody Smith, Nevada Division of Forestry, State Forestry Warden testified on the next bill to be heard, SB-165.

SB-165 is basically a clean up piece of legislation within the laws of the Division of Forestry or the chapter that allows the Division of Forestry to exist. The first page has minor word changes suggested by the bill drafter's office. Page 2, Line 39 would have an addition: "for emergencies which threaten human life".

We do respond to those types of incidents. We are quite frequently asked to respond to overturned gasoline trucks situations to wash down the gasoline. Expenses are incurred and have overtime accumulated. We go on rescue calls and even have some false alarms. We are asking for the expenses and overtime and problems that are incurred financially by the Division of Forestry to be paid out of our suppression accounts. At the bottom of the page deals with the existing authority we have for our revolving fund where some of these expenses are incurred.

Section 4: Dealing with restriction or prohibition of the following activities within the boundaries of any fire protection district governed by this chapter....

The only exception to this that under 475.210, we now must petition the Governor when the fire conditions are in the extreme. We measure fire conditions as: low, moderate, high, very high, and extreme. 475.210 says that we cannot petition the Governor to put these restrictions on until we are in the extreme. We are asking for permission to allow me to put these basic restrictions on prior to getting to the extreme conditions in the forests and hopefully it is a fire prevention measure to be able to stop these fires before they occur. The language that is here is exactly the restrictions that the Governor has placed in the fire districts that we have been administering for the last twenty years.

Section 5: Any person may petition to be excluded from a fire protection district without notification to the Division of Forestry. There may be an area that we don't know about that we service that has been taken off. They get the service without paying the tax. These people find themselves in a no-man's land - where there is no fire protection at all. It is not a case that

We would like to review the information on people who would like to be excluded to see if it is feasible, and if there are problems with it, we can advise them that they will not have any service if their house catches on fire. If it is their intent to get out through a petition, we have no intention of stopping them

All we want to do is be able to inform them or advise them of what the problems may exist that they may not understand. Section 5 does that.

Section 6: Has minor word changes.

Section 7: Gives us authority to collect expenses if they can be collected from these people. As I mentioned earlier, such as a case where a gasoline truck turns over and we have many hours of standby with our fire protection equipment where the insurance company can be billed and the funds returned to the state.

Section 8: Over the years, we have experienced major forest fires in this area. When that happens, very often, we run out of appropriated funds. We have \$100,000 appropriated every year for many years for total fire protection operations throughout the state. We have at times broken that account and have had to go to the Board of Examiners and then subsequently to the Interim Finance. The suggestion of the Budget Office and Mr. Barrett is that we be added to the statutory contingency fund. We could have a roaring forest fire and spending \$40,000 an hour with manpower and equipment and airplanes, etc. and run out of money. Theoretically, I am in violation of the law. With this change, the Board of Examiners could allow us to get in to the statutory contingency fund and allow us to continue. We obviously continue fighting the fire, but it is a long and cumbersome process for us to go back through the steps to get additional funds approved. It is not an open check book by any means because the same checks and balances are still there.

In answer to Mr. Dini's question about 475.240, Mr. Smith said it is being deleted because they could find no such statute. It must be a misprint.

In answer to Mr. May's question about which districts would be involved, Mr. Smith answered that they are: Washoe County, Storey County, all of Elko County, part of Carson City, Douglas County, all of Eureka County, Mt. Charleston in Clark County. These are CM-2 districts.

This concluded the testimony on SB-165.

Following the regular committee hearing, the committee went into a work session. The first bill to be discussed is AB-145.

Mr. A. L. McNitt, Jr., Administrator for the Housing Division of the Department of Commerce. His testimony is attached hereto as EXHIBIT A and made a part of these minutes. In his testimony there are recommendations for amendments, which he reviewed for the committee. He indicated that there was a further recommendation that perhaps the inclusion of the following phrase after the term "new construction" be added, on Page 8 under Section 2-b: "improvement for health, safety and welfare purposes". The commercial section is also necessary. They have to tie together. In reviewing the amendments on pages 8-10 of his report, he indicated that this could make it possible to alleviate any impacts from MX; help give us mitigation capabilities that we might not be able to get from the Air Force or the Federal Government. It could also help for example in West Las Vegas in the rehabilitation of a shopping center (Golden West Shopping Center) and other projects like that. It would help us grow within the state, as well as rehabilitate and put back into productive capacity assets that we already have in the state.

Mr. McNitt stated that in expanding the definition of a project, we have added over what is existing currently in the city and county development laws. The ability only at the state level to have a capability to have industrial development revenue bond financing. For projects which would be rehabilitation projects, redevelopment projects and commercial projects. These features do not now exist in the city and county economic development laws. There is no way to finance them at this date, with IDB's. By providing at the state level very stringent findings of fact requirements which would far exceed requirements of city and county laws and requiring the State Board of Finance to review and approve those findings to avoid abuses.

Mr. Dini remarked that this broadens the scope of the bill. The original intent was to allow the state to issue for small municipalities. I know I approve of this method. What we have done is we have not touched the counties and cities government revenue bond laws, but broadened the scope and put the monkey on the Governor's back, as he is chairman of the State Board of Finance. That is the safeguard we have built into this plan; it becomes a matter for the state administration to decide the qualification of a project.

Mr. McNitt suggested that possible qualified projects might include the shopping center in West Las Vegas, a grocery store impacted by the MX project in a rural area, an office building

which is in conjunction with an industrial development and it is an essential function of that particular economic development. There is a broad range of commercial which can be included and yet some would be precluded by some of the findings of fact requirements. In regard to the grocery store example, the owner would have to demonstrate the need, it is going to provide more jobs and that there is going to be a market for it.

In answer to a question, the State Board of Finance is comprised of the Governor, the State Controller, the State Treasurer and two persons from the public. The Board reviews the findings of fact for any state agency requiring a bond issue, and approve them or disapprove them. If they disapprove them, we have no statutory authority to issue bonds. There is no statutory limit provided in AB-145. At the federal level, there is a \$10 million limit for an entity and then the state will determine what will be appropriate and feasible.

Mr. Nicholas stated that it is very important to him and to the whole committee that sound business decisions be made and that this not present an avenue for people who want the money no matter what their business experience might be of getting in to gain it.

Mr. McNitt answered that under Item F of his report on Page 9 provides that the person has sufficient financial resources to operate and also meet the obligations of the financial agreement. This requirement is also in the city and county economical development laws.

Mr. Dini stated that the other safeguard is trying to get someone to buy the bonds.

Mr. Prengaman questioned the plan. He stated that it appeared to make it easier for people like K-Mart to get the job done, and cheaper.

Mr. McNitt stated that this is an area that has to be developed over a period of time. If one inserts the language 'improvement for health, safety welfare purposes', or if one tries to tie it to rehabilitation, one can successfully argue that it either creates new jobs or preserves jobs, and, therefore, adds to the economic development of the state. I do think it is a financially feasible concept, and a socially feasible concept. We can successfully argue this at the federal level that we, as a state, with our major industry do have a very self-centered interest in assuring that that particular industry has an opportunity to continue. Some states have steel as their central industry, or coal mining, etc. We happen to have tourism and our hotels and our gaming. We certainly have a right to protect our self-interest in that regard. We can use this language and be successful with bond counsel and the underwriting community.

Mr. Prengaman asked if this would bar any building from being retrofitted.

Mr. Dini read from a draft of an act from Squire, Sanders & Dempsey which specified that that this would be covered. (Page 2, Paragraph 5. This report is attached hereto as EXHIBIT B and made a part of these minutes.

Mr. Nicholas asked if there would be an increased or different financial impact as a result of this amendment, as it might affect the Department of Commerce personnel.

Mr. McNitt indicated that no additional personnel will be needed, and no additional expense, and I don't think one should anticipate that there will be a land rush business that is so going to overwhelm the Department of Commerce, they won't be able to function.

