
ASSEMBLY BILL NO. 241—ASSEMBLYMAN GUSTAVSON
(BY REQUEST)

MARCH 5, 2003

Referred to Committee on Government Affairs

SUMMARY—Makes various changes relating to general improvement districts. (BDR 25-815)

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

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

AN ACT relating to general improvement districts; revising the definition of “publication”; authorizing a board of trustees of a district to increase the compensation of the trustees under certain circumstances; authorizing the board of trustees of a district to adopt and enforce regulations regarding the date on which a charge for services provided by the district becomes delinquent; making certain changes regarding the merger, consolidation or dissolution of certain districts; 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 318.020 is hereby amended to read as follows:
2 318.020 As used in this chapter, unless the context otherwise
3 requires:
4 1. “Acquisition,” “acquire” and “acquiring” each means
5 acquisition, extension, alteration, reconstruction, repair or other
6 improvement by purchase, construction, installation, reconstruction,
7 condemnation, lease, rent, gift, grant, bequest, devise, contract or
8 other acquisition, or any combination thereof.
9 2. “Board of trustees” and “board” alone each means the board
10 of trustees of a district.



1 3. "FM radio" means a system of radio broadcasting by means
2 of frequency modulation.

3 4. "General improvement district" and "district" alone each
4 means any general improvement district organized or, in the case of
5 organizational provisions, proposed to be organized, pursuant to this
6 chapter.

7 5. "Mail" means a single mailing first class or its equivalent,
8 postage prepaid, by deposit in the United States mails, at least 15
9 days before the designated time or event.

10 6. "Project" and "improvement" each means any structure,
11 facility, undertaking or system which a district is authorized to
12 acquire, improve, equip, maintain or operate. A project may consist
13 of all kinds of personal and real property, including, but not limited
14 to, land, elements and fixtures thereon, property of any nature
15 appurtenant thereto or used in connection therewith, and every
16 estate, interest and right therein, legal or equitable, including terms
17 for years, or any combination thereof.

18 7. "Publication" means publication ~~[at least once a week for 3~~
19 ~~consecutive weeks in at least]~~ one *time in a* newspaper of general
20 circulation in the district ~~[- It is not necessary that publication be~~
21 ~~made on the same day of the week in each of the 3 calendar weeks,~~
22 ~~but the first publication must be]~~ at least 15 days before the
23 designated time or event.

24 8. "Qualified elector" means a person who has registered to
25 vote in district elections.

26 9. "Special assessment district" means any local public
27 improvement district organized within a general improvement
28 district by the board of trustees of such general improvement district
29 pursuant to this chapter.

30 10. "Trustees" means the members of a board.

31 **Sec. 2.** NRS 318.085 is hereby amended to read as follows:

32 318.085 Except as otherwise provided in NRS 318.0953 and
33 318.09533:

34 1. After taking oaths and filing bonds, the board shall choose
35 one of its members as chairman of the board and president of the
36 district, and shall elect a secretary and a treasurer of the board and
37 of the district, who may or may not be members of the board. The
38 secretary and the treasurer may be one person.

39 2. The board shall adopt a seal.

40 3. The secretary shall keep, in a well-bound book, a record of
41 all of the board's proceedings, minutes of all meetings, any
42 certificates, contracts, bonds given by employees and all corporate
43 acts. This book must be open to inspection of all owners of real
44 property in the district as well as to all other interested persons.



1 4. The treasurer shall keep strict and accurate accounts of all
 2 money received by and disbursed for and on behalf of the district in
 3 permanent records. He shall file with the county clerk, at the
 4 expense of the district, a corporate surety bond in an amount not
 5 more than \$50,000, the form and exact amount thereof to be
 6 approved and determined, respectively, by the board of county
 7 commissioners, conditioned for the faithful performance of the
 8 duties of his office. Any other officer or trustee who actually
 9 receives or disburses money of the district shall furnish a bond as
 10 provided in this subsection. The board of county commissioners
 11 may, upon good cause shown, increase or decrease the amount of
 12 that bond.

