

ASSEMBLY BILL NO. 13—COMMITTEE OF THE WHOLE

JULY 21, 2003

Declared an Emergency Measure

SUMMARY—Makes various changes relating to governmental financial administration. (BDR 31-23)

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

~

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

AN ACT relating to governmental financial administration; revising provisions relating to the securities in which local governments may invest; providing for expanded oversight by the State Treasurer concerning the collateral that must be maintained by financial institutions to secure certain deposits of public money made by state and local governmental entities; making various other changes concerning the duties of the State Treasurer; revising the limitation on the total amount of revenue that may be paid to a redevelopment agency in certain smaller municipalities; providing civil penalties; 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 355.170 is hereby amended to read as follows:  
2     355.170 1. Except as otherwise provided in this section, NRS  
3     354.750 and 355.171, ~~{a board of county commissioners, a board of~~  
4     ~~trustees of a county school district or}~~ the governing body of ~~{an~~  
5     ~~incorporated city}~~ *a local government* may purchase for investment  
6     the following securities and no others:  
7     (a) Bonds and debentures of the United States, the maturity  
8     dates of which do not extend more than 10 years after the date of  
9     purchase.



1 (b) Farm loan bonds, consolidated farm loan bonds, debentures,  
2 consolidated debentures and other obligations issued by federal land  
3 banks and federal intermediate credit banks under the authority of  
4 the Federal Farm Loan Act, formerly 12 U.S.C. §§ 636 to 1012,  
5 inclusive, and §§ 1021 to 1129, inclusive, and the Farm Credit Act  
6 of 1971, 12 U.S.C. §§ 2001 to 2259, inclusive, and bonds,  
7 debentures, consolidated debentures and other obligations issued by  
8 banks for cooperatives under the authority of the Farm Credit Act of  
9 1933, formerly 12 U.S.C. §§ 1131 to 1138e, inclusive, and the Farm  
10 Credit Act of 1971, 12 U.S.C. §§ 2001 to 2259, inclusive.

11 (c) Bills and notes of the United States Treasury, the maturity  
12 date of which is not more than 10 years after the date of purchase.

13 (d) Obligations of an agency or instrumentality of the United  
14 States of America or a corporation sponsored by the government,  
15 the maturity date of which is not more than 10 years after the date of  
16 purchase.

17 (e) Negotiable certificates of deposit issued by commercial  
18 banks, insured credit unions or savings and loan associations.

19 (f) Securities which have been expressly authorized as  
20 investments for local governments ~~for agencies, as defined in NRS~~  
21 ~~354.474.]~~ by any provision of Nevada Revised Statutes or by any  
22 special law.

23 (g) Nonnegotiable certificates of deposit issued by insured  
24 commercial banks, insured credit unions or insured savings and loan  
25 associations, except certificates that are not within the limits of  
26 insurance provided by an instrumentality of the United States,  
27 unless those certificates are collateralized in the same manner as is  
28 required for uninsured deposits by a county treasurer pursuant to  
29 NRS 356.133. For the purposes of this paragraph, any reference in  
30 NRS 356.133 to a "county treasurer" or "board of county  
31 commissioners" shall be deemed to refer to the appropriate financial  
32 officer or governing body of the ~~county, school district or city]~~  
33 **local government** purchasing the certificates.

34 (h) Subject to the limitations contained in NRS 355.177,  
35 negotiable notes or medium-term obligations issued by local  
36 governments of the State of Nevada pursuant to NRS 350.087 to  
37 350.095, inclusive.

38 (i) Bankers' acceptances of the kind and maturities made  
39 eligible by law for rediscount with Federal Reserve Banks, and  
40 generally accepted by banks or trust companies which are members  
41 of the Federal Reserve System. Eligible bankers' acceptances may  
42 not exceed 180 days' maturity. Purchases of bankers' acceptances  
43 may not exceed 20 percent of the money available to a local  
44 government for investment as determined on the date of purchase.

45 (j) Obligations of state and local governments if:



1 (1) The interest on the obligation is exempt from gross  
2 income for federal income tax purposes; and

3 (2) The obligation has been rated "A" or higher by one or  
4 more nationally recognized bond credit rating agencies.

5 (k) Commercial paper issued by a corporation organized and  
6 operating in the United States or by a depository institution licensed  
7 by the United States or any state and operating in the United States  
8 that:

9 (1) Is purchased from a registered broker-dealer;

10 (2) At the time of purchase has a remaining term to maturity  
11 of no more than 270 days; and

12 (3) Is rated by a nationally recognized rating service as "A-  
13 1," "P-1" or its equivalent, or better,

14 except that investments pursuant to this paragraph may not, in  
15 aggregate value, exceed 20 percent of the total portfolio as  
16 determined on the date of purchase, and if the rating of an obligation  
17 is reduced to a level that does not meet the requirements of this  
18 paragraph, it must be sold as soon as possible.

