

CHAPTER.....

AN ACT relating to housing; revising the area of operation of the Rural Housing Authority; providing that the Rural Housing Authority may operate in an area in which it is authorized to operate without the approval of a local housing authority operating in the same area; providing that the Rural Housing Authority may make a mortgage loan for residential housing; revising the power of the Rural Housing Authority to issue bonds and notes; providing that the Rural Housing Authority may enter into agreements with and accept property from any person or governmental agency; and providing other matters properly relating thereto.

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

Section 1. Chapter 315 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 33, inclusive, of this act.

Sec. 2. *As used in sections 2 to 7, inclusive, and 11 to 33, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 3 to 7, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 3. *“Lending institution” means any bank or trust company, Federal National Mortgage Association approved mortgage banker, national banking association, savings and loan association or other financial institution or governmental agency of the United States which customarily provides service or otherwise aids in the financing of mortgages located in this State.*

Sec. 4. *“Mortgage” means a mortgage deed, deed of trust or other instrument which constitutes a lien on real property in fee simple or on a leasehold under a lease whose remaining term, at the time such mortgage is acquired, does not expire for at least that number of years beyond the maturity date of the obligation secured by such mortgage as is established by the State Authority as necessary to protect its interest as mortgagee.*

Sec. 5. *“Mortgage loan” means an interest-bearing obligation secured by a mortgage on land and improvements in this State.*

Sec. 6. *“Real property” means all lands, including rights to space above the lands, improvements and fixtures on the lands and property of any nature appurtenant to or used in connection with the lands, and every estate, interest and right, legal or equitable, in the lands, including terms of years and liens by way*

of judgment, mortgage or otherwise and the indebtedness secured by such liens.

Sec. 7. *“Residential housing” means one or more new or existing residential dwelling units financed pursuant to the provisions of sections 2 to 7, inclusive, and 11 to 33, inclusive, of this act for the primary purpose of providing decent, safe and sanitary dwelling accommodations for persons of low and moderate income in need of housing, including any buildings, manufactured homes, mobile homes, mobile home parks, land, improvements, equipment, facilities, other real or personal property, or other related nonhousing facilities which are necessary, convenient or desirable in connection therewith, and including, without limitation, streets, sewers, utilities, parks, site preparation, landscaping and other nonhousing facilities such as administrative, community, transportation, health, recreational, educational, commercial, retail, welfare and public facilities which the State Authority determines improve the quality of the residential living for persons of low and moderate income.*

Sec. 8. *Except as otherwise provided in section 9 of this act, a housing authority shall not operate in any area in which an authority already established is operating without the consent by resolution of the authority already operating therein.*

Sec. 9. *The State Authority may operate in any area of the State which is not included within the corporate limits of a city or town having a population of 100,000 or more.*

Sec. 10. *The State Authority shall determine the amount of income which is necessary to enable a person or family, without financial assistance, to live in decent, safe and sanitary dwellings, without overcrowding.*

Sec. 11. *The State Authority may make, undertake commitments to make and participate with lending institutions in the making of mortgage loans to finance the acquisition, construction, development, renewal, redevelopment, rehabilitation or refinancing of residential housing, including, without limitation, single family and multifamily housing, within this State.*

Sec. 12. *Any mortgage loan made by the State Authority must be secured in such manner, be repaid in such period and bear interest at such rate or rates as are determined by the State Authority.*

Sec. 13. *The State Authority may:*

- 1. Renegotiate, refinance or foreclose, or contract for the foreclosure of, any mortgage in default;*
- 2. Waive any default or consent to the modification of the terms of any mortgage;*

3. *Commence any action to protect or enforce any right conferred upon it by any law, mortgage, contract or other agreement;*

4. *Bid for and purchase property upon which it holds a mortgage at any foreclosure or at any other sale, or acquire and take possession of any such property;*

5. *Operate, manage, lease, dispose of and otherwise deal with such property in such manner as may be necessary to protect the interest of the State Authority and the holders of its bonds, notes and other obligations; and*

6. *Consent to any modification with respect to rate of interest, time and payment of any installment of principal or interest, security or any other term of any contract, mortgage, mortgage loan, mortgage loan commitment, contract or agreement of any kind to which the State Authority is a party, subject to any agreement with bondholders or noteholders.*

Sec. 14. *The State Authority may charge and collect such fees and charges as the State Authority may establish from time to time for its making of mortgage loans for residential housing.*

Sec. 15. *The State Authority may procure insurance against any loss in connection with its property and other assets, including mortgages and mortgage loans, in such amounts and from such insurers as it deems desirable.*

Sec. 16. *The State Authority shall not finance any residential housing unless, before such financing, the State Authority finds that:*

