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SENATE BILL NO. 78—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE DEPARTMENT OF BUSINESS  
AND INDUSTRY, HOUSING DIVISION)

FEBRUARY 11, 2003

Referred to Committee on Government Affairs

SUMMARY—Makes various changes relating to assistance to  
finance housing. (BDR 25-467)

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.

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AN ACT relating to affordable housing; revising requirements relating to eligibility for housing assistance; providing that the Division may develop or acquire one or more information systems; establishing the circumstances under which the Division may issue a letter of credit; increasing the permissible aggregate principal amount of the outstanding obligations of the Division; repealing the prospective expiration of certain provisions regarding assistance to finance housing; 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 319.060 is hereby amended to read as follows:  
2     319.060 “Eligible family” means a person or family, selected  
3 without regard to race, creed, national origin or sex, determined by  
4 the Division to require such assistance as is made available by this  
5 chapter on account of insufficient personal or family income *or*  
6 *other criteria established by the Administrator that are consistent*  
7 *with the intent of this chapter*, after taking into consideration,  
8 without limitation : ~~[-, such factors as:]~~



- 1 1. The amount of the total income of that person or family
- 2 available for housing needs;
- 3 2. The size of the family;
- 4 3. The cost and condition of housing facilities available;
- 5 4. The ability of the person or family to compete successfully
- 6 in the normal private housing market and to pay the amounts at
- 7 which private enterprise is providing decent, safe and sanitary
- 8 housing;
- 9 5. *Any identifiable factor other than those set forth in*
- 10 *subsections 1 to 4, inclusive, that the Administrator determines is*
- 11 *common to a group of persons or families and which causes the*
- 12 *group to be unable to obtain decent, safe and sanitary housing in*
- 13 *an area;*
- 14 6. If appropriate, standards established for various federal
- 15 programs determining eligibility based on income of those persons
- 16 and families; and
- 17 ~~6.~~ 7. Service in the Armed Forces of the United States with a
- 18 minimum of 90 days on active duty at some time between:
- 19 (a) April 21, 1898, and June 15, 1903;
- 20 (b) April 6, 1917, and November 11, 1918;
- 21 (c) December 7, 1941, and December 31, 1946;
- 22 (d) June 25, 1950, and January 31, 1955; or
- 23 (e) January 1, 1961, and May 7, 1975,
- 24 and at least 2 years' continuous residence in Nevada immediately
- 25 preceding any application for assistance under this chapter.
- 26 **Sec. 2.** NRS 319.140 is hereby amended to read as follows:
- 27 319.140 1. The Division shall administer the provisions of
- 28 this chapter. The Administrator may adopt, amend or rescind
- 29 regulations, consistent with the provisions of this chapter,
- 30 appropriate to carry out its purposes.
- 31 2. The Administrator may make copies of all proceedings and
- 32 other records and documents of the Division and issue certificates
- 33 under the seal of the Division to the effect that the copies are true
- 34 copies, and all persons dealing with the Division may rely upon
- 35 such certificates.
- 36 3. The Division has perpetual succession, subject to
- 37 termination in accordance with statute, and may:
- 38 (a) Sue and be sued in its own name, subject to chapter 41 of
- 39 NRS;
- 40 (b) Adopt an official seal and alter the same at the pleasure of
- 41 the Division;
- 42 (c) Maintain such offices at any place or places within the State
- 43 as it determines necessary to carry out the provisions of this chapter;