19 (l) Money market mutual funds which:

20 (1) Are registered with the Securities and Exchange  
21 Commission;

22 (2) Are rated by a nationally recognized rating service as  
23 "AAA" or its equivalent; and

24 (3) Invest only in:

25 (I) Securities issued by the Federal Government or  
26 agencies of the Federal Government;

27 (II) Master notes, bank notes or other short-term  
28 commercial paper rated by a nationally recognized rating service as  
29 "A-1," "P-1" or its equivalent, or better, issued by a corporation  
30 organized and operating in the United States or by a depository  
31 institution licensed by the United States or any state and operating in  
32 the United States; or

33 (III) Repurchase agreements that are fully collateralized  
34 by the obligations described in sub-subparagraphs (I) and (II).

35 (m) Obligations of the Federal Agricultural Mortgage  
36 Corporation.

37 2. Repurchase agreements are proper and lawful investments of  
38 money of a ~~{board of county commissioners, a board of trustees of a~~  
39 ~~county school district or a}~~ governing body of ~~{an incorporated city}~~  
40 *a local government* for the purchase or sale of securities which are  
41 negotiable and of the types listed in subsection 1 if made in  
42 accordance with the following conditions:

43 (a) The ~~{board of county commissioners, the board of trustees of~~  
44 ~~the school district or the}~~ governing body of the ~~{city}~~ *local*



1 **government** shall designate in advance and thereafter maintain a list  
2 of qualified counterparties which:

3 (1) Regularly provide audited and, if available, unaudited  
4 financial statements;

5 (2) The ~~{board of county commissioners, the board of~~  
6 ~~trustees of the school district or the}~~ governing body of the {city}  
7 **local government** has determined to have adequate capitalization  
8 and earnings and appropriate assets to be highly creditworthy; and

9 (3) Have executed a written master repurchase agreement in  
10 a form satisfactory to the ~~{board of county commissioners, the board~~  
11 ~~of trustees of the school district or the}~~ governing body of the {city}  
12 **local government** pursuant to which all repurchase agreements are  
13 entered into. The master repurchase agreement must require the  
14 prompt delivery to the ~~{board of county commissioners, the board of~~  
15 ~~trustees of the school district or the}~~ governing body of the {city}  
16 **local government** and the appointed custodian of written  
17 confirmations of all transactions conducted thereunder, and must be  
18 developed giving consideration to the Federal Bankruptcy Act.

19 (b) In all repurchase agreements:

20 (1) At or before the time money to pay the purchase price is  
21 transferred, title to the purchased securities must be recorded in the  
22 name of the appointed custodian, or the purchased securities must be  
23 delivered with all appropriate, executed transfer instruments by  
24 physical delivery to the custodian;

25 (2) The ~~{board of county commissioners, the board of~~  
26 ~~trustees of the school district or the}~~ governing body of the {city}  
27 **local government** must enter a written contract with the custodian  
28 appointed pursuant to subparagraph (1) which requires the custodian  
29 to:

30 (I) Disburse cash for repurchase agreements only upon  
31 receipt of the underlying securities;

32 (II) Notify the ~~{board of county commissioners, the board~~  
33 ~~of trustees of the school district or the}~~ governing body of the {city}  
34 **local government** when the securities are marked to the market if  
35 the required margin on the agreement is not maintained;

36 (III) Hold the securities separate from the assets of the  
37 custodian; and

38 (IV) Report periodically to the ~~{board of county~~  
39 ~~commissioners, the board of trustees of the school district or the}~~  
40 governing body of the {city} **local government** concerning the  
41 market value of the securities;

42 (3) The market value of the purchased securities must exceed  
43 102 percent of the repurchase price to be paid by the counterparty  
44 and the value of the purchased securities must be marked to the  
45 market weekly;



1 (4) The date on which the securities are to be repurchased  
2 must not be more than 90 days after the date of purchase; and

3 (5) The purchased securities must not have a term to maturity  
4 at the time of purchase in excess of 10 years.

5 3. The securities described in paragraphs (a), (b) and (c) of  
6 subsection 1 and the repurchase agreements described in subsection  
7 2 may be purchased when, in the opinion of the ~~{board of county~~  
8 ~~commissioners, the board of trustees of a county school district or~~  
9 ~~the}~~ governing body of the ~~{city,}~~ **local government**, there is  
10 sufficient money in any fund of the ~~{county, the school district or~~  
11 ~~city}~~ **local government** to purchase those securities and the purchase  
12 will not result in the impairment of the fund for the purposes for  
13 which it was created.