1. *There exists a shortage of decent, safe and sanitary housing at rentals or prices which eligible families can afford within the general housing market area as determined by the State Authority.*

2. *Private enterprise and investment have been unable, without assistance, to provide an adequate supply of decent, safe and sanitary housing in such housing market area at rentals or prices which persons or families of low and moderate income can afford or to provide sufficient mortgage financing for residential housing for occupancy by such persons or families.*

3. *The proposed residential housing will increase the supply or improve the quality of decent, safe and sanitary housing for eligible families.*

4. *The residential housing to be developed or assisted by the State Authority pursuant to the provisions of sections 2 to 7, inclusive, and 11 to 33, inclusive, of this act will be of public use and will provide a public benefit.*

5. *The estimates of the State Authority of its revenues from the financing of the residential housing, together with all subsidies, grants or other financial assistance from governmental*

agencies or other entities to be received in connection with the residential housing, will be sufficient to pay the amount estimated by the State Authority as necessary for debt service on its notes and bonds to be issued for the financing of the residential housing.

Sec. 17. *1. The State Authority may issue its negotiable notes and bonds in such principal amount as the State Authority determines to be necessary to provide sufficient money for achieving any of its statutory purposes, including the payment of interest on notes and bonds of the State Authority, establishment of bond reserve funds and other reserves to secure the notes and bonds, and all other expenditures of the State Authority necessary or convenient to carry out its statutory purposes and powers.*

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

Sec. 18. *The bonds issued pursuant to section 17 of this act may be issued as serial bonds payable in annual installments or as term bonds, or as a combination thereof. The notes and bonds must bear interest at such a rate or rates, be in such denominations, have such registration privileges, be executed in such a manner, be payable in such a medium of payment, at such a place or places within or outside of the State, and be subject to such terms of redemption as the State Authority determines. The notes and bonds of the State Authority may be sold by the State Authority at public or private sale at such a price or prices as the State Authority determines except that no note, bond or other obligation issued by the State Authority may be initially distributed to the public unless it has received a rating in one of the three highest rating categories from a national rating service.*

Sec. 19. *The State Authority in issuing any notes or bonds may contract with the holders thereof as to:*

1. Pledging all or any part of the revenues of the State Authority to secure the payment of the notes or bonds subject to such agreements with noteholders or bondholders as may then exist.

2. Pledging all or any part of the assets of the State Authority, including mortgages and obligations securing such assets, to secure the payment of the notes or bonds subject to such agreements with noteholders or bondholders as may then exist.

3. The use and disposition of the gross income from mortgages owned by the State Authority and the payment of principal of mortgages owned by the State Authority.

4. The setting aside of reserves or sinking funds and the regulation and disposition thereof.

5. *Limitations on the purpose to which the proceeds of sale of notes or bonds may be applied and pledging such proceeds to secure the payment of the notes or bonds or of any issue thereof.*

6. *Limitations on the issuance of additional notes or bonds, the terms upon which additional notes or bonds may be issued and secured, and the refunding of outstanding or other notes or bonds.*

7. *The procedure, if any, by which the terms of any contract with noteholders or bondholders may be amended or abrogated, the amount of notes or bonds the holders of which must consent thereto and the manner in which such consent may be given.*

8. *Limitations on the amount of money to be expended by the State Authority for operating expenses of the State Authority.*

9. *Vesting in a trustee or trustees such property, rights, powers and duties in trust as the State Authority may determine, which may include any or all of the rights, powers and duties of the trustee appointed by the bondholders pursuant to sections 2 to 7, inclusive, and 11 to 33, inclusive, of this act and limiting or abrogating the right of the bondholders to appoint a trustee under this act or limiting the rights, powers and duties of such trustee.*

10. *Defining the acts or omissions which constitute a default in the obligations and duties of the State Authority to the holders of the notes or bonds and providing for the rights and remedies of the holders of the notes or bonds in case of such default, including, as a matter of right, the appointment of a receiver, but such rights and remedies must not be inconsistent with the general laws of this State and the other provisions of sections 2 to 7, inclusive, and 11 to 33, inclusive, of this act.*

11. *Any other matters, of like or different character, which in any way affect the security or protection of the holders of the notes or bonds.*

↳ *Any pledge made by the State Authority is valid and binding from the time the pledge is made. The revenues, money or property so pledged and thereafter received by the State Authority are immediately subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge is valid and binding as against all persons having claims of any kind in tort, contract or otherwise against the State Authority, whether or not such persons have notice thereof. Neither the proceedings of the State Authority relating to the bonds or notes nor any other instrument by which a pledge is created need be recorded.*