Mr. Dini explained that there have been no losses to the cities and counties as the obligation rests with the person getting the financing. Also, it will help the smaller rural areas in their development plans where it has been a problem in the past to get banks to loan money for projects. Banks and lending institutions have traditionally stayed away from the rural areas and concentrated on the development plans of the larger cities. This is why this plan will help, state-wide.

Mr. McNitt in his closing statement stated that when one talks about using tax-exempt financing for purposes like this, you have to put it in perspective as to where interest rates are. If interest rates are low, there is not much need to seek this type of financing to make industry find itself in a more economic or financially viable condition. We find ourselves today, however, in a condition where we are experiencing a period of high interest rates. We are facing a period of economic development for our state and it is going to be a rather rapid and expensive development. The reason a proposal like this was recommended to the session was to help this state with its growth and give to ourselves, statutorily, vehicles which have been proven in the past to be helpful in other states. To that end and as a means in assisting us to resolve the problem of how we are going to grow at the least cost to ourselves.

This concluded the testimony of Mr. McNitt.

Ms. Connie Ashcraft of Sutro & Co. testified she would like to see the use of the language 'improvement for health, safety welfare purposes' over the more specific language that has been suggested. By being very specific, you may exclude the necessary

part of a particular facility. There may be a water line that has to be extended to come into a building and that may not be covered. The broader the language, the better. It will also cover all commercial enterprises and you won't have to worry about definition of hotel versus casino versus office building.

Mr. DuBois commented on the financial ability of a person and the amount of equity that maybe should be required, so we don't have people coming in from left field.

Ms. Ashcraft stated that they have to have the financial ability. You may want the Director of Dept. of Commerce to have the authority to ask for additional security. Ultimately, each project is going to have to stand on its own and each project is going to have to have sufficient revenues to pay back its portion of the bonds.

Mr. G. P. Etcheverry testified that the Nevada League of Cities concurs with AB-145.

Mr. Dini asked the committee for action on AB-145. Mr. Polish moved for an AMEND AND DO PASS, seconded by Mr. DuBois. Motion carried.

The next bill for the work session to discuss is AB-167. Mr. Dini asked the committee to review the amendments as shown on Amendment No. 350, a copy of which is attached herewith as EXHIBIT C and made a part of these minutes. Amendment No. 271 will also be discussed and it is attached herewith as part of EXHIBIT C. He asked that Mr. Daykin be called to assist in reviewing the amendments. Mr. Daykin explained that the amendments shown in Amendment No. 271 are technical ones and are not significant and not changes of substance. He reviewed the amendments shown on Amendment No. 350 with the committee. Sections 13.3 and 13.6 are new sections which amend the Chapter 350 on. The explanation is shown on Page 2 at the top, of the amendments. It takes away the 90-day limit for a private sale. The next section which amends 356.94 is the one where bond counsel wanted the maturities to go not more than 25 years instead of 15 on refunding bonds, and remove the limitation that you couldn't issue a refunding bond within one year from the delivery of the earlier bonds.

Following Section 31, you have a group of sections recommended by bond counsel on the establishment of a surplus and deficiency fund not in present law. The jist of it is that if there was a surplus in one district and it is less than \$10,000, you don't have to refund it to the payers, you can plunk it into this fund. If there is a deficiency in another district and there is money in the fund, you meet the deficiency from this first before you go to a general ad valorum tax. If there is no money, of course, you have to go to the ad valorum tax to meet the deficiency. This is in any special assessment district, and will apply to

counties, cities, 318. districts, all of them.

The next group of sections follow Section 36 of the bill and are related because they refer to this surplus and deficiency fund, saying that must be used before the general tax is resorted to. The amendment following Section 37, refers to these limited local improvement districts, there are no more of them created but there are some in existence and gives them the power to sell bonds at private sale, taking the ninety day limit off and allowing them to sell on any terms not inconsistent with the provisions of the chapter.

The amendment following Section 39 is different. These are short-term financing and there is provided specifically what I think is in the law already that the governing board is going to determine the terms on which this is floated. The last two sections merely are brought into line with the new wording used in the previous amendments.

Ms. Ashbrook handed out an excerpt from MSRB rules, a copy of which is attached hereto as EXHIBIT D, and made a part of these minutes. After discussion, she indicated she would discuss her question with Mr. Daykin.

Mr. Nicholas moved to AMEND AND DO PASS. Mr. Craddock seconded. Motion carried. Mr. May did not vote.

On SB-81: Mr. Dini asked that this be rereferred to Ways and Means. Mr. Schofield so moved, seconded by Mr. DuBois. Motion carried.

Mr. Dini stated that the committee has before it a BDR-S1211.* Mr. Schofield moved for introduction, seconded by Mr. May. Motion carried.

Mr. Dini adjourned the meeting at 10:55 A.M.

Respectfully submitted,


Lucille Hill
Assembly Attache

*AB 427



STATE OF NEVADA
DEPARTMENT OF COMMERCE
HOUSING DIVISION
201 SOUTH FALL STREET, ROOM 300
CARSON CITY, NEVADA 89710
(702) 885-4258

ROBERT LIST
GOVERNOR
JAMES L. WADHAMS
DIRECTOR

A. L. MCNITT, JR.
ADMINISTRATOR
DOUGLASS R. MORRA
DEPUTY ADMINISTRATOR

March 30, 1981

The Honorable Joseph E. Dini, Jr.
Assembly Government Affairs Committee
State Legislature
Carson City, Nevada 89710

Dear Assemblyman Dini:

As promised during the March 23, 1981 joint committee hearing with the Assembly Government Affairs Committee, attached are our recommended amendments to A.B. 145.

The amendments which change the state level issuing authority responsibility for industrial development revenue bonds from the State Treasurer to the Director of the Department of Commerce basically have been taken from Amendment No. 275. The other amendments which make the state level issuing authority for IDBs work have been derived from similar sections in the city and county economic development laws, the housing finance law (NRS 319), S.B. 388 and this office.

These recommended amendments include authorizing the Director of the Department of Commerce the authority to issue IDBs, with approval of the State Board of Finance, with a direct request from a sponsor as well as be an issuer of convenience of IDBs with a request from a city or county government. The purposes would include new construction, rehabilitation or redevelopment of manufacturing, industrial, warehousing, health care, commercial or research and development. The Director would not have direct authority to do energy, pollution, etc.

Even with direct issuance by the Director every project would have to meet all city or county requirements for the project except source of financing.

Commercial, redevelopment and rehabilitation projects only could be financed by the state level issuer.

Section 17, paragraph 2, of the recommended amendments sets forth the findings of fact required for the Director before he can issue IDB bonds. These findings are far more detailed and stringent than currently required in the city and county economic development laws.

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Exhibit A

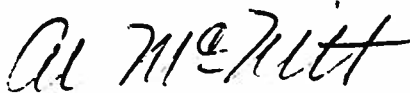
The Honorable Joseph E. Dini, Jr.
March 30, 1981
Page 2

The following persons have reviewed this entire draft and assisted its preparation with their professional comments: Henry Chanin of Burroughs Smith; C. Ashcraft representing Sutro & Company; Jim Wadhams and Rich Jost, D.A.G. to the Housing Division. The amendments which only modify the scope of A.B. 145 have been worked on by the above parties and: Hal Smith of Burroughs Smith; Tom Westhoff of Dean Witter Reynolds; Bernie Mikell of Sutro & Company; Al Altura of Blyth Eastman Paine Webber; and Bob Fippenger, bond counsel from Hawkins Delafield and Wood.

We request these amendments to A.B. 145 be considered fully by the committee and recommend a do-pass to A.B. 145 with these amendments attached.

Thank you kindly for your consideration.

Sincerely,



A. L. McNitt, Jr.
Administrator

ALM/fw
Attach.

cc: Jim Wadhams



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201 SOUTH FALL STREET, ROOM 300
CARSON CITY, NEVADA 89710
(702) 885-4258

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NEVADA HOUSING DIVISION

- Reference: 1. A.B. 145
2. Amendment No. 275
3. BDR 18-637

Amend section 1, page 1, line 1, by deleting "chapter 226" and inserting "the department of commerce subchapter of chapter 232".