14 4. When the ~~{board of county commissioners, the board of~~  
15 ~~trustees of a county school district or the}~~ governing body of the  
16 ~~{city}~~ **local government** has determined that there is available  
17 money in any fund or funds for the purchase of bonds as set out in  
18 subsection 1 or 2, those purchases may be made and the bonds paid  
19 for out of any one or more of the funds, but the bonds must be  
20 credited to the funds in the amounts purchased, and the money  
21 received from the redemption of the bonds, as and when redeemed,  
22 must go back into the fund or funds from which the purchase money  
23 was taken originally.

24 5. Any interest earned on money invested pursuant to  
25 subsection 3, may, at the discretion of the ~~{board of county~~  
26 ~~commissioners, the board of trustees of a county school district or~~  
27 ~~the}~~ governing body of the ~~{city,}~~ **local government**, be credited to  
28 the fund from which the principal was taken or to the general fund  
29 of the ~~{county, school district or incorporated city,}~~ **local**  
30 **government**.

31 6. The ~~{board of county commissioners, the board of trustees of~~  
32 ~~a county school district or the}~~ governing body of ~~{an incorporated~~  
33 ~~city}~~ **a local government** may invest any money apportioned into  
34 funds and not invested pursuant to subsection 3 and any money not  
35 apportioned into funds in bills and notes of the United States  
36 Treasury, the maturity date of which is not more than 1 year after  
37 the date of investment. These investments must be considered as  
38 cash for accounting purposes, and all the interest earned on them  
39 must be credited to the general fund of the ~~{county, school district or~~  
40 ~~incorporated city,}~~ **local government**.

41 7. This section does not authorize the investment of money  
42 administered pursuant to a contract, debenture agreement or grant in  
43 a manner not authorized by the terms of the contract, agreement or  
44 grant.

45 8. As used in this section:



1 (a) "Counterparty" means a bank organized and operating or  
2 licensed to operate in the United States pursuant to federal or state  
3 law or a securities dealer which is:

4 (1) A registered broker-dealer;

5 (2) Designated by the Federal Reserve Bank of New York as  
6 a "primary" dealer in United States government securities; and

7 (3) In full compliance with all applicable capital  
8 requirements.

9 (b) *"Local government" has the meaning ascribed to it in NRS*  
10 *354.474.*

11 (c) "Repurchase agreement" means a purchase of securities by  
12 ~~[a board of county commissioners, the board of trustees of a county~~  
13 ~~school district or]~~ the governing body of ~~[an incorporated city]~~ *a*  
14 *local government* from a counterparty which commits to repurchase  
15 those securities or securities of the same issuer, description, issue  
16 date and maturity on or before a specified date for a specified price.

17 **Sec. 2.** NRS 355.175 is hereby amended to read as follows:

18 355.175 1. The governing body of any local government or  
19 agency, whether or not it is included in the provisions of chapter 354  
20 of NRS, may:

21 (a) Direct its treasurer or other appropriate officer to invest its  
22 money or any part thereof in any investment which is lawful for a  
23 ~~[county, a school district or incorporated city]~~ *local government*  
24 pursuant to NRS 355.170; or

25 (b) Allow a county treasurer to make such investments through a  
26 pool as provided in NRS 355.168.

27 2. In case of conflict, any order made pursuant to paragraph (a)  
28 of subsection 1 takes precedence over any other order concerning  
29 the same money or funds pursuant to subsection 5 of NRS 355.170.

30 3. Any interest earned from investments made pursuant to this  
31 section must be credited, at the discretion of the local governing  
32 unit, to any fund under its control, but the designation of the fund  
33 must be made at the time of investment of the principal.

34 **Sec. 3.** Chapter 356 of NRS is hereby amended by adding  
35 thereto the provisions set forth as sections 4 to 13, inclusive, of this  
36 act.

37 **Sec. 4.** *As used in sections 4 to 13, inclusive, of this act,*  
38 *unless the context otherwise requires, the words and terms defined*  
39 *in sections 5 to 8, inclusive, of this act have the meanings ascribed*  
40 *to them in those sections.*

41 **Sec. 5.** *"Depository" means an insured state or national*  
42 *bank, insured savings and loan association, or insured credit*  
43 *union in this state in which public money is held on deposit. The*  
44 *term does not include a third-party depository.*



1     **Sec. 6.** *“Local government” has the meaning ascribed to it in*  
2 *NRS 354.474.*

3     **Sec. 7.** *“Public money” means money deposited with a*  
4 *depository by the State or a local government.*

5     **Sec. 8.** *“Third-party depository” means a trust company or*  
6 *trust department of a state, national or federal reserve district*  
7 *bank which is authorized to hold securities on behalf of a*  
8 *depository for the benefit of the State Treasurer.*

9     **Sec. 9.** *The State Treasurer shall establish a program for the*  
10 *monitoring of collateral maintained by depositories.*

