

SENATE BILL NO. 140—SENATOR TOWNSEND

FEBRUARY 18, 2003

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing acquisition by county or state of municipal obligations issued by certain water authorities. (BDR 20-854)

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

~

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

AN ACT relating to municipal obligations; revising provisions governing the acquisition by a county or this state of municipal obligations issued by a water authority organized as a political subdivision created by cooperative agreement; 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 244A.0347 is hereby amended to read as
2 follows:

3 244A.0347 “Municipality” means any city, town, school
4 district, library district, consolidated library district, fire protection
5 district, district for a fire department, park district, general
6 improvement district organized pursuant to chapter 318 of NRS,
7 water district organized pursuant to a special act or water authority
8 organized as a political subdivision created by cooperative
9 agreement . ~~[whose members include at least the two largest
10 municipal retail water purveyors in the county.]~~

11 **Sec. 2.** NRS 350A.152 is hereby amended to read as follows:
12 350A.152 1. Before state securities may be issued pursuant to
13 this chapter for the purpose of acquiring bonds which are issued by
14 a water authority organized as a political subdivision created by



* S B 1 4 0 *

1 cooperative agreement ~~§~~ *that operates in all or a portion of a*
2 *county whose population is 400,000 or more:*

3 (a) The water authority must obtain approval for the bonds from
4 the debt management commission of each county in which any
5 member of the water authority that is obligated to make payments
6 on the bonds of the water authority is located; and

7 (b) The members of the water authority must contract with the
8 water authority to make payments from the revenues of the
9 members' water systems that, in the aggregate, are fully sufficient to
10 pay those bonds as they become due. If the water revenues of any
11 such member are insufficient to pay that member's share of the
12 amount due on the bonds, the member shall pay the deficiency out
13 of money available for that purpose in the general fund of the
14 member. If the money in the general fund of the member is
15 insufficient to pay fully any such deficiency promptly, the member
16 shall levy a general ad valorem tax on all taxable property within the
17 member's boundaries at a rate necessary to produce revenue in an
18 amount sufficient to pay that member's share of the payments due
19 on the bonds.

20 2. Notwithstanding the provisions of paragraph (a) of
21 subsection 1, the obligations of the members of the water authority
22 to the water authority and the State of Nevada as a result of the
23 acquisition of bonds of the water authority pursuant to this chapter
24 do not constitute indebtedness of the members within the meaning
25 of any constitutional, charter or statutory limitation or other
26 provisions restricting the incurrence of any debt.

27 3. A property tax levied pursuant to this section:

28 (a) Shall be considered to have been levied for the payment of
29 bonded indebtedness for the purposes of NRS 361.463.

30 (b) Is exempt from the limitations on property taxes contained in
31 chapter 354 of NRS.

32 **Sec. 3.** This act becomes effective on July 1, 2003.