13 5. Each member of a board of trustees of a district organized or
 14 reorganized pursuant to this chapter may receive as compensation
 15 for his service not more than ~~[\$6,000]~~ *\$12,000* per year, payable
 16 monthly, if the budget is adequate and a majority of the members of the
 17 board vote in favor of such compensation, but no member of the
 18 board may receive any other compensation for his service to the
 19 district as an employee or otherwise. ~~[A]~~ *Each* member of the board
 20 ~~[is not entitled to receive as compensation more than \$1,800 per~~
 21 ~~year if the additional compensation is approved during the term of~~
 22 ~~the member.]~~ *must receive the same compensation. If a majority of*
 23 *the members of the board vote in favor of an increase in the*
 24 *compensation of the trustees, the increase may not take effect until*
 25 *January 1 following the next biennial election of the district as set*
 26 *forth in NRS 318.095.*

27 **Sec. 3.** NRS 318.197 is hereby amended to read as follows:

28 318.197 1. The board may fix, and from time to time increase
 29 or decrease, electric energy, cemetery, swimming pool, other
 30 recreational facilities, television, FM radio, sewer, water, storm
 31 drainage, flood control, snow removal, lighting, garbage or refuse
 32 rates, tolls or charges other than special assessments, including, but
 33 not limited to, service charges and standby service charges, for
 34 services or facilities furnished by the district, charges for the
 35 availability of service, annexation charges, and minimum charges,
 36 and pledge the revenue for the payment of any indebtedness or
 37 special obligations of the district.

38 2. Upon compliance with subsection 9 and until paid, all rates,
 39 tolls or charges constitute a perpetual lien on and against the
 40 property served. A perpetual lien is prior and superior to all liens,
 41 claims and titles other than liens of general taxes and special
 42 assessments and is not subject to extinguishment by the sale of any
 43 property on account of nonpayment of any liens, claims and titles
 44 including the liens of general taxes and special assessments. A
 45 perpetual lien must be foreclosed in the same manner as provided by



1 the laws of the State of Nevada for the foreclosure of mechanics'
2 liens. Before any lien is foreclosed, the board shall hold a hearing
3 thereon after providing notice thereof by publication and by
4 registered or certified first-class mail, postage prepaid, addressed to the
5 the last known owner at his last known address according to the
6 records of the district and the real property assessment roll in the
7 county in which the property is located.

8 3. The board shall prescribe and enforce regulations for
9 the connection with and the disconnection from properties of the
10 facilities of the district and the taking of its services.

11 4. The board may provide for the collection of charges.
12 Provisions may be made for, but are not limited to:

13 (a) The granting of discounts for prompt payment of bills.

14 (b) The requiring of deposits or the prepayment of charges in an
15 amount not exceeding 1 year's charges from persons receiving
16 service and using the facilities of the enterprise or from the owners
17 of property on which or in connection with which services and
18 facilities are to be used. In case of nonpayment of all or part of a
19 bill, the deposits or prepaid charges must be applied only insofar as
20 necessary to liquidate the cumulative amount of the charges plus
21 penalties and cost of collection.

22 (c) The requiring of a guaranty by the owner of property that the
23 bills for service to the property or the occupants thereof will be paid.

24 5. The board may provide for a basic penalty for nonpayment
25 of the charges within the time and in the manner prescribed by it.
26 The basic penalty must not be more than 10 percent of each month's
27 charges for the first month delinquent. In addition to the basic
28 penalty, the board may provide for a penalty of not exceeding 1.5
29 percent per month for nonpayment of the charges and basic penalty.

30 ~~{On the first day of the calendar month following the date of~~
31 ~~payment specified in the bill the}~~ *The board may prescribe and*
32 *enforce regulations that set forth the date on which a* charge
33 becomes delinquent . ~~[if the bill or that portion thereof which is not~~
34 ~~in bona fide dispute remains unpaid.]~~ The board may provide for
35 collection of the penalties provided for in this section.

36 6. The board may provide that charges for any service must be
37 collected together with and not separately from the charges for any
38 other service rendered by it, and that all charges must be billed upon
39 the same bill and collected as one item.