11     **Sec. 10. 1.** *The program established pursuant to section 9*  
12 *of this act must provide that:*

13         *(a) Each depository is required to maintain as collateral*  
14 *acceptable securities having a fair market value that is at least 102*  
15 *percent of the amount of the uninsured balances of the public*  
16 *money held by the depository;*

17         *(b) A depository may satisfy the requirement set forth in*  
18 *paragraph (a) by arranging for a third-party depository to hold*  
19 *securities on behalf of the depository for the benefit of the State*  
20 *Treasurer;*

21         *(c) No depository may, at any one time, hold public money in*  
22 *an amount exceeding the total equity of the depository, as reflected*  
23 *on the financial statement of the depository;*

24         *(d) Each depository is required to submit to the State*  
25 *Treasurer, in the form and manner prescribed by the State*  
26 *Treasurer, the following reports:*

27             *(1) A daily report of the total amount of public money held*  
28 *by the depository;*

29             *(2) A weekly summary report of the total fair market value*  
30 *of securities held by a third-party depository on behalf of the*  
31 *depository;*

32             *(3) A monthly report setting forth a list of acceptable*  
33 *securities, including, without limitation, the fair market value of*  
34 *those securities, held by the depository or held by any third-party*  
35 *depository on behalf of the depository; and*

36             *(4) A current annual report containing the financial*  
37 *statement of the depository; and*

38         *(e) The State Treasurer may impose an administrative fine not*  
39 *to exceed:*

40             *(1) One hundred dollars per day against a depository that*  
41 *fails to submit in a timely manner a report described in paragraph*  
42 *(d); and*

43             *(2) Two hundred fifty dollars per day against a depository*  
44 *that fails to maintain collateral as described in paragraph (a).*



\* A B 1 3 \*



1       2. As used in this section, "acceptable securities" means the  
2 securities described in:

- 3       (a) Subsection 1 of NRS 356.020; and  
4       (b) Subsection 1 of NRS 356.133.

5       **Sec. 11.** 1. Once each fiscal year the State Treasurer shall  
6 levy a pro rata assessment against each depository that held public  
7 money at any time during the immediately preceding fiscal year.

8       2. The amount of the assessment levied pursuant to  
9 subsection 1 must be based on the average weekly deposits of  
10 public money held by a depository.

11       3. The State Treasurer shall provide to each depository a  
12 notice setting forth:

13       (a) The amount of the assessment levied against the depository  
14 pursuant to subsection 1; and

15       (b) The provisions of section 12 of this act.

16       **Sec. 12.** 1. A depository shall, within 45 days after the date  
17 on which the depository received the notice provided pursuant to  
18 subsection 3 of section 11 of this act, remit to the State Treasurer  
19 the amount of the assessment levied against the depository.

20       2. The State Treasurer may impose an administrative fine not  
21 exceeding \$500 per day against a depository that fails to comply  
22 with the provisions of subsection 1.

23       **Sec. 13.** The State Treasurer shall adopt such regulations as  
24 he determines are necessary to carry out the provisions of sections  
25 4 to 13, inclusive, of this act.

26       **Sec. 14.** NRS 356.020 is hereby amended to read as follows:

27       356.020 1. All money deposited by the State Treasurer which  
28 is not within the limits of insurance provided by an instrumentality  
29 of the United States must be secured by collateral composed of the  
30 following types of securities:

31       (a) United States treasury notes, bills, bonds or obligations as to  
32 which the full faith and credit of the United States are pledged for  
33 the payment of principal and interest, including the guaranteed  
34 portions of Small Business Administration loans if the full faith and  
35 credit of the United States is pledged for the payment of the  
36 principal and interest;

37       (b) Bonds of this state;

38       (c) Bonds of any county, municipality or school district within  
39 this state;

40       (d) Promissory notes secured by first mortgages or first deeds of  
41 trust which meet the requirements of NRS 356.025;

42       (e) Mortgage-backed pass-through securities guaranteed by the  
43 Federal National Mortgage Association, the Federal Home Loan  
44 Mortgage Corporation or the Government National Mortgage  
45 Association;



\* A B 1 3 \*



1 (f) Collateralized mortgage obligations or real estate mortgage  
2 investment conduits that are rated "AAA," "Aaa" or its equivalent  
3 by a nationally recognized rating service; ~~for~~

4 (g) Instruments in which the State is permitted by NRS 355.140  
5 to invest ~~for~~; or

6 *(h) Irrevocable letters of credit from any Federal Home Loan  
7 Bank with the State Treasurer named as the beneficiary.*

8 2. Collateral deposited by the depository bank, credit union or  
9 savings and loan association must be pledged with the State  
10 Treasurer or with any Federal Home Loan Bank, any bank or any  
11 insured credit union or savings and loan association, other than the  
12 depository bank, credit union or savings and loan association, which  
13 will accept the securities in trust for the purposes of this section.