Sec. 20. *In the discretion of the State Authority, bonds issued by the State Authority may be secured by a trust indenture or trust indentures by and between the State Authority and a corporate trustee, which may be any trust company or bank having the power of a trust company within or outside this State. Such trust indenture may contain such provisions for protecting and*

enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the State Authority in relation to the exercise of its statutory powers and the custody, safeguarding and application of all money. The State Authority may provide by such trust indenture for the payment of the proceeds of the bonds and the revenues to the trustee under such trust indenture or other depository, and for the method of disbursement thereof, with such safeguards and restrictions as the State Authority may determine. All expenses incurred in carrying out such trust indenture may be treated as part of the operating expenses of the State Authority. Such trust indenture may limit or abrogate the right of the holders of any bonds, notes or other obligations of the State Authority to appoint a trustee under sections 2 to 7, inclusive, and 11 to 33, inclusive, of this act or limit the rights, powers and duties of such trustee.

Sec. 21. *The State Authority may procure or agree to the procurement of insurance or guarantees from any governmental agency or from any private insurance company, of the payment of any bonds or notes or any other evidences of indebtedness thereof issued by the State Authority or by any lending institution, and may pay premiums on such insurance.*

Sec. 22. *1. The State Authority, subject to such agreements with noteholders or bondholders as may then exist, may, out of any money available therefor, purchase its notes or bonds to retire and cancel them. The price must not exceed:*

(a) The redemption price then applicable plus accrued interest to the next interest payment thereon if the notes or bonds are then redeemable; or

(b) The redemption price applicable on the first date after the purchase upon which the notes or bonds become subject to redemption plus accrued interest to that date if the notes or bonds are not redeemable.

2. The State Authority may, in connection with any remarketing or refunding of its notes or bonds or for any of its purposes, acquire, or cause to be acquired, its notes or bonds without retiring and cancelling them.

Sec. 23. *The State Authority may:*

1. Provide that any bonds or notes issued by the State Authority be insured or be secured by surety bonds, letters of credit not issued by the State Authority, guaranties or other means of assuring repayment of such bonds or notes.

2. Require that any loans, including a mortgage loan, made or purchased by the State Authority be insured or be secured by surety bonds, letters of credit not issued by the State Authority, guaranties or other means of assuring repayment of such loans.

3. *Pay the fees, charges, premiums and any other costs associated with obtaining and maintaining insurance, or other means of assuring repayment, from any available money of the State Authority including premiums, fees and charges assessed against sponsors, lending institutions or other participants or beneficiaries of the programs of the State Authority.*

Sec. 24. *The State Authority may:*

1. *Waive, by such means as the State Authority deems appropriate, any exemption from federal income taxation of interest on the bonds, notes or other obligations of the State Authority provided by 26 U.S.C. §§ 141 to 149, inclusive, and related portions of the Internal Revenue Code or any succeeding code or other federal statute providing a similar exemption; or*

2. *Issue notes, bonds or other obligations, the interest on which is not exempt from federal income taxation or excluded from gross revenue for the purpose of federal income taxation, if necessary to carry out the purposes of NRS 315.961 to 315.996, inclusive, and sections 2 to 7, inclusive, and 9 to 33, inclusive, of this act.*

Sec. 25. 1. *The State Authority may issue refunding obligations to refund any obligations then outstanding which have been issued under the provisions of sections 2 to 7, inclusive, and 11 to 33, inclusive, of this act, including the payment of any redemption premium thereon and any interest accrued or to accrue to the date of redemption of the obligations and for any statutory purpose of the State Authority. The issuance of the obligations, the maturities and other details thereof, the rights of the holders thereof, and the rights, duties and obligations of the State Authority in respect to them are governed by the provisions of sections 2 to 7, inclusive, and 11 to 33, inclusive, of this act which relate to the issuance of original obligations insofar as appropriate.*

2. *Refunding obligations issued as provided in this section may be sold or exchanged for outstanding obligations issued under sections 2 to 7, inclusive, and 11 to 33, inclusive, of this act and, if they are sold, the proceeds thereof may be applied, in addition to any other authorized purposes, to the purchase, redemption or payment of the outstanding obligations. Pending the application of the proceeds of the refunding obligations, with any other available funds, to the purpose for which they are issued, the proceeds may be invested in direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by the United States of America, or obligations of any agency or instrumentality of the United States of America, which mature or which are subject to redemption by the holders thereof, at the option of such holders, not later than*

the respective dates when the proceeds, together with the interest accruing thereon, will be required for the purposes intended.