40 7. The board may enter into a written contract with any person,
41 firm or public or private corporation providing for the billing and
42 collection by the person, firm or corporation of the charges for the
43 service furnished by any enterprise. If all or any part of any bill
44 rendered by the person, firm or corporation pursuant to a contract is
45 not paid and if the person, firm or corporation renders any public



1 utility service to the person billed, the person, firm or corporation
2 may discontinue its utility service until the bill is paid, and the
3 contract between the board and the person, firm or corporation may
4 so provide.

5 8. As a remedy established for the collection of due and unpaid
6 deposits and charges and the penalties thereon an action may be
7 brought in the name of the district in any court of competent
8 jurisdiction against the person or persons who occupied the property
9 when the service was rendered or the deposit became due or against
10 any person guaranteeing payment of bills, or against any or all such
11 persons, for the collection of the amount of the deposit or the
12 collection of delinquent charges and all penalties thereon.

13 9. A lien against the property served is not effective until a
14 notice of the lien, separately prepared for each lot affected, is:

15 (a) Mailed to the last known owner at his last known address
16 according to the records of the district and the real property
17 assessment roll of the county in which the property is located;

18 (b) Delivered by the board to the office of the county recorder of
19 the county within which the property subject to such lien is located;

20 (c) Recorded by the county recorder in a book kept by him for
21 the purpose of recording instruments encumbering land; and

22 (d) Indexed in the real estate index as deeds and other
23 conveyances are required by law to be indexed.

24 **Sec. 4.** NRS 318.490 is hereby amended to read as follows:

25 318.490 1. Except as otherwise provided in NRS 318.492,
26 whenever a majority of the members of the board of county
27 commissioners of any county deem it to be in the best interests of
28 the county and of the district that the district be merged,
29 consolidated or dissolved, it shall so determine by ordinance, after
30 there is first found, determined and recited in the ordinance that:

31 (a) All outstanding indebtedness and bonds of all kinds of the
32 district have been paid or will be assumed by the resulting merged
33 or consolidated unit of government.

34 (b) The services of the district are no longer needed or can be
35 more effectively performed by an existing unit of government.

36 2. ~~The~~ *If a board of county commissioners determines to*
37 *merge, consolidate or dissolve a district that was, on October 1,*
38 *2003, exercising powers pursuant to NRS 318.140 and 318.144, in*
39 *addition to meeting the requirements set forth in subsection 1,*
40 *within 90 days after the ordinance is adopted by the board of*
41 *county commissioners the ordinance must be adopted by a*
42 *majority of the board of trustees of the district that is being*
43 *merged, consolidated or dissolved. A district described in this*
44 *subsection may not be merged, consolidated or dissolved if the*
45 *ordinance is not adopted by the board of the district.*



1 **3. After an ordinance has been adopted pursuant to**
2 **subsection 1 and, if applicable, subsection 2, the** county clerk shall
3 thereupon certify a copy of the ordinance to the board of the district
4 and shall mail written notice to all property owners within the
5 district in his county, containing the following:
6 (a) The adoption of the ordinance ~~§~~ **by the board of county**
7 **commissioners and, if applicable, by the board of the district;**
8 (b) The determination of the board of county commissioners that
9 the district should be dissolved, merged or consolidated; and
10 (c) The time and place for hearing on the dissolution, merger or
11 consolidation.
12 **Sec. 5.** NRS 318.492 is hereby amended to read as follows:
13 318.492 1. If all the territory within a district organized
14 pursuant to this chapter is included within the boundaries of a city
15 incorporated under the provisions of chapter 266 of NRS, the board
16 of county commissioners of the county shall, within 90 days after
17 the filing of the notice required by NRS 266.033, adopt an ordinance
18 providing for the merger of the district with the city and fixing a
19 time and place for a hearing on the merger.
20 2. The county clerk shall certify a copy of the ordinance and
21 give notice of its adoption in the manner provided by subsection ~~2~~
22 **3** of NRS 318.490.
23 3. The board of county commissioners shall thereafter proceed
24 to hear and determine the matter as provided in NRS 318.495 and
25 318.500.