14 3. The fair market value of the deposit of securities as  
15 collateral by each depository bank, credit union or savings and loan  
16 association must be at least the amount ~~of the State Treasurer's~~  
17 ~~deposit with the depository bank, credit union or association.]~~  
18 *required pursuant to sections 4 to 13, inclusive, of this act.* The fair  
19 market value of any collateral consisting of promissory notes with  
20 first mortgages or first deeds of trust shall be deemed to be 75  
21 percent of the unpaid principal of the notes.

22 4. All securities to be used as such collateral are subject to  
23 review by the State Treasurer . ~~and the State Board of Finance.]~~  
24 The depository bank, credit union or savings and loan association  
25 shall submit ~~monthly~~ reports to the State Treasurer ~~showing the~~  
26 ~~securities which constitute the collateral and their fair market value.]~~  
27 *as required pursuant to sections 4 to 13, inclusive, of this act.*

28 5. The State Treasurer ~~for the State Board of Finance~~ may,  
29 from time to time, require the deposit of additional securities as  
30 collateral if, in their judgment, the additional securities are  
31 necessary to secure the State Treasurer's deposit.

32 **Sec. 15.** NRS 356.133 is hereby amended to read as follows:

33 356.133 1. All money deposited by a county treasurer that is  
34 not within the limits of insurance provided by an instrumentality of  
35 the United States must be secured by collateral composed of the  
36 following types of securities:

37 (a) United States treasury notes, bills, bonds or obligations as to  
38 which the full faith and credit of the United States are pledged for  
39 the payment of principal and interest, including the guaranteed  
40 portions of Small Business Administration loans if the full faith and  
41 credit of the United States is pledged for the payment of the  
42 principal and interest;

43 (b) Bonds of this state;

44 (c) Bonds of a county, municipality or school district within this  
45 state;



1 (d) Mortgage-backed pass-through securities guaranteed by the  
2 Federal National Mortgage Association, the Federal Home Loan  
3 Mortgage Corporation or the Government National Mortgage  
4 Association; ~~for~~

5 (e) Instruments in which the county is authorized by NRS  
6 355.170 to invest ~~it~~; or

7 *(f) Irrevocable letters of credit from any Federal Home Loan*  
8 *Bank with the State Treasurer named as the beneficiary.*

9 2. Collateral deposited by the depository bank, credit union or  
10 savings and loan association must be pledged with the county  
11 treasurer or with a Federal Home Loan Bank, or any insured bank,  
12 insured credit union or insured savings and loan association, other  
13 than the depository bank, credit union or savings and loan  
14 association, which will accept the securities in trust for the purposes  
15 of this section.

16 3. The fair market value of the deposit of securities as  
17 collateral by each depository bank, credit union or savings and loan  
18 association must be at least ~~102 percent of~~ the amount ~~{of the~~  
19 ~~county treasurer's deposit with the depository bank, credit union or~~  
20 ~~association.}~~ *required pursuant to sections 4 to 13, inclusive, of*  
21 *this act.*

22 4. All securities to be used as such collateral are subject to  
23 review by the county treasurer and the board of county  
24 commissioners. The depository bank, credit union or savings and  
25 loan association shall submit ~~monthly~~ reports to the ~~county~~  
26 ~~treasurer showing the securities which constitute the collateral and~~  
27 ~~their fair market value.}~~ *State Treasurer as required pursuant to*  
28 *sections 4 to 13, inclusive, of this act. The State Treasurer will*  
29 *provide periodic reports to the county treasurer showing the*  
30 *securities which constitute the collateral and their fair market*  
31 *value.*

32 5. The county treasurer or the board of county commissioners  
33 may, from time to time, require the deposit of additional securities  
34 as collateral if, in their judgment, the additional securities are  
35 necessary to secure the county treasurer's deposit.

36 **Sec. 15.5.** NRS 279.676 is hereby amended to read as follows:

37 279.676 1. Any redevelopment plan may contain a provision  
38 that taxes, if any, levied upon taxable property in the redevelopment  
39 area each year by or for the benefit of the State, any city, county,  
40 district or other public corporation, after the effective date of the  
41 ordinance approving the redevelopment plan, must be divided as  
42 follows:

43 (a) That portion of the taxes which would be produced by the  
44 rate upon which the tax is levied each year by or for each of  
45 the taxing agencies upon the total sum of the assessed value of the