Sec. 26. *1. The State Authority may establish one or more bond reserve funds, and shall pay into each such bond reserve fund:*

(a) Any money appropriated by the Legislature for the purpose of the fund;

(b) Any proceeds of sale of notes or bonds to the extent provided in connection with the issuance thereof; and

(c) Any other money which may be available to the State Authority for the purpose of the fund from any other source or sources.

↪ All money held in any bond reserve fund, except as otherwise expressly provided in sections 2 to 7, inclusive, and 11 to 33, inclusive, of this act must be used, as required, solely for the payment of the principal of bonds secured in whole or in part by the fund or of the sinking fund payments with respect to such bonds, the purchase or redemption of such bonds, the payment of interest on such bonds or the payment of any redemption premium required to be paid when the bonds are redeemed before maturity.

2. Money in such a fund must not be withdrawn from the fund at any time in an amount that would reduce the amount of the fund below the requirement established for that fund, except to pay when due, with respect to bonds secured in whole or in part by that fund, principal, interest, redemption premiums and sinking fund payments for the payment of which other money of the State Authority is not available.

Sec. 27. *The State Authority shall not at any time pursuant to sections 2 to 7, inclusive, and 11 to 33, inclusive, of this act issue bonds, secured in whole or in part by a bond reserve fund, if upon the issuance of those bonds, the amount in that bond reserve fund will be less than the bond reserve fund requirement for that fund, unless the State Authority at the time of issuance of those bonds deposits in that fund from the proceeds of the bonds issued, or from other sources, an amount which, together with the amount then in that fund, will not be less than the bond reserve fund requirement for that fund. The bond reserve fund requirement, as of any particular date of computation, is an amount of money, specified in the proceedings of the State Authority authorizing the bonds with respect to which the fund is established, necessary to provide adequate reserves for debt service on the bonds.*

Sec. 28. *The provision of bond reserve fund requirements is designed to assure the continued operation and solvency of the State Authority for the carrying out of its statutory purposes.*

Sec. 29. *1. If the State Authority defaults in the payment of principal of or interest on any bonds or notes issued under*

sections 2 to 7, inclusive, and 11 to 33, inclusive, of this act after it is due, whether at maturity or upon call for redemption, and such default continues for a period of 30 days, or if the State Authority fails or refuses to comply with the provisions of sections 2 to 7, inclusive, and 11 to 33, inclusive, of this act or defaults in any agreement made with the holders of an issue of its bonds or notes, the holders of 25 percent in aggregate principal amount of the bonds or notes of such issue then outstanding, by instrument or instruments filed in the Office of the Secretary of State and proved or acknowledged in the same manner as a deed to be recorded, may appoint a trustee to represent the holders of such bonds or notes for the purposes provided in this section.

2. The trustee may, and upon written request of the holders of 25 percent in principal amount of such bonds or notes then outstanding shall, in his or its own name:

(a) Enforce the right of the bondholders or noteholders to require the State Authority to collect interest and amortization payments on the mortgages held by it adequate to carry out any agreement as to, or pledge of, such interest and amortization payments, and to require the State Authority to carry out any other agreements with the holders of such bonds or notes and to perform its duties under this act.

(b) Enforce the right of the bondholders or noteholders to collect and enforce the payment of principal of and interest due or becoming due on loans to lending institutions and collect and enforce any rights in respect to collateral securing such loans or sell such collateral, so as to carry out any contract as to, or pledge of revenues, and to require the State Authority to carry out any contract as to, or pledge of revenues, and to require the State Authority to perform its duties under sections 2 to 7, inclusive, and 11 to 33, inclusive, of this act.

(c) Bring suit upon all or any part of such bonds or notes.

(d) By civil action, require the State Authority to account as if it were the trustee of an express trust for the holders of such bonds or notes.

(e) By civil action, enjoin any acts or things which may be unlawful or in violation of the rights of the holders of such bonds or notes.

(f) Declare all such bonds or notes due, and if all defaults are made good then with the consent of the holders of 25 percent of the principal amount of such bonds or notes then outstanding, to annul such declaration and its consequences.

(g) Enforce any other right of the bondholders or noteholders conferred by law or by the proceedings of the State Authority authorizing the issuance of the bonds or notes.