Amend section 1, page 1, line 2, by deleting "8" and inserting "25".

Amend section 2, page 1, line 3 by deleting "8" and inserting "25".

Amend section 2, page 1, line 4 to read "context otherwise requires, the words and terms defined in section 3 thru 13 of this act have the meanings ascribed to them in those sections and the words and terms defined in:"

Amend section 2, page 1, by deleting line 8 and inserting:

"within a county provided that in the event that a board makes a request to the director of the department of commerce to issue bonds, all references to the issuance of bonds by a county or the entering into of financial agreements with the county shall be deemed to mean the bonds issued by the department of commerce and agreements to be executed by the department of commerce; and"

Amend section 2, page 1, by deleting the period at the end of line 11 and inserting thereafter:

"provided that in the event that a city makes a request to the director of the department of commerce to issue bonds, all references to the issuance of bonds by a city or the entering into of financing agreements with the city shall be deemed to mean the bonds issued by the department of commerce and agreements to be executed by the department of commerce."

Delete section 3 and amend the numbering of the sections of A.B. 145 as follows:

4	becomes	18
5	"	19
6	"	20
7	"	21
8	"	22
9	"	26
10	"	27
11	"	28
12	"	29

Add the following new sections:

Section 3. "Board" means state board of finance.

Section 4. "Bonds" or "revenue bonds" means bonds, notes or other securities evidencing an obligation and issued under sections 2 through 25 inclusive of this Act.

Section 5. "Cost of a project" means all or a designated part of the cost of any project, including any incidental cost pertaining to the project. The cost of a project may include, among other costs, the costs of:

1. Surveys, audits, preliminary plans, other plans, specifications, estimates and other costs of preparations.
2. Appraising, printing, estimating, advice, services of engineers, architects, financial consultants, attorneys, clerical personnel and other agents and employees.
3. Publishing, posting, mailing and otherwise giving notice, filing or recording instruments, taking options and fees to banks.
4. Establishment of a reserve for contingencies.
5. Interest on state securities for any time which does not exceed 1 year, discounts on such state securities, reserves for the payment of the principal of and interest on such securities, replacement expenses and other costs of issuing such securities.
6. Amending any resolution or other instrument authorizing the issuance of, or otherwise relating to, state securities for the project.
7. Short-term financing.

Section 6. "Expense of operation and maintenance" means any reasonable and necessary current expense of the state for the operation, maintenance or administration of a project or of the collection and administration of revenues from a project. The term includes, among other expenses:

1. Expenses for engineering, auditing, reporting, legal services and other expenses of the director which are directly related to the administration of projects.

2. Premiums for fidelity bonds and policies of property and liability insurance pertaining to projects, and shares of the premiums of blanket bonds and policies which may be reasonably allocated to the state.

3. Payments to pension, retirement, health insurance and other insurance funds.

4. Reasonable charges made by any paying agent, commercial bank, trust company or other depository bank pertaining to any general obligation state securities.

5. Services rendered under the terms of contracts, services of professionally qualified persons, salaries, administrative expenses and the cost of materials, supplies and labor pertaining to the issuance of any general obligation state securities, including the expenses of any trustee, receiver or other fiduciary.

6. Costs incurred in the collection and any refund of revenues from the project, including the amount of the refund.

Section 7. "Finance" or "financing" includes the issue of bonds by the director for the purpose of using substantially all of the proceeds to pay (or to reimburse the obligor or its designee) for the costs of acquiring, improving and equipping a project, whether these costs are incurred by the

director, the obligor or a designee of the obligor. Title to or in such project may at all times remain in the obligor or the obligor's designee or assignee and, in such case, the bonds shall be secured by a pledge of one or more notes, debentures, bonds or other secured or unsecured debt obligations of the obligor.

Section 8. "Financing agreement" means:

1. An agreement by which the director agrees to issue bonds pursuant to sections 2 through 25, inclusive, of this Act to finance one or more projects and the obligor agrees to:

(a) Make payments (directly or through notes, debentures, bonds or other secured or unsecured debt obligations of the obligor executed and delivered by the obligor to the director or the designee or assignee, including a trustee, pursuant to such financing agreement) sufficient to pay the principal of, premium, if any, and interest on the bonds;

(b) Pay other amounts required by sections 2 through 25 of this Act, inclusive; or

(c) Comply with all other applicable provisions of sections 2 through 25 of this Act, inclusive.

Section 9. "Mortgage" includes a deed of trust and any other security device for both real and personal property.

Section 10. "Obligor" means the individual, partnership, firm, company, corporation (including a public utility), association, trust, estate, political subdivision, state agency or any other legal entity, or its legal representative, agent or assigns, who agrees to make the payments required by the financing agreement.

Section 11. "Project" means: any land, building or other improvement and all real and personal properties necessary in connection therewith, excluding inventories, raw materials and working capital, whether or not in existence, suitable for new construction, rehabilitation or redevelopment for manufacturing, industrial, warehousing, health care, commercial or research and development enterprises.

Section 12. "Revenues" of a project, or derived from a project, include payments under a lease, agreement of sale or financing agreement, or under notes, debentures, bonds and other secured or unsecured debt obligations of an obligor executed and delivered by the obligor to the director or the designee or assignee (including a trustee) pursuant to such lease, agreement of sale or financing agreement.

Section 13. "Warehousing" means the consignment of personal property from outside this state to a private warehouse within this state for temporary storage during the transit of the property to a final destination outside the state.

Section 14. Declaration of Purpose:

1. It is the intent of the legislature to authorize the director to finance, acquire, own, lease, improve and dispose of properties to the end that the director may be able to promote industry and develop trade by inducing manufacturing, industrial, health care, commercial, warehousing and research and development enterprises to locate in, remain or expand in this state, in order to assist in relieving the serious threat of extensive unemployment in parts of this state, in securing and maintaining a balanced and stable economy in all parts of this state and in furthering the use of its agricultural

products and natural resources. It is, therefore, the intention of the legislature to vest the director with all powers that may be necessary to enable him to accomplish such purposes, which powers shall in all respects be exercised for the benefit of the inhabitants of this state for the promotion of their safety, welfare, convenience and prosperity.

2. It is not intended hereby that the director shall himself be authorized to operate any such manufacturing, industrial, warehousing, health care, commercial or research and development enterprise.

3. The director may not by virtue of sections 2 through 25, inclusive, of this Act assist any manufacturing, industrial, warehousing, health care, commercial or research and development enterprise which would offer substantial competition to an existing enterprise within the county or city whose intrastate markets are substantially the same.

4. Sections 2 through 25, inclusive, of this Act shall be liberally construed in conformity with this declaration of purpose.

Section 15. When the director has received requests from one or more cities, counties, lessees, purchasers, other obligors or other enterprises, he may issue industrial development revenue bonds to obtain money to fulfill the requests."

Section 16. All references in sections 2 to 25 of this act to the director of the department of commerce shall include the director or his designee within the department of commerce."

Section 17. Prerequisites to financing economic development. The department shall not finance economic development unless, prior to such financing:

1. Either the director finds that:
 - a. The project to be financed has been approved for financing pursuant to the requirements of NRS 244A.669 through 244A.763 or 268.512 through 268.568 and;
 - b. There has been a request by a city or county to have the director issue industrial development revenue bonds to finance the project.
2. Or the director finds and the state board of finance approves the findings of the director that:
 - a. The project meets the requirement that it is any land, building or other improvement and all real and personal properties necessary in connection therewith, excluding inventories, raw materials and working capital, whether or not in existence suitable for new construction, rehabilitation or redevelopment for manufacturing, industrial, warehousing, health care, commercial or research and development enterprises.
 - b. The project to be financed by the department pursuant to the provisions of this chapter will provide a public benefit.
 - c. The total amount of money necessary to be provided by the department for financing the project is set forth in the findings.
 - d. The director has received a 5 year operating history from the contemplated lessee, purchaser or other obligor or from a parent or other enterprise which guarantees principal and interest payments on any bonds issued.
 - e. The contemplated lessee, purchaser, other obligor or other enterprise which guarantees principal and interest payments has or has not received within the 12 months preceding the date of the

findings of the director, or then has or has not in effect,
a rating within one of the top four rating categories of either
Moody's Investor Service, Inc. or Standard and Poor's Corpora-
tion.