\* A B 1 3 \*

1 taxable property in the redevelopment area as shown upon the  
2 assessment roll used in connection with the taxation of the property  
3 by the taxing agency, last equalized before the effective date of the  
4 ordinance, must be allocated to and when collected must be paid  
5 into the funds of the respective taxing agencies as taxes by or for  
6 such taxing agencies on all other property are paid. To allocate taxes  
7 levied by or for any taxing agency or agencies which did not include  
8 the territory in a redevelopment area on the effective date of the  
9 ordinance but to which the territory has been annexed or otherwise  
10 included after the effective date, the assessment roll of the county  
11 last equalized on the effective date of the ordinance must be used in  
12 determining the assessed valuation of the taxable property in the  
13 redevelopment area on the effective date. If property which was  
14 shown on the assessment roll used to determine the amount of taxes  
15 allocated to the taxing agencies is transferred to the State and  
16 becomes exempt from taxation, the assessed valuation of the exempt  
17 property as shown on that assessment roll must be subtracted from  
18 the assessed valuation used to determine the amount of revenue  
19 allocated to the taxing agencies.

20 (b) Except as otherwise provided in paragraphs (c) and (d) and  
21 NRS 540A.265, that portion of the levied taxes each year in excess  
22 of the amount set forth in paragraph (a) must be allocated to and  
23 when collected must be paid into a special fund of the  
24 redevelopment agency to pay the costs of redevelopment and to pay  
25 the principal of and interest on loans, money advanced to, or  
26 indebtedness, whether funded, refunded, assumed, or otherwise,  
27 incurred by the redevelopment agency to finance or refinance, in  
28 whole or in part, redevelopment. Unless the total assessed valuation  
29 of the taxable property in a redevelopment area exceeds the total  
30 assessed value of the taxable property in the redevelopment area as  
31 shown by the last equalized assessment roll referred to in paragraph  
32 (a), all of the taxes levied and collected upon the taxable property in  
33 the redevelopment area must be paid into the funds of the respective  
34 taxing agencies. When the redevelopment plan is terminated  
35 pursuant to the provisions of NRS 279.438 and 279.439 and all  
36 loans, advances and indebtedness, if any, and interest thereon, have  
37 been paid, all money thereafter received from taxes upon the taxable  
38 property in the redevelopment area must be paid into the funds of  
39 the respective taxing agencies as taxes on all other property are paid.

40 (c) That portion of the taxes in excess of the amount set forth in  
41 paragraph (a) that is attributable to a tax rate levied by a taxing  
42 agency to produce revenues in an amount sufficient to make annual  
43 repayments of the principal of, and the interest on, any bonded  
44 indebtedness that was approved by the voters of the taxing agency  
45 on or after November 5, 1996, must be allocated to and when



1 collected must be paid into the debt service fund of that taxing  
2 agency.

3 (d) That portion of the taxes in excess of the amount set forth in  
4 paragraph (a) that is attributable to a new or increased tax rate levied  
5 by a taxing agency and was approved by the voters of the taxing  
6 agency on or after November 5, 1996, must be allocated to and  
7 when collected must be paid into the appropriate fund of the taxing  
8 agency.

9 2. Except as otherwise provided in subsection 3, in any fiscal  
10 year, the total revenue paid to a redevelopment agency must not  
11 exceed:

12 (a) In a municipality whose population is 100,000 or more, an  
13 amount equal to the combined tax rates of the taxing agencies for  
14 that fiscal year multiplied by 10 percent of the total assessed  
15 valuation of the municipality.

16 (b) In a municipality whose population is *25,000 or more but*  
17 less than 100,000, an amount equal to the combined tax rates of the  
18 taxing agencies for that fiscal year multiplied by 15 percent of the  
19 total assessed valuation of the municipality.

20 *(c) In a municipality whose population is less than 25,000, an*  
21 *amount equal to the combined tax rates of the taxing agencies for*  
22 *that fiscal year multiplied by 20 percent of the total assessed*  
23 *valuation of the municipality.*

24 If the revenue paid to a redevelopment agency must be limited  
25 pursuant to paragraph (a) , ~~(b)~~ *or (c)* and the redevelopment  
26 agency has more than one redevelopment area, the redevelopment  
27 agency shall determine the allocation to each area. Any revenue  
28 which would be allocated to a redevelopment agency but for the  
29 provisions of this section must be paid into the funds of the  
30 respective taxing agencies.

31 3. The taxing agencies shall continue to pay to a  
32 redevelopment agency any amount which was being paid before  
33 July 1, 1987, and in anticipation of which the agency became  
34 obligated before July 1, 1987, to repay any bond, loan, money  
35 advanced or any other indebtedness, whether funded, refunded,  
36 assumed or otherwise incurred.

37 4. For the purposes of this section, the assessment roll last  
38 equalized before the effective date of the ordinance approving the  
39 redevelopment plan is the assessment roll in existence on March 15  
40 immediately preceding the effective date of the ordinance.