3. *The trustee shall, in addition to the powers listed in subsection 2, have all the powers necessary or appropriate for the exercise of any functions specifically set forth in this section or incident to the general representation of bondholders or noteholders in the enforcement and protection of their rights.*

4. *Before declaring the principal of bonds or notes due, the trustee shall give 30 days' notice in writing to the Governor, to the State Authority and to the Attorney General of this State.*

5. *The District Court of the First Judicial District has jurisdiction of any suit, action or proceeding by the trustee on behalf of bondholders or noteholders.*

Sec. 30. 1. *The State of Nevada hereby pledges to and agrees with the holders of any notes or bonds issued under sections 2 to 7, inclusive, and 11 to 33, inclusive, of this act that the State will not limit or alter the rights vested in the State Authority by sections 2 to 7, inclusive, and 11 to 33, inclusive, of this act to fulfill the terms of any agreements made with such holders or in any way impair the rights and remedies of such holders until such notes and bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such holders, are fully met and discharged. The State Authority may include this pledge and agreement of the State in any agreement with the holders of such notes or bonds.*

2. *Obligations issued under the provisions of sections 2 to 7, inclusive, and 11 to 33, inclusive, of this act, including letters of credit issued by the State Authority, do not constitute a debt, liability or obligation of this State or of any political subdivision thereof, or a pledge of the faith and credit of this State or of any political subdivision thereof, but are payable solely from the revenues or assets of the State Authority. Neither the commissioners of the State Authority nor any person executing the bonds is liable personally on the bonds by reason of the issuance thereof. Each obligation, including a letter of credit, issued under sections 2 to 7, inclusive, and 11 to 33, inclusive, of this act must contain on the face thereof a statement to the effect that the State Authority is not obligated to pay the obligation or the interest thereon except from the revenues or assets pledged therefor and that neither the faith and credit nor the taxing power of this State or of any political subdivision thereof is pledged to the payment of the principal of or the interest on the obligation. The bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.*

Sec. 31. *The State Authority may submit to the Attorney General of the State any bonds to be issued under sections 2 to 7, inclusive, and 11 to 33, inclusive, of this act after all proceedings*

for the issuance of such bonds have been taken. Upon the submission of such proceedings to the Attorney General, the Attorney General shall examine into and pass upon the validity of such bonds and the regularity of all proceedings in connection therewith. If the proceedings conform to the provisions of sections 2 to 7, inclusive, and 11 to 33, inclusive, of this act and are otherwise regular in form, and if such bonds when delivered and paid for will constitute binding and legal obligations of the State Authority enforceable according to the terms thereof, the Attorney General shall certify in substance upon the back of each of the bonds that it is issued in accordance with the Constitution and laws of the State of Nevada.

Sec. 32. *1. The notes and bonds of the State Authority are legal investments in which all public officers and public bodies of the State, its political subdivisions, all municipalities and municipal subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, savings and loan associations and trust companies, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons who are authorized to invest in bonds or in other obligations of this State, may properly and legally invest funds, including capital, in their control or belonging to them. The notes and bonds are securities which may properly and legally be deposited with and received by all public officers and public bodies of the State or any agency or political subdivision of the State and all municipalities and public corporations for any purpose for which the deposit of bonds or other obligations of this State is authorized by law and may be used as collateral to secure any deposit of public money.*

2. The notes and bonds of the State Authority are securities within the meaning of the Uniform Commercial Code—Investment Securities.

Sec. 33. *If any of the commissioners or officers of the State Authority whose signatures appear on any bonds or coupons cease to be such commissioners or officers before the delivery of such bonds, such signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if such commissioners or officers had remained in office until such delivery.*

Sec. 34. NRS 315.140 is hereby amended to read as follows:

315.140 NRS 315.140 to 315.780, inclusive, **and section 8 of this act** may be referred to as the Housing Authorities Law of 1947.

Sec. 35. NRS 315.150 is hereby amended to read as follows:

315.150 Unless the context otherwise requires, the definitions contained in NRS 315.160 to 315.300, inclusive, govern the construction of NRS 315.140 to 315.780, inclusive **and section 8 of this act**.

Sec. 36. NRS 315.160 is hereby amended to read as follows:

315.160 1. In the case of an authority of a city or town, "area of operation" shall include such city or town and the area within 5 miles of the territorial boundaries thereof; but the area of operation of an authority of any city or town shall not include any area which lies within the territorial boundaries of some other city or town as herein defined, unless a resolution shall have been adopted by the governing body of such other city or town (and by any authority which shall have been theretofore established and authorized to exercise its powers in such city or town) declaring that there is a need for such authority to exercise its powers within that city or town.

2. In the case of an authority of a county, "area of operation" shall include all of the county for which it is created; but a county authority shall not undertake any housing project or projects within the boundaries of any city or town, as herein defined, unless a resolution shall have been adopted by the governing body of such city or town (and by any authority which shall have been theretofore established and authorized to exercise its powers in such city or town) declaring that there is a need for the county authority to exercise its powers within such city or town.