- f. The contemplated lessee, purchaser or other obligor has
sufficient financial resources to place the project in operation
and to continue its operation, meeting the obligations of the
lease, purchase contract or financing agreement.
- g. There are sufficient safeguards to assure that all money
provided by the department will be expended solely for the
purposes of the project.
- h. The project will create new jobs and will contribute to the
economic development of the state and the area which the
project is to serve.
- i. There are existing and projected needs for the project and to
what extent the project would alleviate an existing shortage
of facilities or services in the state.
- j. There are identified any existing facilities of a like nature
within the area to be served by the project and what the
competitive effect of the project would be on the existing
facilities.
- k. The project would be compatible with existing facilities in
the area adjacent to the location of the project.
- l. The purpose of the financing of the project is not solely to
give a tax-free financing benefit to the lessee, purchaser or
other obligor.

- m. The project has received all local, state and federal government approvals as may be necessary to proceed with construction, rehabilitation or redevelopment of the project.
- n. The extent to which the project is or is not impacted by any federal, state or local government action, activity, program or development.
- o. There has been a request by a city, county, lessee, purchaser, other obligor or other enterprise to have the director issue industrial development revenue bonds to finance the project.
- p. Whether or not the lessee, purchaser, other obligor or other enterprise of the project has been a Nevada business enterprise for ten years or longer.

Amend sections 4 through 8 of A.B. 145 as follows:

Amend section 4, page 2, line 4 by deleting "state treasurer" and inserting "director".

Amend section 4, page 2, line 5 by deleting "8" and inserting "25".

Amend section 4, page 2, line 7 by deleting "8" and inserting "25".

Amend section 5, page 2, lines 17 and 18 by deleting "state treasurer" and inserting "director".

Amend section 5, page 2, line 33 by deleting "state treasurer" and inserting "director".

Amend section 6, page 2, lines 41 and 42 by deleting "state treasurer" and inserting "director".

Amend section 6, page 2, line 39 by deleting "8" and inserting "25".

Amend section 7, page 3, line 4 by deleting "state treasurer" and inserting "director".

Amend section 7, page 3 by deleting paragraph 1, lines 5 through 7.

Amend section 7, page 3, line 8 by deleting "2" and inserting "1".

Amend section 7, page 3, line 30 by deleting "3" and inserting "2".

Amend section 8, page 3, by deleting line 34 and inserting:

"25, inclusive of this act may be refunded by the director by the"

Add the following new sections to A.B. 145:

Section 23. No action may be brought questioning the legality of any contract, lease, agreement, indenture, mortgage, resolution proceedings or bonds executed, adopted or taken in connection with any project or improvements authorized by sections 2 through 25, inclusive, of this Act after 30 days from the effective date of that contract, lease, agreement, indenture, or mortgage or the resolution first authorizing the issuance of those bonds, as the case may be.

Section 24. The faith of the state is hereby pledged that sections 2 through 25, inclusive, of this Act will not be repealed, amended or modified to impair any outstanding bonds or any revenues pledged to their payment, or to impair, limit or alter the rights or powers vested in a county to acquire, finance, improve and equip a project in any way that would jeopardize the interest of any lessee, purchaser or other obligor, or to limit or alter the rights or powers vested in the director to perform any agreement made with any lessee, purchaser or other obligor, until all bonds have been discharged in full or provision for their payment and redemption has been fully made.

Section 25.

1. Section 2 through 25, inclusive, of this Act without reference to other statutes of the state, constitute full authority for the exercise of powers granted in those sections, including but not limited to the authorization and issuance of bonds.

2. No other act or law with regard to the authorization or issuance of bonds that provides for an election, requires an approval, or in any way impedes or restricts the carrying out of the acts authorized in sections 2 through 25, inclusive, of this Act to be done, shall be construed as applying to any proceedings taken under those sections, or acts done pursuant to those sections, except for laws to which reference is expressly made in those sections or by necessary implication of those sections.

3. The provisions of no other law, either general or local, except as provided in sections 2 through 25, inclusive, of this Act apply to doing of the things authorized in those sections to be done, and no board, agency, bureau, commission or official not designated in those sections has any authority or jurisdiction over the doing of any of the acts authorized in those sections to be done, except as otherwise provided in those sections.

4. A project is not subject to any requirements relating to public buildings, structures, ground works or improvements imposed by the Statutes of Nevada or any other similar requirements which may be lawfully waived by this section, and any requirement of competitive bidding or other restriction imposed on the procedure for award of contracts for such purpose or the lease, sale or other disposition of property is not applicable to any action taken pursuant to sections 2 through 25, inclusive, of this Act.

5. Any bank or trust company located within or without this state may be appointed and act as a trustee with respect to bonds issued and projects financed pursuant to sections 2 through 25, inclusive, of this Act without the necessity of associating with any other person or entity as cofiduciary (but such association is not prohibited).

6. The powers conferred by sections 2 through 25, inclusive, of this Act are in addition and supplemental to, and not in substitution for, and the limitations imposed by those sections do not affect the powers conferred by any other law.

7. No part of sections 2 through 25, inclusive, of this Act repeals or affects any other law or part thereof, except to the extent that those sections are inconsistent with any other law, it being intended that those sections provide a separate method of accomplishing its objectives, and not an exclusive one.

Amend section 9, page 4, line 8, by inserting "1." before "The".

Amend section 9, page 4, by deleting lines 9 and 10 and inserting:
"by requesting the director of the department of commerce to issue bonds to finance any project for which bonds".

Amend section 9, page 4, line 11 by deleting "A" and deleting lines 12 through 15.

Amend section 9, page 4, by inserting:

"2. If the director believes that the bonds are marketable under the terms set forth in the order authorizing their issuance, he may proceed to issue them as special limited obligations of the state, secured only by the revenues, mortgage or other pledge specified in the order.

3. The director shall receive and disburse the revenues of each project for which he has issued bonds, and may charge from those revenues a reasonable compensation for his services. The director may exercise any power which the board would have to collect payments due from the obligor."

Amend section 10, page 4, line 17 by deleting "section 9." and inserting "section 26."

Amend section 11, page 4, line 22, by inserting "1." before "The".

Amend section 11, page 4, by deleting lines 23 and 24 and inserting:
"redeem them by requesting the director of the department of commerce to issue bonds to finance any project for which".

Amend section 11, page 4, by deleting lines 26 through 29.

Amend section 11, page 4, by inserting:

"2. If the director believes that the bonds are marketable under the terms set forth in the order authorizing their issuance, he may proceed to issue them as special limited obligations of the state, secured only by the revenues, mortgage or other pledge specified in the order.

3. The director shall receive and disburse the revenues of each project for which he has issued bonds, and may charge from those revenues a reasonable compensation for his services. The director may exercise any power which the governing body would have to collect payments due from the obligor."

Amend section 12, page 4, line 31 by deleting "section 11." and inserting "section 28.".