- 1 (d) ~~[Adopt, amend and repeal regulations as provided in chapter~~
- 2 ~~233B of NRS, consistent with the provisions of this chapter and~~
- 3 ~~appropriate to carry out its purposes;~~
- 4 ~~—(e)]~~ Maintain records, proceedings and documents of the
- 5 Division, subject to chapters 239, 239A and 239B of NRS;
- 6 (e) *Develop or purchase, lease or otherwise acquire one or*
- 7 *more information systems that the Division determines are*
- 8 *necessary or convenient for the exercise of its powers and duties*
- 9 *pursuant to this chapter and acquire any consulting, support or*
- 10 *other service for such information systems;*
- 11 (f) Make and execute contracts and all other instruments
- 12 necessary or convenient for the exercise of its powers and functions
- 13 pursuant to this chapter with any governmental agency, private
- 14 corporation or other entity, or natural person;
- 15 (g) Enter into agreements or other transactions with, and accept
- 16 grants from and cooperate with, any governmental agency or other
- 17 source in furtherance of the purposes of this chapter;
- 18 (h) Acquire real or personal property or any interest therein, by
- 19 gift, purchase, foreclosure, deed in lieu of foreclosure, lease, option
- 20 or otherwise;
- 21 (i) Hold, sell, assign, lease, encumber, mortgage, release or
- 22 otherwise dispose of any real or personal property or any interest
- 23 therein, by public or private sale, with or without public bidding,
- 24 notwithstanding any other provision of law;
- 25 (j) Employ or contract for the services of attorneys, accountants,
- 26 financial experts and any other advisers, employees, consultants and
- 27 agents as the Administrator may determine to be necessary;
- 28 (k) Create or cause to be created legal entities, including
- 29 nonprofit corporations, grantor trusts and other legal entities, which
- 30 the Division determines are necessary or convenient for the exercise
- 31 of its powers and duties pursuant to this chapter, provided, however,
- 32 that the issuance of bonds, notes or other evidence of indebtedness
- 33 by any legal entity controlled by the Division is subject to the
- 34 approval of the State Board of Finance;
- 35 (l) Provide advice, technical information, training and
- 36 educational services related to the development of housing, building
- 37 technologies and related fields;
- 38 (m) Conduct research, make grants, and promote the
- 39 development of housing, building technologies and related fields;
- 40 and
- 41 (n) Do any and all things necessary or appropriate to carry out
- 42 its purposes and exercise the powers expressly granted pursuant to
- 43 this chapter.
- 44 4. Before September 1 of each even-numbered year, the
- 45 Division shall submit a report of its activities for the biennium



1 ending June 30 of that year to the Governor, State Treasurer and the  
2 Legislature. Each such report ~~shall~~ **must** set forth a complete  
3 operating and financial statement of the Division during such  
4 biennium. The Division shall cause an audit of its books and  
5 accounts to be made at least once in each fiscal year by a certified  
6 public accountant. The certified public accountant may audit the  
7 Division's books and accounts for consecutive audit periods as  
8 requested by the Division.

9 5. The Division is exempt from the provisions of chapter 333  
10 of NRS.

11 **Sec. 3.** NRS 319.190 is hereby amended to read as follows:

12 319.190 **1.** The Division may make, undertake commitments  
13 to make and participate with lending institutions in the making of  
14 mortgage loans ~~and~~ **and may** make temporary loans and advances in  
15 anticipation of mortgage loans ~~and issue letters of credit~~ to  
16 finance the acquisition, construction, development, renewal,  
17 redevelopment, rehabilitation or refinancing of residential housing,  
18 including , **without limitation**, multifamily housing, within this  
19 state.

20 **2.** *The Division may issue letters of credit to finance the*  
21 *acquisition, construction, development, renewal, redevelopment,*  
22 *rehabilitation or refinancing of residential housing, including,*  
23 *without limitation, multifamily housing, within this state if, at the*  
24 *time a letter of credit is issued, the Division has a credit rating*  
25 *within one of the three highest rating categories of a nationally*  
26 *recognized rating agency.*

27 **Sec. 4.** NRS 319.270 is hereby amended to read as follows:

28 319.270 **1.** Subject to the limitation imposed by subsections 4  
29 and 5, the Division may issue its negotiable notes and bonds in such  
30 principal amount as the Administrator determines to be necessary to  
31 provide sufficient money for achieving any of its statutory purposes,  
32 including the payment of interest on notes and bonds of the  
33 Division, establishment of bond reserve funds and other reserves to  
34 secure the notes and bonds, and all other expenditures of the  
35 Division necessary or convenient to carry out its statutory purposes  
36 and powers.