41 **Sec. 16.** NRS 349.950 is hereby amended to read as follows:

42 349.950 1. The Director may, to pay the cost of any water  
43 project, borrow money or otherwise become obligated, and may  
44 provide evidence of those obligations by issuing, except as  
45 otherwise provided in this subsection, state securities or revenue



1 bonds. If the obligor is not a governmental entity, the Director shall  
2 issue only revenue bonds to fulfill the obligation.

3 2. ~~[State]~~ *Except as otherwise provided in this subsection,*  
4 *state* obligations may be outstanding pursuant to this section in an  
5 aggregate principal amount of not more than \$200,000,000. *No state*  
6 *obligations, other than refunding obligations, may be issued*  
7 *pursuant to this section after August 1, 2003.*

8 3. State securities must be payable from taxes and may be  
9 additionally secured by all or any designated revenues from one or  
10 more water projects. Any governmental entity statutorily authorized  
11 to levy taxes for the payment of bonded indebtedness may use the  
12 proceeds of those taxes to pay the principal of, interest on and  
13 redemption premiums due in connection with state securities issued  
14 pursuant to this section. Any such state securities may be issued  
15 without an election or other preliminaries. No state securities may  
16 be issued to refund any municipal securities issued to finance a  
17 water project before July 1, 1987.

18 4. Provisions of NRS 349.150 to 349.364, inclusive, which are  
19 not inconsistent with the provisions of NRS 349.935 to 349.961,  
20 inclusive, apply to the issuance of state securities under this section.  
21 Provisions of NRS 349.400 to 349.670, inclusive, which are not  
22 inconsistent with the provisions of NRS 349.935 to 349.961,  
23 inclusive, apply to the issuance of revenue bonds under this section.

24 5. The Legislature finds and declares that the issuance of state  
25 securities pursuant to NRS 349.935 to 349.961, inclusive, is  
26 necessary for the protection and preservation of the natural  
27 resources of this state and for the purpose of obtaining the benefits  
28 thereof, and constitutes an exercise of the authority conferred by the  
29 second paragraph of Section 3 of Article 9 of the Constitution of the  
30 State of Nevada.

31 **Sec. 17.** Section 2 of chapter 478, Statutes of Nevada 1983, as  
32 amended by chapter 785, Statutes of Nevada 1989, at page 1866, is  
33 hereby amended to read as follows:

34 Sec. 2. ~~[After]~~

35 1. *Except as otherwise provided in subsection 2, after*  
36 any of the agreements described in section 1 of this act have  
37 been entered into, the state board of examiners shall issue  
38 general obligation bonds of the State of Nevada to provide the  
39 money necessary to pay the state's share of costs associated  
40 with projects authorized pursuant to section 1 of this act for  
41 the conservation, distribution and acquisition of water  
42 associated with the Truckee River, the Carson River, the  
43 Lahontan Valley Wetlands and the Newlands Federal  
44 Reclamation Project, but not more than \$8,000,000 in face



1 amount. The bonds may be issued at one time or from time to  
2 time.

3 *2. No bonds, other than refunding bonds, may be*  
4 *issued pursuant to this section after August 1, 2003.*

5 **Sec. 18.** Section 4 of chapter 78, Statutes of Nevada 1993, at  
6 page 124, is hereby amended to read as follows:

7 Sec. 4. 1. Subject to the limitations as to the  
8 maximum principal amount in section 2 of this act,  
9 the commission may in accordance with the provisions of the  
10 State Securities Law issue revenue bonds and other securities  
11 constituting special obligations and payable from net pledged  
12 revenues, to defray the cost of the system, or any part thereof,  
13 at any time or from time to time after the adoption of this act,  
14 but not later than ~~[15 years after the effective date thereof, as~~  
15 ~~the commission deems appropriate.]~~ *August 1, 2003.*

16 2. This act does not prevent the commission from  
17 funding, refunding or reissuing any outstanding state  
18 securities issued by the commission or the former division of  
19 Colorado River resources at any time as provided in the State  
20 Securities Law.

21 3. Subject to contractual obligations, the net revenues  
22 pledged for the payment of state securities by the commission  
23 may be derived from contractual commitments of the Federal  
24 Government, of those customers of the commission or of  
25 others utilizing the system to repay the commission's cost of  
26 retiring the state securities, including interest thereon, as the  
27 commission may determine.

28 **Sec. 19.** Chapter 627, Statutes of Nevada 1995, at page 2379,  
29 is hereby amended to read as follows:

30 Section 1. *1.* The department of information services  
31 may enter into contracts for the purchase of equipment to  
32 upgrade the mainframe of the computer. ~~[The]~~ *Except as*  
33 *otherwise provided in subsection 2, the* contracts may  
34 include installment purchase agreements for the equipment  
35 which constitute a total debt of the State of Nevada in an  
36 amount determined by the state board of examiners not  
37 exceeding \$5,000,000. Money for the payment of the debt  
38 incurred pursuant to this section will be provided for in the  
39 annual tax imposed for the payment of the obligations of the  
40 State of Nevada from the consolidated bond interest and  
41 redemption fund or by other legislative act. The provisions of  
42 NRS 349.238 to 349.248, inclusive, apply to payment of the  
43 debt. Interest on the debt must be paid at least semiannually  
44 and the principal must be paid within 20 years after the date  
45 of passage of this act.