Amend the bill by inserting:

"Sec. 30. NRS 232.250 is hereby amended to read as follows: 232.250 The director : [shall:]

1. [Appoint,] Shall appoint, with the consent of the governor, a chief of each of the divisions of the department. In making the appointments, other than that of the state fire marshal, the director shall obtain lists of nominees from recognized professional organizations, if any, in the appropriate professions and make the appointments after consultation with and concurrence of the organizations. The director shall consult the state fire marshal's advisory board and appoint the state fire marshal from the list of candidates presented by the board. The chief of the banking division [shall be known as] is the superintendent of banks, the chief of the consumer affairs division [shall be known as] is the commissioner of consumer affairs, the chief of the credit union division [shall be known as] is the commissioner of credit unions, the chief of the housing division [shall be known as] is the administrator of the housing division, the chief of the insurance division [shall be known as] is the commissioner of insurance, the chief of the manufactured housing division [shall be known as] is the administrator of the manufactured housing division, the chief of the real estate division [shall be known as] is the real estate administrator, the chief of the savings and loan division [shall be known as] is the commissioner of savings associations and the chief of the state fire marshal division [shall be known as] is the state fire marshal.

2. [Be] Is responsible for the administration [,] through the divisions of the department [,] of the provisions of Titles 55 to 57, inclusive, of NRS, chapters 319 and 645 of NRS, and NRS 598.360 to 598.640, inclusive, and for the administration directly or through a division of all other provisions of law relating to the functions of [the divisions of] the department."

Amend the title of the bill to read:

"AN ACT relating to revenue bonds for industrial development;
authorizing the director of the department of commerce to
issue them for projects chosen by counties and cities; and
providing other matters properly relating thereto."

SQUIRE, SANDERS & DEMPSEY

3/17/81

AN ACT relating to economic development of local governments; authorizing the use of revenue bonds to promote fire prevention and control in hotels; and providing other matters properly relating thereto.

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

SECTION 1. Chapter 244A of NRS is hereby amended by adding thereto the provisions set forth as Section 2 of this Act.

SEC 2. "Hotel" means a hotel as defined in NRS 447.010.

SEC. 3. NRS 244A.671 is hereby amended to read as follows:

244A.671. Wherever used in NRS 244A.669 to 244A.763, inclusive, unless a different meaning clearly appears from the context, the words and terms defined in NRS 244A.673 to 244A.693, inclusive, and section 2 of this act, have the meanings ascribed to them in those sections.

SEC. 4. NRS 244A.689 is hereby amended to read as follows:

244A.689. "Project" means:

1. Any land, building or other improvement and all real and personal properties necessary in connection therewith, whether or not in existence, suitable for manufacturing, industrial, warehousing or research and development enterprises.

2. Any land, building, structure, facility, system, fixture, improvement, appurtenance, machinery, equipment, or any combination thereof or any interest therein, used by any individual, partnership, firm, company, corporation (including a public utility), association, trust, estate, political subdivision, state agency or any other legal entity, or its legal representative, agent or assigns:

(a) For the reduction, abatement or prevention of pollution or for the removal or treatment of any substance in a processed material which otherwise would cause pollution when such material is used.

(b) In connection with furnishing of water if available on reasonable demand to members of the general public.

(c) In connection with furnishing of energy or gas.

3. Any undertaking by a public utility, in addition to that allowed by subsection 2, which is solely for the purpose of making capital improvements to property, whether or not in existence, of a public utility.

4. In addition to the kinds of property described in Subsection 2, if the project is for the generation and transmission of electricity, any other property necessary or useful for that purpose, including without limitation any leases and any rights to take water or fuel

5. Any undertaking by a hotel for the purpose of promoting fire prevention and control including, without limitation, the acquisition, construction, financing and installation of sprinkler systems, fire alarms, smoke detectors, fire doors, exhaust tubes, fire escapes and other improvements and property both real and personal useful for fire prevention and control or incidental thereto.

SEC. 5. NRS 244A.695 is hereby amended to read as follows:

244A.695. 1. It is the intent of the legislature to authorize counties to finance, acquire, own, lease, improve and dispose of properties to the end that such counties may be able to promote industry and develop trade by inducing manufacturing, industrial, warehousing and research and development enterprises to locate in, remain or expand in this state, in order to assist in relieving the serious threat of extensive unemployment in parts of this state, in securing and maintaining a balanced and stable economy in all parts of this state and in furthering the use of its agricultural products and natural resources. It is, therefore, the intention of the legislature to vest such counties with all powers that may be necessary to enable them to accomplish such purposes, which powers shall in all respects be exercised for the benefit of the inhabitants of this state for the promotion of their safety, welfare, convenience and prosperity.

2. It is also the intent of the legislature to authorize counties to finance, acquire, own, lease or sell projects or interests therein for the purpose of:

(a) Reducing, abating or preventing pollution or removing or treating any substance in processed material

which otherwise would cause pollution when such material is used, to protect and promote the health, welfare and safety of the citizens of this state and to retain and promote private industry and commerce with the resultant higher level of employment and economic activity and stability. This purpose includes the furnishing of electricity and the provision of facilities to transmit electricity for sale outside the state if its generation promotes industry, commerce or employment within the state.

(b) Promoting the furnishing of energy and gas, and of water if available on reasonable demand to members of the general public, in order to protect and promote the health, welfare and safety of the citizens of this state and to retain and promote private industry and commerce with the resultant higher level of employment and economic activity and stability. This purpose includes the furnishing of electricity and the provision of facilities to transmit electricity for sale outside the state if its generation promotes industry, commerce or employment within the state.

(c) Promoting fire prevention and control in hotels in order to protect and promote the health, welfare and safety of the citizens of and visitors to this state.

3. It is not intended hereby that any county shall itself be authorized to operate any such manufacturing, industrial, warehousing or research and development enterprise.

4. No county may by virtue of NRS 244A.669 to 244A.763, inclusive, assist any manufacturing, industrial, warehousing or research and development enterprise to locate in the county which would offer substantial competition to an existing enterprise within the county whose intrastate markets are substantially the same. The provisions of this subsection do not apply to undertakings by hotels to promote fire prevention and control.

5. NRS 244A.699 to 244A.763, inclusive, shall be liberally construed in conformity with this declaration of purpose.

SEC. 6. Chapter 268 of NRS is hereby amended by adding thereto the provision set forth as section 7 of the act.

SEC. 7. "Hotel" means a hotel as defined in NRS 447.010.

SEC. 8. NRS 268.514 is hereby amended to read as follows:

268.514. Whenever used in NRS 268.512 to 268.568, exclusive, unless a different meaning clearly appears from the context, the following words and terms defined in NRS 268.516 to 268.523, inclusive, and section 7 of this act, have the meanings ascribed to them in [NRS 268.516 to 268.523, inclusive] those sections.

SEC. 9. NRS 268.522 is hereby amended to read as follows:

268.522. "Project" means:

1. Any land, building or other improvement and all real and personal properties necessary in connection therewith, whether or not in existence, suitable for manufacturing, industrial, warehousing or research and development enterprises.

2. Any land, building, structure, facility, system, fixture, improvement, appurtenance, machinery, equipment, or any combination thereof or any interest therein, used by any individual, partnership, firm, company, corporation (including a public utility), association, trust, estate, political subdivision, state agency or any other legal entity, or its legal representative, agent or assigns:

(a) For the reduction, abatement or prevention of pollution or for the removal or treatment of any substance in a processed material which otherwise would cause pollution when such material is used.

(b) In connection with furnishing of water if available on reasonable demand to members of the general public.

(c) In connection with furnishing of energy or gas.

3. Any undertaking by a public utility, in addition to that allowed by subsection 2, which is solely for the purpose of making capital improvements to property, whether or not in existence, of a public utility.

4. Any undertaking by a hotel for the purpose of promoting fire prevention and control including, without limitation, the acquisition, construction, financing and installation of sprinkler systems, fire alarms, smoke

detectors, fire doors, exhaust tubes, fire escapes and other improvements and property, both real and personal, useful for fire prevention and control or incidental thereto.