~~[3.—No housing authority shall operate in any area in which an authority already established is operating without the consent by resolution of the authority already operating therein.]~~

Sec. 37. NRS 315.961 is hereby amended to read as follows:

315.961 1. It is the policy of this State to promote the health, welfare and safety of its residents and to develop more desirable neighborhoods and alleviate poverty in the counties, cities and towns of the State by making provision for decent, safe and sanitary ~~[low-rent]~~ housing facilities for persons of low *and moderate* income.

2. It is hereby found and declared:

(a) That there is a shortage of safe and sanitary dwelling accommodations in the rural ~~[counties]~~ *areas* of the State which are available to persons of low *and moderate* income, particularly senior citizens of low *and moderate* income, at rentals *or prices* they can afford ; ~~[- specifically in areas where local housing authorities are not operating;-]~~

(b) That the establishment and operation of a sufficient number of new local housing authorities to undertake housing projects on an individual basis in such counties and the cities and towns therein is not feasible at the present time due to geographic and economic circumstances; ~~[and]~~

(c) That the shortage of low-rent housing facilities in such counties can be partially remedied through state action by the establishment of a state housing authority having the power to

undertake housing projects ~~[in any or all of the rural counties in substantially the same manner as a local housing authority.]~~ **and make mortgage loans for residential housing; and**

(d) That it is appropriate for such a state housing authority to issue obligations for the purpose of undertaking housing projects and providing mortgage loans for residential housing and to perform any other function authorized by NRS 315.961 to 315.996, inclusive, and sections 2 to 7, inclusive, and 9 to 33, inclusive, of this act.

Sec. 38. NRS 315.962 is hereby amended to read as follows:

315.962 As used in NRS 315.961 to 315.996, inclusive, ***and sections 2 to 7, inclusive, and 9 to 33, inclusive, of this act*** unless the context otherwise requires, the words and terms defined in NRS 315.963 to 315.976, inclusive, have the meanings ascribed to them in those sections.

Sec. 39. NRS 315.963 is hereby amended to read as follows:

315.963 "Area of operation" means any ~~[for all counties]~~ ***area*** of the State ***which is not included within the corporate limits of a city or town*** having a population of ~~[less than 100,000, including any or all cities and towns within such counties.]~~ ***100,000 or more.***

Sec. 40. NRS 315.965 is hereby amended to read as follows:

315.965 "Bonds" means any bonds, notes, interim certificates, debentures or other obligations issued by the Authority pursuant to the provisions of NRS 315.961 to 315.996, inclusive ~~[]~~, ***and sections 2 to 7, inclusive, and 9 to 33, inclusive, of this act.***

Sec. 41. NRS 315.969 is hereby amended to read as follows:

315.969 1. "Housing project" means any work or undertaking:

(a) To demolish, clear or remove buildings from any area acquired by the Authority;

(b) To provide decent, safe and sanitary rural dwellings, apartments or other living accommodations for persons of low ***and moderate*** income. Such work or undertaking may include buildings, land, equipment, facilities and other real or personal property for necessary, convenient or desirable appurtenances, streets, sewers, water service, utilities, parks, site preparation, landscaping, administrative, health, recreational, welfare or other purposes; or

(c) To accomplish a combination of the foregoing.

2. "Housing project" also may be applied to the planning of the buildings and improvements, the acquisition or leasing of property, the demolition of existing structures, the construction, reconstruction, alteration and repair of the improvements and all other work in connection therewith.

3. The term includes the acquisition or development of mobile home parks and facilities, the leasing or rental of mobile home lots in the park, or the purchase, leasing or rental of mobile homes.

Sec. 42. NRS 315.973 is hereby amended to read as follows:

315.973 “Persons of low *and moderate* income” means individuals or families who lack the amount of income which is necessary, ~~[]~~ as determined by the Authority ~~[]~~ *pursuant to the provisions of section 10 of this act*, to enable them, without financial assistance, to live in decent, safe and sanitary dwellings, without overcrowding.

Sec. 43. NRS 315.979 is hereby amended to read as follows:

315.979 1. As soon as possible after their appointment, the commissioners shall organize for the transaction of business by choosing a Chairman and Vice Chairman and by adopting bylaws and rules and regulations suitable to the purpose of organizing the Authority and conducting the business thereof.

2. The commissioners shall appoint an Executive Director and such other officers and employees as the Authority may require for the performance of its duties. The commissioners shall prescribe the duties of each officer and employee, fix their salaries, and establish the terms and conditions of their employment.