\* A B 1 3 \*

1           2. *No installment purchase agreement authorized*  
2           *pursuant to subsection 1 may be entered into after August 1,*  
3           *2003, other than an installment purchase agreement entered*  
4           *into for the purpose of refunding outstanding obligations.*

5       **Sec. 20.** Section 4 of chapter 656, Statutes of Nevada 1995, at  
6 page 2530, is hereby amended to read as follows:

7           Sec. 4. 1. The director of the department of prisons  
8           shall, to the extent of legislative appropriations and  
9           authorizations, enter into a contract in accordance with the  
10          provisions of chapter 573, Statutes of Nevada 1991, at page  
11          1893, for the construction and operation of a new correctional  
12          facility for women in southern Nevada. ~~[The]~~ *Except as*  
13          *otherwise provided in subsection 2, the* contract may include  
14          an assignable lease or installment purchase agreement for the  
15          facility which constitutes a debt of the State of Nevada in an  
16          amount determined by the state board of examiners not  
17          exceeding \$44,000,000. Money for the payment of the debt  
18          incurred pursuant to this section will be provided for in the  
19          annual tax imposed for the payment of the obligations of the  
20          State of Nevada from the consolidated bond interest and  
21          redemption fund or by other legislative act. The provisions of  
22          NRS 349.238 to 349.248, inclusive, apply to payment of the  
23          debt. Interest on the debt must be paid at least semiannually  
24          and the principal must be paid within 20 years after the date  
25          of passage of this act.

26          2. *No lease or installment purchase agreement*  
27          *authorized pursuant to subsection 1 may be entered into*  
28          *after August 1, 2003, other than a lease or installment*  
29          *purchase agreement entered into for the purpose of*  
30          *refunding outstanding obligations.*

31          3. Except for debt incurred as provided in subsection 1,  
32          all payments of money required by the contract authorized by  
33          subsection 1 must be subject to biennial appropriation by the  
34          legislature and must not be due and payable unless an  
35          appropriation is made.

36       **Sec. 21.** Section 7 of chapter 563, Statutes of Nevada 1997, at  
37 page 2738, is hereby amended to read as follows:

38           Sec. 7. 1. The director may, to the extent of legislative  
39           appropriations and authorizations, enter into a single contract  
40           to finance, acquire and construct the facility. The contract  
41           may include a provision that requires the contractor to  
42           provide correctional services for the facility. The provisions  
43           of this subsection do not prohibit the department or any other  
44           state agency from providing correctional services for the  
45           facility.





1           2. ~~[The]~~ *Except as otherwise provided in this*  
2 *subsection, the* contract may include an assignable lease or  
3 installment purchase agreement for the facility. The lease or  
4 agreement constitutes a debt of the State of Nevada in an  
5 amount determined by the state board of examiners not  
6 exceeding \$20,000,000. *No lease or installment purchase*  
7 *agreement authorized pursuant to this subsection may be*  
8 *entered into after August 1, 2003, other than a lease or*  
9 *installment purchase agreement entered into for the*  
10 *purpose of refunding outstanding obligations.*

11           3. Money for the payment of the debt incurred pursuant  
12 to this section will be provided for in the annual tax imposed  
13 for the payment of the obligations of the State of Nevada  
14 from the consolidated bond interest and redemption fund or  
15 by other legislative act. The provisions of NRS 349.238 to  
16 349.248, inclusive, apply to the payment of the debt. Any  
17 interest on the debt must be paid at least semiannually and the  
18 principal must be paid within 20 years after the date the  
19 contract is approved by the state board of examiners.

20           4. Except for debt incurred as provided in subsection 1,  
21 all payments of money required by the contract authorized  
22 pursuant to the provisions of subsection 1 must be subject to  
23 biennial appropriation by the legislature and must not be due  
24 and payable unless an appropriation is made.

25           5. The department may request that proposals for  
26 correctional services be submitted and must specify the  
27 requirements for the proposal.

28           6. A proposal submitted to the department must:

- 29           (a) Meet the requirements specified in the request; and  
30           (b) Set a fixed price for the services offered.

31           7. The contract to finance, acquire and construct the  
32 facility is exempt from the provisions relating to bids set forth  
33 in NRS 341.145 to 341.151, inclusive.

34       **Sec. 22.** This act becomes effective upon passage and approval  
35 and applies retroactively to July 1, 2003.