SEC. 10. NRS 268.524 is hereby amended to read as follows:

268.524. 1. It is the intent of the legislature to authorize cities to finance, acquire, own, lease, improve and dispose of properties to the end that such cities may be able to promote industry and develop trade by inducing manufacturing, industrial, warehousing and research and development enterprises to locate in, remain or expand in this state, in order to assist in relieving the serious threat of extensive unemployment in parts of this state, in securing and maintaining a balanced and stable economy in all parts of this state and in furthering the use of its agricultural products and antural resources. It is, therefore, the intention of the legislature to vest such cities with all powers that may be necessary to enable them to accomplish such purposes, which poiwers shall in all respects be exercised for the benefit of the inhabitants of this state for the promotion of their safety, welfare, convenience and prosperity.

2. It is also the intent of the legislature to authorize cities to finance, acquire, own, lease or sell projects or interests therein for the purpose of:

(a) Reducing, abating or preventing pollution, or removing or treating any substance in processed material which otherwise would cause pollution when such material is used, to protect and promote the health, welfare and safety of the citizens of this state and to retain and promote private industry and commerce with the resultant higher level of employment and economic activity and stability.

(b) Promoting the furnishing of energy and gas, and of water if available on reasonable demand to members of the general public in order to protect and promote health, welfare and safety of the citizens of this state and to retain and promote private industry and commerce with the resultant higher level of employment and economic activity and stability.

(c) Promoting fire prevention and control in hotels in order to protect and promote the health, welfare and safety of citizens of and visitors to this state.

3. It is not intended hereby that any city shall itself be authorized to operate any such manufacturing, industrial, warehousing or research and development enterprise.

4. No city may by virtue of NRS 268.512 to 268.568, inclusive, assist any manufacturing, industrial, warehousing or research and development enterprise to locate within or within 10 miles of the city which would offer substantial competition to an existing enterprise within the county in which such city is located whose intrastate markets are substantially the same. The provisions of this subsection do not apply to undertakings by hotels to promote fire prevention and control.

5. NRS 268.512 to 268.568, inclusive, shall be liberally construed in conformity with this declaration of purpose.

SEC. 11. This act shall become effective upon passage and approval.

1981 REGULAR SESSION (61st)

ASSEMBLY ACTION	SENATE ACTION	Assembly	AMENDMENT BLANK
Adopted <input type="checkbox"/>	Adopted <input type="checkbox"/>	AMENDMENTS to	Assembly
Lost <input type="checkbox"/>	Lost <input type="checkbox"/>	Bill No. 167	Joint
Date:	Date:		Resolution No.
Initial:	Initial:	BDR 30-485	
Concurred in <input type="checkbox"/>	Concurred in <input type="checkbox"/>	Proposed by	Committee on Government Affairs
Not concurred in <input type="checkbox"/>	Not concurred in <input type="checkbox"/>		
Date:	Date:		
Initial:	Initial:		

Amendment No 350

Consistent with Amendment No. 271.

Amend sec. 13, page 6, by deleting lines 41 through 45 and inserting "general or special obligations on behalf of any of these. Where the context so indicates, "municipality" means the geographical area comprising the municipality.

2. Municipality does not include an irrigation district or other special district governed by Title 48 of NRS."

Amend the bill as a whole by adding new sections designated sections 13.3 and 13.6, following section 13, to read as follows:

"Sec. 13.3 NRS 350.626 is hereby amended to read as follows:

350.626 1. If a bid is accepted, the deposits of all other bidders [shall] must be thereupon returned. If all bids are rejected, all deposits [shall] must be returned forthwith.

2. If the successful bidder fails or neglects to complete the purchase of the securities within 30 days following the acceptance of his bid, or within 10 days after the bonds are made ready and are tendered by the municipality for delivery, whichever is later, the amount of his deposit [shall be] is forfeited to the municipality (but no bidder [shall forfeit such] forfeits his deposit whenever the securities are not ready and so tendered for delivery within 60 days from the date of the acceptance of his bid), and the governing body may accept the bid of the person making the next best bid.

To: E & E
LCB File
Journal
Engrossment
Bill

Drafted by FWD:ml Date 3-26-81

3. If all bids are rejected or if no bid is received, the governing body may readvertise the securities for sale in the same manner as provided for the original advertisement or may sell the securities privately [within a period not exceeding 90 days from the day designated in the notice of sale when sealed bids for the purchase of the securities were advertised to be received and opened publicly.] upon any terms not

inconsistent with the other provisions of this chapter.

Sec. 13.6. NRS 350.694 is hereby amended to read as follows:

350.694 1. No bonds may be refunded [hereunder unless they have been outstanding for at least 1 year from the date of their delivery and] under this chapter unless the holders thereof voluntarily surrender them for exchange or payment, or unless they either mature or are callable for prior redemption under their terms within [15] 25 years from the date of issuance of the refunding bonds. Provision [shall] must be made for paying the securities within [such] that period of time.

2. No maturity of any bond refunded may be extended [over 15] more than 25 years, or beyond 1 year next following the date of the last outstanding maturity, whichever limitation is later, nor may any interest on any bond refunded be increased to any rate exceeding 9 percent per annum.

3. The principal amount of the refunding bonds may exceed the principal amount of the refunded bonds if the aggregate principal and interest costs of the refunding bonds do not exceed [such] those unaccrued costs of the bonds refunded, except to the extent any interest on the bonds refunded in arrears or about to become due is capitalized with the proceeds of the refunding bonds. Principal may also then be increased to that extent. [In no event, however, in the case of any bonds constituting a debt [shall] may the principal of the bonds be increased to any amount in excess of any municipal debt limitation.

4. The principal amount of the refunding bonds may also be less than or the same as the principal amount of the bonds being refunded so long as provision is duly and sufficiently made for their payment.

5. If at the time of the issuance of any issue of general obligation refunding bonds provision is not made for the redemption of all the outstanding bonds of the or each issue refunded, as the case may be, by the use of proceeds of the refunding bonds and any other moneys available for such redemption, the general obligation refunding bonds may mature but are not required to mature serially commencing not later than the third year after their respective dates in accordance with subsection 2 of NRS 350.630.

Amend sec. 17, page 7, by deleting lines 36 through 41 and inserting "power] may from time to time [to acquire,] :

1. Acquire, improve, equip, operate and maintain one or more street beautification projects [.] :

2. Levy assessments against assessable property within the county to defray all or any portion of the cost thereof which is not to be defrayed with money available therefor from the general fund, any special fund, or otherwise; and

3. Cause the assessments so levied to be collected."

Amend sec. 19, page 8, line 21 by inserting closed brackets after "(a)".

Amend sec. 27, page 13, line 3, by deleting "31," and inserting "31.6,".

Amend the bill as a whole by adding new sections designated sections 31.5 and 31.6, following section 31, to read as follows:

"Sec. 31.5. When all outstanding bonds, principal, interest and prior redemption premiums, if any, of a district have been paid, surplus amounts remaining in the special fund created for that district pursuant to NRS 271.490 must be refunded as follows:

1. If amounts have been advanced from the general fund of the county as required by NRS 271.495 for the payment of any bonds or interest thereon of such district, those amounts must first be returned to the general fund of the county.

2. If a surplus and deficiency fund has been established pursuant to section 31.6 of this act, and amounts have been advanced from the surplus and deficiency fund for the payment of bonds or interest thereon of such district, those amounts must be returned to the surplus and deficiency fund.

3. The county treasurer shall thereupon determine the amount remaining in the fund created for the district pursuant to NRS 271.490 and deduct therefrom the amount of administrative costs of returning that surplus.

4. If the surplus is \$10,000 or less, that amount plus the administrative expenses must be deposited to the surplus and deficiency fund.

5. If the surplus is more than \$10,000, the county treasurer shall apportion the surplus among the tracts of land assessed in such district, and shall report this apportionment to the board.

6. Upon the approval of this apportionment by the board, the county treasurer shall thereupon give notice by mail and by publication of the availability of the surplus for refund.

7. The notice must also state that the owner or owners, current or otherwise, of each tract of land which was assessed, may request the refund of the surplus apportioned to such tract by filing a claim therefor with the county treasurer within 60 days after the date of the mailing of the notice. Thereafter claims for such

refunds are perpetually barred.

