

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.

~

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

AN ACT relating to affordable housing; providing that the Housing
Division of the Department of Business and Industry 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 319.140 is hereby amended to read as follows:
2 319.140 1. The Division shall administer the provisions of
3 this chapter. The Administrator may adopt, amend or rescind
4 regulations, consistent with the provisions of this chapter,
5 appropriate to carry out its purposes.
6 2. The Administrator may make copies of all proceedings and
7 other records and documents of the Division and issue certificates
8 under the seal of the Division to the effect that the copies are true
9 copies, and all persons dealing with the Division may rely upon
10 such certificates.



* S B 7 8 R 1 *

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



1 (m) Conduct research, make grants, and promote the
2 development of housing, building technologies and related fields;
3 and

4 (n) Do any and all things necessary or appropriate to carry out
5 its purposes and exercise the powers expressly granted pursuant to
6 this chapter.

7 4. Before September 1 of each even-numbered year, the
8 Division shall submit a report of its activities for the biennium
9 ending June 30 of that year to the Governor, State Treasurer and the
10 Legislature. Each such report ~~shall~~ **must** set forth a complete
11 operating and financial statement of the Division during such
12 biennium. The Division shall cause an audit of its books and
13 accounts to be made at least once in each fiscal year by a certified
14 public accountant. The certified public accountant may audit the
15 Division's books and accounts for consecutive audit periods as
16 requested by the Division.

17 5. The Division is exempt from the provisions of chapter 333
18 of NRS.

19 **Sec. 2.** NRS 319.190 is hereby amended to read as follows:

20 319.190 **1.** The Division may make, undertake commitments
21 to make and participate with lending institutions in the making of
22 mortgage loans ~~and~~ **and may** make temporary loans and advances in
23 anticipation of mortgage loans ~~and issue letters of credit~~ to
24 finance the acquisition, construction, development, renewal,
25 redevelopment, rehabilitation or refinancing of residential housing,
26 including , **without limitation**, multifamily housing, within this
27 state.

28 **2.** *The Division may issue letters of credit to finance the*
29 *acquisition, construction, development, renewal, redevelopment,*
30 *rehabilitation or refinancing of residential housing, including,*
31 *without limitation, multifamily housing, within this state if, at the*
32 *time a letter of credit is issued, the Division has a credit rating*
33 *within one of the three highest rating categories of a nationally*
34 *recognized rating agency.*

35 **Sec. 3.** NRS 319.270 is hereby amended to read as follows:

36 319.270 **1.** Subject to the limitation imposed by subsections 4
37 and 5, the Division may issue its negotiable notes and bonds in such
38 principal amount as the Administrator determines to be necessary to
39 provide sufficient money for achieving any of its statutory purposes,
40 including the payment of interest on notes and bonds of the
41 Division, establishment of bond reserve funds and other reserves to
42 secure the notes and bonds, and all other expenditures of the
43 Division necessary or convenient to carry out its statutory purposes
44 and powers.



1 2. Subject to any agreements with holders of notes or bonds, all
2 notes and bonds issued by the Division are special obligations of the
3 Division payable out of any revenues, money or other assets of the
4 Division pledged thereto.

5 3. In issuing the notes and bonds, the Division acts as an
6 agency or instrumentality of the State of Nevada.

7 4. Before any notes or bonds may be issued pursuant to this
8 section, except those issued for the purpose of refunding outstanding
9 notes or bonds, the Administrator must submit a copy of his finding
10 of the conditions prerequisite to the financing of residential housing
11 under this chapter to the State Board of Finance. If that Board
12 approves, the Division may proceed to issue its notes or bonds in the
13 amount approved, subject to the further limitation of subsection 5.

14 5. The aggregate principal amount of outstanding bonds, notes
15 and other obligations of the Division must not exceed
16 ~~[\$2,000,000,000.]~~ *\$5,000,000,000*, of which \$100,000,000 must be
17 allocated to veterans who qualify for loans under this chapter,
18 exclusive of any bonds, notes or obligations which have been
19 refunded ~~[]~~ *or which were issued at a time when the Division had*
20 *a credit rating within one of three highest rating categories of a*
21 *nationally recognized rating agency.* The establishment of this debt
22 limitation does not prohibit the Division from issuing additional
23 bonds, notes or other obligations if the debt limitation is
24 subsequently increased.

25 **Sec. 4.** NRS 242.131 is hereby amended to read as follows:

26 242.131 1. The Department shall provide state agencies and
27 elected state officers with all their required design of information
28 systems. All agencies and officers must use those services and
29 equipment, except as otherwise provided in subsection 2.

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

- 34 (a) The Court Administrator;
- 35 (b) The Department of Motor Vehicles;
- 36 (c) The Department of Public Safety;
- 37 (d) The Department of Transportation;
- 38 (e) The Employment Security Division of the Department of
39 Employment, Training and Rehabilitation;
- 40 (f) The Division of Wildlife of the State Department of
41 Conservation and Natural Resources;
- 42 (g) *The Housing Division of the Department of Business and*
43 *Industry;*
- 44 (h) The Legislative Counsel Bureau;
- 45 ~~[(h)]~~ (i) The State Controller;



1 ~~(j)~~ (j) The State Gaming Control Board and Nevada Gaming
 2 Commission; and
 3 ~~(k)~~ (k) The University and Community College System of
 4 Nevada.

5 3. Any state agency or elected state officer who uses the
 6 services of the Department and desires to withdraw substantially
 7 from that use must apply to the Director for approval. The
 8 application must set forth justification for the withdrawal. If the
 9 Director denies the application, the agency or officer must:

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

12 (b) If the Legislature is not in regular or special session, obtain
 13 the approval of the Interim Finance Committee. The Director shall,
 14 within 45 days after receipt of the application, forward the
 15 application together with his recommendation for approval or denial
 16 to the Interim Finance Committee. The Interim Finance Committee
 17 has 45 days after the application and recommendation are submitted
 18 to its Secretary within which to consider the application. Any
 19 application which is not considered by the Committee within the
 20 45-day period shall be deemed approved.

21 4. If the demand for services or use of equipment exceeds the
 22 capability of the Department to provide them, the Department may
 23 contract with other agencies or independent contractors to furnish
 24 the required services or use of equipment and is responsible for the
 25 administration of the contracts.

26 **Sec. 5.** Section 8 of chapter 418, Statutes of Nevada 2001, at
 27 page 2123, is hereby amended to read as follows:

28 Sec. 8. This act becomes effective on July 1, 2001 . ~~f~~
 29 ~~and expires by limitation on July 1, 2003.]~~

30 **Sec. 6.** This act becomes effective on July 1, 2003.