3. At least once a year the Authority shall submit to the Nevada League of Cities, the Nevada Association of Counties, and the governing body of each city and county in its area of operation, a report of its activities for the preceding year and shall make recommendations with reference to such additional legislation or other actions as it deems necessary to carry out the purposes of NRS 315.961 to 315.996, inclusive ~~[]~~, *and sections 2 to 7, inclusive, and 9 to 33, inclusive, of this act.*

Sec. 44. NRS 315.981 is hereby amended to read as follows:

315.981 1. A commissioner or employee of the Authority shall not voluntarily acquire any interest, direct or indirect, except as a residential tenant, in any housing project, ~~[or]~~ in any property included or planned to be included in any housing project, ~~[or]~~ in any contract or proposed contract in connection with any housing project ~~[]~~ *or in any mortgage loan for residential housing made pursuant to the provisions of section 11 of this act.* Where the acquisition is not voluntary, the commissioner or employee shall immediately disclose the interest in writing to the Authority and the disclosure must be entered upon the minutes of the Authority. Upon disclosure the commissioner or employee shall not participate in any action by the Authority involving the housing project, property ~~[or contract.]~~, *contract or mortgage loan for residential housing.* If any commissioner or employee of the Authority previously owned or controlled an interest, direct or indirect, in any housing project or in any property included or planned to be included in any housing project, ~~[or]~~ in any contract or proposed contract in connection with any housing project ~~[]~~ *or in any mortgage loan for residential housing*, he shall immediately disclose the interest in writing to the

Authority and the disclosure must be entered upon the minutes of the Authority. Upon disclosure the commissioner or employee shall not participate in any action by the Authority involving the housing project, property ~~{or contract.}~~ , *contract or mortgage loan for residential housing.*

2. A violation of any provision of this section constitutes malfeasance in office.

3. This section is not applicable to the acquisition of any interest in notes or bonds of the Authority ~~[issued in connection with any housing project]~~ or the execution of agreements by financial institutions for the deposit or handling of money in connection with a housing project or to act as trustee under any trust indenture.

Sec. 45. NRS 315.983 is hereby amended to read as follows:

315.983 1. Except as otherwise provided in NRS 354.474 and 377.057, the Authority:

(a) Shall be deemed to be a public body corporate and politic, and an instrumentality, local government and political subdivision of the State, exercising public and essential governmental functions, and having all the powers necessary or convenient to carry out the purposes and provisions of NRS 315.961 to 315.996, inclusive, *and sections 2 to 7, inclusive, and 9 to 33, inclusive, of this act* but not the power to levy and collect taxes or special assessments.

(b) Is not an agency, board, bureau, commission, council, department, division, employee or institution of the State.

2. The Authority may:

(a) Sue and be sued.

(b) Have a seal.

(c) Have perpetual succession.

(d) Make and execute contracts and other instruments necessary or convenient to the exercise of its powers.

(e) Deposit money it receives in any insured state or national bank, insured credit union, insured savings and loan association, or in the Local Government Pooled Long-Term Investment Account created by NRS 355.165 or the Local Government Pooled Investment Fund created by NRS 355.167.

(f) Adopt bylaws, rules and regulations to carry into effect the powers and purposes of the Authority.

(g) Create a nonprofit organization which is exempt from taxation pursuant to 26 U.S.C. § 501(c)(3) and which has as its principal purpose the development of housing projects.

(h) Enter into agreements or other transactions with, and accept grants from and cooperate with, any governmental agency or other source in furtherance of the purposes of NRS 315.961 to 315.996, inclusive, and sections 2 to 7, inclusive, and 9 to 33, inclusive, of this act.

(i) Acquire real or personal property or any interest therein, by gift, purchase, foreclosure, deed in lieu of foreclosure, lease, option or otherwise.

Sec. 46. NRS 315.984 is hereby amended to read as follows:

315.984 ~~[Subject to the provisions of NRS 315.986 and 315.987:]~~

1. The Authority or a nonprofit corporation created pursuant to paragraph (g) of subsection 2 of NRS 315.983 may, within its area of operation, prepare, carry out and operate housing projects and provide for the construction, reconstruction, improvement, extension, alteration or repair of any such project or any part thereof.

2. The Authority may, within its area of operation, administer programs to subsidize that portion of a tenant's rental payments which represents the difference between the payment required in the lease and the amount paid under any program of the Federal Government.

3. The Authority may, within its area of operation, determine where there is a need for additional low-rent housing for persons of low *and moderate* income and where there is unsafe, insanitary or overcrowded housing.

4. The Authority may, within its area of operation, make studies and recommendations relating to the problems of relieving the shortage of low-rent housing and of eliminating unsafe, insanitary or overcrowded housing.

5. The Authority may, within its area of operation, cooperate with the Federal Government, state agencies, local housing authorities, counties, cities, towns and other political subdivisions of the State in action taken in connection with such problems.

Sec. 47. NRS 315.988 is hereby amended to read as follows:

315.988 1. The State Authority may exercise all or any part or combination of the powers granted to local housing authorities in NRS 315.450, 315.460 and 315.470 in connection with contracts, property, investments and related matters.