37 **2.** Subject to any agreements with holders of notes or bonds, all  
38 notes and bonds issued by the Division are special obligations of the  
39 Division payable out of any revenues, money or other assets of the  
40 Division pledged thereto.

41 **3.** In issuing the notes and bonds, the Division acts as an  
42 agency or instrumentality of the State of Nevada.

43 **4.** Before any notes or bonds may be issued pursuant to this  
44 section, except those issued for the purpose of refunding outstanding  
45 notes or bonds, the Administrator must submit a copy of his finding



1 of the conditions prerequisite to the financing of residential housing  
2 under this chapter to the State Board of Finance. If that Board  
3 approves, the Division may proceed to issue its notes or bonds in the  
4 amount approved, subject to the further limitation of subsection 5.

5 5. The aggregate principal amount of outstanding bonds, notes  
6 and other obligations of the Division must not exceed  
7 ~~[\$2,000,000,000.]~~ **\$5,000,000,000**, of which \$100,000,000 must be  
8 allocated to veterans who qualify for loans under this chapter,  
9 exclusive of any bonds, notes or obligations which have been  
10 refunded ~~[.]~~ **or which were issued at a time when the Division had**  
11 **a credit rating within one of three highest rating categories of a**  
12 **nationally recognized rating agency.** The establishment of this debt  
13 limitation does not prohibit the Division from issuing additional  
14 bonds, notes or other obligations if the debt limitation is  
15 subsequently increased.

16 **Sec. 5.** NRS 242.131 is hereby amended to read as follows:

17 242.131 1. The Department shall provide state agencies and  
18 elected state officers with all their required design of information  
19 systems. All agencies and officers must use those services and  
20 equipment, except as otherwise provided in subsection 2.

21 2. The following agencies may negotiate with the Department  
22 for its services or the use of its equipment, subject to the provisions  
23 of this chapter, and the Department shall provide those services and  
24 the use of that equipment as may be mutually agreed:

- 25 (a) The Court Administrator;
- 26 (b) The Department of Motor Vehicles;
- 27 (c) The Department of Public Safety;
- 28 (d) The Department of Transportation;
- 29 (e) The Employment Security Division of the Department of
- 30 Employment, Training and Rehabilitation;
- 31 (f) The Division of Wildlife of the State Department of
- 32 Conservation and Natural Resources;
- 33 (g) **The Housing Division of the Department of Business and**
- 34 **Industry;**
- 35 (h) The Legislative Counsel Bureau;
- 36 ~~[(h)]~~ (i) The State Controller;
- 37 ~~[(i)]~~ (j) The State Gaming Control Board and Nevada Gaming
- 38 Commission; and
- 39 ~~[(j)]~~ (k) The University and Community College System of
- 40 Nevada.

41 3. Any state agency or elected state officer who uses the  
42 services of the Department and desires to withdraw substantially  
43 from that use must apply to the Director for approval. The  
44 application must set forth justification for the withdrawal. If the  
45 Director denies the application, the agency or officer must:



1 (a) If the Legislature is in regular or special session, obtain the  
2 approval of the Legislature by concurrent resolution.

3 (b) If the Legislature is not in regular or special session, obtain  
4 the approval of the Interim Finance Committee. The Director shall,  
5 within 45 days after receipt of the application, forward the  
6 application together with his recommendation for approval or denial  
7 to the Interim Finance Committee. The Interim Finance Committee  
8 has 45 days after the application and recommendation are submitted  
9 to its Secretary within which to consider the application. Any  
10 application which is not considered by the Committee within the  
11 45-day period shall be deemed approved.

12 4. If the demand for services or use of equipment exceeds the  
13 capability of the Department to provide them, the Department may  
14 contract with other agencies or independent contractors to furnish  
15 the required services or use of equipment and is responsible for the  
16 administration of the contracts.

17 **Sec. 6.** Section 8 of chapter 418, Statutes of Nevada 2001, at  
18 page 2123, is hereby amended to read as follows:

19 Sec. 8. This act becomes effective on July 1, 2001 . ~~It~~  
20 ~~and expires by limitation on July 1, 2003.~~

21 **Sec. 7.** This act becomes effective on July 1, 2003.