8. Surplus amounts, if any, remaining after the payment of all valid claims filed with the county treasurer within the 60-day period must be transferred to the surplus and deficiency fund.

9. Valid claims for refund filed in excess of the surplus available for each separate tract may be apportioned ratably among the claimants by the treasurer.

Sec. 31.6. 1. When all outstanding bonds, principal, interest and prior redemption premiums, if any, of such a district have been paid and any surplus amounts remain in the fund established pursuant to NRS 271.490 to the credit of the district, the surplus after the payment of valid claims for refund, if any, must be transferred to a county surplus and deficiency fund. The board may, at any time, by resolution or by ordinance, authorize the deposit of any money otherwise available to the county surplus and deficiency fund.

2. Whenever there is a deficiency in any fund established pursuant to NRS 271.490 for the payment of the bonds and interest thereon for any improvement district created pursuant to NRS 271.325 or former NRS 244A.193 or 318.070, the deficiency must first be paid out of the surplus and deficiency fund to the extent of the money available therein before any payment is made out of the general fund of the county as provided by NRS 271.495.

3. Amounts in the surplus and deficiency fund which exceed 10 percent of the principal amount of outstanding bonds of the county for all improvement districts created pursuant to NRS 271.490 or former NRS 244A.193 or 318.070 at the end of each fiscal year may be used:

(a) To make up deficiencies in any assessment which proves insufficient to pay for the cost of the project or work for which the assessment has been levied.

(b) The advance amounts for the cost of any project or work in any district created pursuant to any of these sections.

(c) To provide for the payment of assessments levied against, or attributable to, property owned by the county or the Federal Government.

4. At the end of each fiscal year any excess amount described in subsection 3 may be transferred to the general fund of the county as the board may direct by resolution."

Amend the bill as a whole by adding new sections designated sections 36.3 and 36.6, following section 36, to read as follows:

"Sec. 36.3. NRS 271.430 is hereby amended to read as follows:

271.430 [1.] Should any assessment prove insufficient to pay for the project or work for which it is levied and the expense incident thereto, the amount of [such deficiency shall] the deficiency must be paid from the general fund of the municipality [.

2. If a greater amount has been collected than was necessary, the excess shall be refunded ratably to those by whom it was paid.] to the extent that money is not available for its payment from the surplus and deficiency fund.

Sec. 36.6 NRS 271.495 is hereby amended to read as follows:

271.495 1. If the special fund created by the proceeds of the assessments is insufficient to pay such bonds and interest thereon as they become due. and the amounts in the surplus and deficiency fund are not sufficient for that purpose,

the deficiency [shall] must be paid out of any assets in the general fund of the municipality, regardless of source, which are otherwise legally available therefor.

2. If the general fund is insufficient to pay any such deficiency promptly, the governing body shall levy general (ad valorem) taxes upon all property in the municipality which is by law taxable for state, county and municipal purposes, without regard to any statutory or

charter tax limitation [now or hereafter] existing [,] on or after May 14, 1965, and without limitation,

as to rate or amount, fully sufficient, after making due allowance for probable delinquencies, to provide for the prompt payment of such bonds as they become due, both principal and interest, but subject to the limitation of section 2 of article 10 of the constitution of the state."

Amend the bill as a whole by adding a new section designated section 37.5, following section 37, to read as follows:

"Sec. 37.5. NRS 309.230 is hereby amended to read as follows:

309.230 1. The board may sell bonds from time to time in such quantities as may be necessary and most advantageous to raise money for the construction of works and the acquisition of property and rights and to otherwise carry out the objects and purposes of this chapter.
2. Before making any sale the board shall by resolution declare its intention to sell a specific number and amount of bonds, and if the bonds can be sold at par with accrued interest they may be disposed of without advertising; otherwise notice [shall] must be published for 3 weeks in a newspaper in the county in which the office of the district is situated, and in such other newspaper in or outside of the state as the board may deem expedient, that sealed proposals will be received at its office on or before a day and hour set in the notice for the purchase of the bonds.
3. At the time appointed the board shall publicly open the proposals and sell the bonds to the highest responsible bidder, or it may reject all bids; but in case no bids are received, or in case no award is made, the board thereafter may either readvertise the bonds or any part

thereof for sale or sell the [same] bonds or any part thereof at private sale [.] , upon any terms not inconsistent with the other provisions of this chapter. In no event [shall] may the board sell any of the bonds for less than 90 percent of the par value thereof and accrued interest.

4. The board may use any bonds of the district which have been offered for sale at public sale and remain unsold in payment for construction of canals, storage reservoirs, or other works of the district, without the necessity of calling for bids for such construction, and may enter into contracts providing for the payment of such construction in bonds, which contracts may provide for the payment of a fixed contract price, or the cost of such construction plus a fixed percentage thereof, or the cost of such construction plus a fixed sum, in the discretion of the board [; provided:

(a) That] but 90 percent of their par value and interest accrued thereon is the minimum price at which the bonds may be used in payment for such construction [; and

(b) That such use of bonds and any such contract must be approved by the irrigation district bond commission.]

5. If for any reason the bonds of a district cannot be sold, or, if at any time it shall be deemed for the best interests of the district to withdraw from sale all or any portion of an authorized bond issue, the board of directors may, in its discretion, cancel the same } bonds and levy assessment in the amount of the bonds canceled. The revenue derived from the assessments must be employed for the same purpose as was contemplated by the bond authorization, but no levy [shall] may be made to pay for work or material, payment for which was contemplated by bonds which have been authorized, until bonds to the amount of the assessments have been canceled. Assessments made in lieu of bonds

canceled [shall] must be collected in the same manner and [shall] have the same force and effect as other assessments levied under the provisions of this chapter; but such an assessment [shall] must not during any 1 year exceed 10 percent of the total bond issue authorized by such district, unless a greater assessment [shall be] is authorized by a majority vote of the qualified electors of the district voting at a general election or a special election called for that purpose."

Amend the bill as a whole by adding a new section designated section 39.5, following section 39, to read as follows:

"Sec. 39.5 NRS 354.440 is hereby amended to read as follows:

354.440 1. Whenever any governing board of any local government is authorized to enter into short-term financing as provided in NRS 354.430, the governing body may issue, as evidence thereof, negotiable notes or short-time negotiable bonds.

2. The negotiable notes or bonds [shall:] must:

(a) Mature not later than 5 years from the date of issuance.

(b) Bear interest not to exceed 9 percent per annum.

(c) Be redeemable at the option of such local government at any time when money is available in the special tax fund provided for in NRS

354.460 [.] , upon such terms as the governing board determines."

Amend the bill as a whole by adding a new section designated section 40.5, following section 40, to read as follows:

"Sec. 40.5 NRS 403.210 is hereby amended to read as follows:

403.210 [1.] For the purpose of creating a fund in each of the several counties of the State of Nevada, to be known as the county road and bridge fund, and to be used in the construction, repairing and maintaining of county roads and bridges, and the purchasing of machinery and implements necessary in such work, the boards of county commissioners of the several counties, each acting in and for its respective county, are authorized, empowered and required,] shall, within 90 days after the people of the county shall have authorized the issuance of such bonds, to prepare and issue bonds as general obligations of the county in an amount not equivalent of 3 percent of the total taxable value of the real and personal property of the county, as shown by the last report of the county assessor, such amount to be exclusive of interest. to exceed the

[2. The question of issuance of the bonds shall be submitted to the people of the county at an election, and the duly qualified electors shall authorize the issuance of the same by a majority vote.]"

Amend the bill as a whole by adding a new section designated section 48.5, following section 48, to read as follows:

"Sec. 48.5. NRS 539.570 is hereby amended to read as follows:

539.570 1. The board may sell bonds from time to time in such quantities as may be necessary and most advantageous to raise money for the construction of works and the acquisition of property and rights and otherwise to carry out the objects and purposes of this chapter.

