ASSEMBLY BILL NO. 128–COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF STATE TREASURER)

FEBRUARY 4, 1999

Referred to Committee on Government Affairs

SUMMARY—Makes various changes to provisions governing authorization, sale and issuance of state obligations. (BDR 30-994)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

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

AN ACT relating to state obligations; authorizing a state agency that issues bonds in the name of the state to delegate the authority to sign a contract for the purchase of the bonds to a person designated by the state treasurer; authorizing the state treasurer to employ legal, financial and other professional services in connection with the authorization, sale or issuance of certain obligations; expanding the time within which certain bonds for highway construction must mature; 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. NRS 349.303 is hereby amended to read as follows:

349.303 1. The commission may, before any sale of bonds, delegate to the treasurer ***or his designee*** the authority to sign a contract for the purchase of the bonds or to accept a binding bid for the bonds subject to the requirements specified by the commission concerning:

(a) The rate of interest on the bonds;

(b) The dates on which and the prices at which the bonds may be called for redemption before maturity;

(c) The price at which the bonds will be sold; and

(d) The principal amount of the bonds and the amount of principal maturing in any particular year.

2. All terms of the bonds other than:

(a) The rate of interest;

(b) The dates and prices for the redemption of the bonds;
(c) The price for the sale of the bonds;
(d) The principal amount of the bonds; and
(e) The requirements for the principal maturing in particular years,
must be approved by the commission before the bonds are delivered.

3. The final rate of interest, dates and prices of redemption, price for the sale of the bonds, principal amount and the requirements for the principal amount maturing in particular years are not required to be approved by the commission if each of those terms complies with the requirements specified by the commission before the contract for the purchase of the bonds is signed or the bid for the bonds is accepted.

Sec. 2. NRS 226.100 is hereby amended to read as follows:

226.100 1. The state treasurer may appoint and employ a chief deputy, a deputy of ~~[operations,]~~ ***debt management,*** a deputy of investments, a deputy of cash management and an assistant to the state treasurer in the unclassified service of the state.

2. Except as otherwise provided in NRS 284.143, the chief deputy state treasurer shall devote his entire time and attention to the business of his office and shall not pursue any other business or occupation or hold any other office of profit.

Sec. 3. NRS 226.110 is hereby amended to read as follows:

226.110 The state treasurer:

1. Shall receive and keep all money of the state which is not expressly required by law to be received and kept by some other person.

2. Shall receipt to the state controller for all money received, from whatever source, at the time of receiving it.

3. Shall establish the policies to be followed in the investment of money of the state, subject to the periodic review and approval or disapproval of those policies by the state board of finance.

4. Shall disburse the public money upon warrants drawn upon the treasury by the state controller, and not otherwise. The warrants must be registered, and paid in the order of their registry. The state treasurer may use any sampling or post-audit technique, or both, which he considers reasonable to verify the proper distribution of warrants.

5. Shall keep a just, true and comprehensive account of all money received and disbursed.

6. Shall deliver in good order to his successor in office all money, records, books, papers and other things belonging to his office.

7. Shall fix, charge and collect reasonable fees for:

(a) Investing the money in any fund or account which is credited for interest earned on money deposited in it; and

(b) Special services rendered to other state agencies or to members of the public which increase the cost of operating his office.

8. Serves as the primary representative of the state in matters concerning any nationally recognized bond credit rating agency for the purposes of the issuance of any obligation authorized on the behalf and in the name of the state, except as otherwise provided in NRS 538.206 and except for those obligations issued pursuant to chapter 319 of NRS and NRS 349.400 to 349.987, inclusive.

9. Is directly responsible for the issuance of any obligation authorized on the behalf and in the name of the state, except as otherwise provided in NRS 538.206 and except for those obligations issued pursuant to chapter 319 of NRS and NRS 349.400 to 349.987, inclusive. The state treasurer ~~[shall]~~ ***:***

(a) Shall issue such an obligation as soon as practicable after receiving a request from a state agency for the issuance of the obligation.

(b) May, except as otherwise provided in NRS 538.206, employ necessary legal, financial or other professional services in connection with the authorization, sale or issuance of such an obligation.

10. May organize and facilitate statewide pooled financing programs, including lease purchases, for the benefit of the state and any political subdivision, including districts organized pursuant to NRS 450.550 to 450.750, inclusive, and chapters 244A, 309, 318, 379, 474, 541, 543 and 555 of NRS.

Sec. 4. NRS 408.273 is hereby amended to read as follows:

408.273 ***1.*** The state board of finance shall, when so requested by the board ***,*** ~~[of directors of the department of transportation,]~~ issue special obligation bonds of the State of Nevada to provide money to enable the department ~~[of transportation]~~ to complete pending and currently projected highway construction projects, in an amount specified in the request. The bonds may be issued at one time or from time to time, and must be issued in accordance with the State Securities Law. These bonds must be secured by ~~[a]~~ ***:***

(a) A pledge of the appropriate federal highway grants payable to the state ~~[and by]~~ ***; or***

(b) The appropriate federal highway grants payable to the state and taxes which are credited to the state highway fund,

and must mature within not more than ~~[10]~~ ***20*** years from their date.

2. The department shall cooperate with the state treasurer in the issuance of the bonds.

3. The state treasurer may employ any necessary legal, financial or other professional services in connection with the issuance of the bonds.

Sec. 5. NRS 538.206 is hereby amended to read as follows:

538.206 Before issuing any general obligation which the commission is authorized by law to issue on behalf and in the name of the State of

Nevada, the commission shall consult the state treasurer. The chairman of the commission and the state treasurer ~~[shall jointly]~~ ***, jointly:***

1. Shall represent the State of Nevada in matters concerning any nationally recognized bond credit rating agency for the purposes of the issuance of any such obligation.

2. May employ any necessary legal, financial or other professional services in connection with the authorization, sale or issuance of any such obligation.

Sec. 6. This act becomes effective on July 1, 1999.

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