
SENATE BILL NO. 225—COMMITTEE ON GOVERNMENT AFFAIRS

MARCH 3, 2003

Referred to Committee on Government Affairs

SUMMARY—Authorizes general improvement district to file petition in bankruptcy pursuant to the Federal Bankruptcy Act and clarifies status of general improvement district as municipality. (BDR 25-1091)

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; authorizing a general improvement district to file a petition in bankruptcy and be a debtor pursuant to the Federal Bankruptcy Act; clarifying that a general improvement district is a municipality; and providing other matters properly relating thereto.

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

- 1 **Section 1.** Chapter 318 of NRS is hereby amended by adding
2 thereto a new section to read as follows:
3 *A general improvement district, in its capacity as a*
4 *municipality, may file a petition and be a debtor pursuant to the*
5 *Federal Bankruptcy Act, 11 U.S.C. §§ 101 et seq., as amended,*
6 *including, but not limited to, chapter 9 of that title.*
7 **Sec. 2.** NRS 318.015 is hereby amended to read as follows:
8 318.015 1. It is hereby declared as a matter of legislative
9 determination that ~~the~~ :
10 (a) *The* organization of districts having the purposes, powers,
11 rights, privileges and immunities provided in this chapter will serve
12 a public use and will promote the health, safety, prosperity, security



1 and general welfare of the inhabitants thereof and of the State of
2 Nevada; ~~{that the}~~

3 (b) *The* acquisition, improvement, maintenance and operation of
4 any project authorized in this chapter is in the public interest and
5 constitutes a part of the established and permanent policy of the
6 State of Nevada; and ~~{that each}~~

7 (c) *Each* district organized pursuant to the provisions of this
8 chapter ~~{shall be}~~ *is* a *governmental subdivision of the State of*
9 *Nevada, a* body corporate and politic and a *municipality having the*
10 *form of a* quasi-municipal corporation.

11 For the accomplishment of these purposes the provisions of this
12 chapter shall be broadly construed.

13 2. It is hereby further declared that the provisions of this
14 chapter are not intended to provide a method for financing the costs
15 of developing private property.

16 3. It is hereby further declared as a matter of legislative
17 determination that the notice provided for in this chapter for each
18 hearing and action to be taken is reasonably calculated to inform the
19 parties of all proceedings which may directly and adversely affect
20 their legally protected interest.

21 **Sec. 3.** NRS 318.075 is hereby amended to read as follows:

22 318.075 1. Except as otherwise provided in subsection 2, the
23 adoption of the ordinance creating the district ~~{shall}~~ finally and
24 conclusively ~~{establish}~~ *establishes* the regular organization of the
25 district against all persons, which district ~~{shall thenceforth be}~~ *is* a
26 governmental subdivision of the State of Nevada, a body corporate
27 and politic and a *municipality having the form of a* quasi-municipal
28 corporation.

29 2. Within 30 days immediately following the effective date of
30 such ordinance any person who has filed a written protest, as
31 provided in NRS 318.065, ~~{shall have}~~ *has* the right to commence
32 an action in any court of competent jurisdiction to set aside such
33 determination. Thereafter all actions or suits attacking the regularity,
34 validity and correctness of that ordinance and all proceedings,
35 determinations and instruments taken, adopted or made ~~{prior to~~
36 ~~such}~~ *before the* ordinance's final passage ~~{, shall be}~~ *are*
37 perpetually barred.

38 3. Within 30 days after the effective date of the ordinance
39 creating the district, the county clerk shall file a copy of the
40 ordinance in his office and shall cause to be filed an additional copy
41 of the ordinance in the Office of the Secretary of State, which filings
42 ~~{shall be}~~ *are* without fee and ~~{be}~~ *are* otherwise in the same manner
43 as articles of incorporation are required to be filed under chapter 78
44 of NRS.



- 1 **Sec. 4.** A general improvement district that was organized
- 2 before the effective date of this act shall be deemed to have been a
- 3 municipality from the date of its organization.
- 4 **Sec. 5.** This act becomes effective upon passage and approval.