2. The provisions of NRS 315.560 ~~[, 315.570 and 315.600 to 315.780, inclusive,] and 315.570~~ concerning powers of local housing authorities with respect to federal aid, housing in rural areas ~~[, bond financing]~~ and related matters apply to the State Authority in the same manner and to the same extent as they apply to local authorities.

Sec. 48. NRS 315.990 is hereby amended to read as follows:

315.990 The Authority shall agree with the governing body of each affected city, town, county or other political subdivision to make such payments in lieu of taxes as it finds consistent with the maintenance of the low-rent character of housing projects or the

achievement of the purposes of NRS 315.961 to 315.996, inclusive ~~[H]~~, *and sections 2 to 7, inclusive, and 9 to 33, inclusive, of this act.*

Sec. 49. NRS 315.992 is hereby amended to read as follows:

315.992 1. ~~[AH]~~ *Except as otherwise provided in subsection 2, all* real and personal property of the Authority, including money, owned or held by it for the purposes of NRS 315.961 to 315.996, inclusive, *and sections 2 to 7, inclusive, and 9 to 33, inclusive, of this act* are exempt from levy and sale by virtue of an execution or other judicial process. Execution or other judicial process may not issue against such property, nor may any judgment against the Authority be a charge or lien upon such property.

2. This section does not apply to or limit the right of obligees to foreclose or otherwise enforce any mortgage, deed of trust or other encumbrance of the Authority or the right of obligees to pursue any remedies for the enforcement of any pledge or lien given by the Authority on its rents, fees or revenues.

Sec. 50. NRS 315.993 is hereby amended to read as follows:

315.993 1. The Authority shall not construct or operate any housing project for profit.

2. The Authority shall manage and operate its housing projects in an efficient manner so as to enable it to fix the rentals or payments for dwelling accommodations at low rates consistent with its providing decent, safe and sanitary dwelling accommodations for persons of low *and moderate* income.

3. The Authority shall fix the rentals or payments for dwellings in its housing projects at no higher rates than are necessary to produce revenue which, together with all other available money, revenue, income and receipts of the Authority from whatever sources derived, will be sufficient:

(a) To pay, as it becomes due, the principal and interest on the bonds of the Authority.

(b) To create and maintain such reserves as may be required to assure the payment of principal and interest as it becomes due on its bonds.

(c) To meet the cost of, and to provide for, maintaining and operating the housing projects, including necessary reserves therefor and the cost of any insurance, and the administrative expenses of the Authority.

(d) To make such payments in lieu of taxes as it determines are consistent with the maintenance of the low-rent character of the housing projects.

4. For the purposes of this section, a housing project constructed or operated by the Authority that is eligible for credit for low-income housing pursuant to 26 U.S.C. § 42 is not constructed or operated for profit.

Sec. 51. NRS 315.994 is hereby amended to read as follows:

315.994 In the operation or management of its housing projects the Authority shall at all times observe the following duties with respect to rentals and tenant admissions:

1. It may rent or lease the dwelling accommodations therein only to persons of low *and moderate* income.

2. It may rent or lease to a tenant dwelling accommodations consisting of the number of rooms, ~~Ⓜ~~ but no greater number, ~~Ⓜ~~ which it deems necessary to provide safe and sanitary accommodations to the proposed occupants thereof, without overcrowding.

3. It shall not accept any person or persons as tenants in any housing project if the person or persons who occupy the dwelling accommodations have, at the time of admission, an aggregate annual net income, less an exemption of \$200 for each minor member of the family other than the head of the family and his spouse, in excess of 7 times the annual rental of the quarters to be furnished such person or persons; but the Authority may agree to conditions as to tenant eligibility or preference required by the Federal Government pursuant to federal law in any contract for financial assistance with the Authority. In computing the rental for this purpose of admitting tenants, there shall be included in the rental the average annual cost, ~~Ⓜ~~ as determined by the Authority, ~~Ⓜ~~ to occupants of heat, water, electricity, gas, cooking fuel, and other necessary services or facilities, whether or not the charge for such services and facilities is included in the rental.

Sec. 52. NRS 315.985, 315.986 and 315.987 are hereby repealed.

Sec. 53. 1. Notwithstanding the amendatory provisions of this act, any bond financing conducted by the State Authority pursuant to the provisions of NRS 315.988 before the effective date of this act must be governed by the provisions of NRS 315.988 as that section existed before the effective date of this act.

2. As used in this section, "State Authority" has the meaning ascribed to it in NRS 315.964.

Sec. 54. This act becomes effective upon passage and approval.