2. Before making any sale the board shall by resolution declare its intention to sell a specific number and amount of bonds, and if the bonds can be sold at par with accrued interest they may be disposed of without advertising; otherwise notice [shall] must be published for 3 weeks in a newspaper in the county in which the office of the district is situated, and in such other newspaper in or outside of the state as the board may deem expedient, that sealed proposals will be received at its office on or before a day and hour set in the notice for the purchase of the bonds.

3. At the time appointed, the board shall publicly open the proposals, and sell the bonds to the highest responsible bidder, or it may reject all bids; but in case no bids are received, or, in case no award is made, the board thereafter may either readvertise the bonds or any

part thereof for sale or sell the [same] bonds or any part thereof at private sale [.] , upon any terms not inconsistent with the other provisions of this chapter."

Amend sec. 77, page 37, line 16 before "474.230" by inserting "403.220 to 403.400, inclusive,".

1981 REGULAR SESSION (61st)

ASSEMBLY ACTION	SENATE ACTION	Assembly	AMENDMENT BLANK
Adopted <input type="checkbox"/>	Adopted <input type="checkbox"/>	AMENDMENTS to	Assembly
Lost <input type="checkbox"/>	Lost <input type="checkbox"/>	Bill No. 167	Joint Resolution No.
Date: <input type="checkbox"/>	Date: <input type="checkbox"/>	BDR 30-485	
Initial: <input type="checkbox"/>	Initial: <input type="checkbox"/>	Proposed by	Committee on Government Affairs
Concurred in <input type="checkbox"/>	Concurred in <input type="checkbox"/>		
Not concurred in <input type="checkbox"/>	Not concurred in <input type="checkbox"/>		
Date: <input type="checkbox"/>	Date: <input type="checkbox"/>		
Initial: <input type="checkbox"/>	Initial: <input type="checkbox"/>		

Amendment N^o 271



Amend sec. 6, page 3, line 14, after "issue" by inserting "or incur".

Amend sec. 7, page 4, line 9, after "issue" by inserting "or incur".

Amend sec. 8, page 4, by deleting lines 25 and 26 and inserting:

"(c) The purposes for which the [bonds] obligations are to be issued or [the loan is otherwise to be] incurred."

Amend sec. 8, page 4, line 33, after "general election," by inserting "a primary election, or a municipal election,".

Amend sec. 8, page 4, line 36, by deleting "general election." and inserting "[general] election [.] with which it is consolidated."

Amend sec. 9, page 4, line 43, by deleting "a special" and inserting "not consolidated with another".

Amend sec. 9, page 4, line 45 after "issue" by inserting "or incur".

Amend sec. 9, page 5, line 7 by deleting the period and inserting: "insofar as those laws can reasonably be made applicable."

Amend sec. 10, page 5, line 15 after "issue" by inserting "or incur".

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Drafted by... FWD:ml Date... 3-16-81

(c) *Disclosure.* No broker, dealer, or municipal securities dealer shall effect a transaction in a municipal security with or for a customer if such broker, dealer, or municipal securities dealer has a control relationship with respect to the security unless, before entering into a contract with or for the customer for the purchase, sale, or exchange of such security, the broker, dealer, or municipal securities dealer discloses to the customer the nature of the control relationship, and if such disclosure is not made in writing, such disclosure must be supplemented by the sending of written disclosure concerning the control relationship at or before the completion of the transaction.

¶ 3611

Activities of Financial Advisors

Rule G-23. (a) *Purpose.* The purpose and intent of this rule is to establish ethical standards and disclosure requirements for brokers, dealers, and municipal securities dealers who act as financial advisors to issuers of municipal securities.

(b) *Financial Advisory Relationship.* For purposes of this rule, a financial advisory relationship shall be deemed to exist when a broker, dealer, or municipal securities dealer renders or enters into an agreement to render financial advisory or consultant services to or on behalf of an issuer with respect to a new issue or issues of municipal securities, including advice with respect to the structure, timing, terms and other similar matters concerning such issue or issues, for a fee or other compensation or in expectation of such compensation for the rendering of such services. Notwithstanding the foregoing, a financial advisory relationship shall not be deemed to exist when, in the course of acting as an underwriter, a municipal securities dealer renders advice to an issuer, including advice with respect to the structure, timing, terms and other similar matters concerning a new issue of municipal securities.

(c) *Basis of Compensation.* Each financial advisory relationship shall be evidenced by a writing entered into prior to, upon or promptly after the inception of the financial advisory relationship (or promptly after the creation or selection of the issuer if the issuer does not exist or has not been determined at the time the relationship commences). Such writing shall set forth the basis of compensation for the financial advisory services to be rendered, including provisions relating to the deposit of funds or the utilization of fiduciary or agency services offered by such broker, dealer, or municipal securities dealer or by a person controlling, controlled by, or under common control with such broker, dealer, or municipal securities dealer in connection with the rendering of such financial advisory services. The requirement for a writing shall become effective on June 4, 1980.

(d) *Underwriting Activities.* No broker, dealer, or municipal securities dealer that has a financial advisory relationship with respect to a new issue of municipal securities shall acquire as principal either alone or as a participant in a syndicate or other similar account formed for the purpose of purchasing, directly or indirectly, from the issuer all or any portion of such issue, or arrange for such acquisition or participation by a person controlling, controlled by, or under common control with such broker, dealer, or municipal securities dealer, unless

(i) if such issue is to be sold by the issuer on a negotiated basis,

(A) the financial advisory relationship with respect to such issue has been terminated in writing and at or after such termina-

tion the issuer has expressly consented in writing to such acquisition or participation in the purchase of the securities on a negotiated basis;

(B) the broker, dealer, or municipal securities dealer has expressly disclosed in writing to the issuer at or before such termination that there may be a conflict of interest in changing from the capacity of financial advisor to purchaser of the securities with respect to which the financial advisory relationship exists and the issuer has expressly acknowledged in writing to the broker, dealer, or municipal securities dealer receipt of such disclosure; and

(C) the broker, dealer, or municipal securities dealer has expressly disclosed in writing to the issuer at or before such termination the source and anticipated amount of all remuneration to the broker, dealer, or municipal securities dealer with respect to such issue in addition to the compensation referred to in section (c) of this rule, and the issuer has expressly acknowledged in writing to the broker, dealer, or municipal securities dealer receipt of such disclosure; or

(ii) if such issue is to be sold by the issuer at competitive bid, the issuer has expressly consented in writing prior to the bid to such acquisition or participation.

The limitations and requirements set forth in this section (d) shall also apply to any broker, dealer, or municipal securities dealer controlling, controlled by, or under common control with the broker, dealer, or municipal securities dealer having a financial advisory relationship. The use of the term "indirectly" in this section (d) shall not preclude a broker, dealer, or municipal securities dealer who has a financial advisory relationship with respect to a new issue of municipal securities from purchasing such securities from an underwriter, either for its own trading account or for the account of customers, except to the extent that such purchase is made to contravene the purpose and intent of this rule. Each broker, dealer, and municipal securities dealer subject to the provisions of this section (d) shall maintain a copy of the written disclosures, acknowledgements and consents required by this section in a separate file and in accordance with the provisions of rule G-9.

(e) *Disclosure to Customers.* If a broker, dealer, or municipal securities dealer acquires new issue municipal securities or participates in a syndicate or other account that acquires new issue municipal securities in accordance with section (d) of this rule, such broker, dealer, or municipal securities dealer shall disclose the existence of the financial advisory relationship in writing to each customer who purchases such securities from such broker, dealer, or municipal securities dealer, at or before the completion of the transaction with the customer.

(f) *Applicability of State or Local Law.* Nothing contained in this rule shall be deemed to supersede any more restrictive provision of state or local law applicable to the activities of financial advisors.

(g) *Effective Date of Rule.* Except as otherwise provided in this rule, the provisions of this rule shall take effect on April 5, 1980.