

ASSEMBLY BILL NO. 318—ASSEMBLYWOMAN BUCKLEY

FEBRUARY 24, 1999

Referred to Committee on Government Affairs

SUMMARY—Makes various changes regarding conveyance of certain money and property by county or city to nonprofit organization or governmental entity. (BDR 20-227)

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 local government; authorizing a local government to donate certain personal property to a governmental entity for certain purposes; revising the provisions governing the conveyance of certain property owned by a local government to a nonprofit organization for use as affordable housing; and providing other matters properly relating thereto.

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

- 1 **Section 1.** NRS 244.1505 is hereby amended to read as follows:
2 244.1505 1. A board of county commissioners may expend money
3 for any purpose which will provide a substantial benefit to the inhabitants
4 of the county. The board may grant all or part of the money to a nonprofit
5 organization created for religious, charitable or educational purposes to be
6 expended for the selected purpose.
7 2. A board of county commissioners or its authorized representative
8 may donate:
9 (a) Commodities, supplies, materials and equipment that the board
10 determines to have reached the end of their useful lives; and
11 (b) Stolen or embezzled property for which the county treasurer has
12 obtained an order authorizing him to donate the property pursuant to
13 subsection 6 of NRS 179.165,
14 to a nonprofit organization created for religious, charitable or educational
15 purposes ~~+~~ ***or to another governmental entity, to be used for any purpose***
16 ***which will provide a substantial benefit to the inhabitants of the county.***

3. A grant or donation to a nonprofit organization created for religious, charitable or educational purposes **and a donation to a governmental entity pursuant to this section** must be made by resolution. The resolution must specify:

- (a) The purpose of the grant or donation;
- (b) If applicable, the maximum amount to be expended from the grant; and
- (c) Any conditions or other limitations upon the expenditure of the grant or the use of the donated property.

4. As used in this section:

(a) "Authorized representative" has the meaning ascribed to it in NRS 332.025.

(b) "Nonprofit organization created for religious, charitable or educational purposes" means an organization that meets the requirements set forth in NRS 372.3261.

Sec. 2. NRS 244.287 is hereby amended to read as follows:

244.287 1. A nonprofit organization may submit to a board of county commissioners an application for conveyance of property that is owned by the county if the property was:

(a) Received by donation for the use and benefit of the county pursuant to NRS 244.270.

(b) Purchased by the county pursuant to NRS 244.275.

~~2. If a county that receives an application for conveyance pursuant to subsection 1 has a planning commission, the board of county commissioners shall refer the application to the planning commission. The planning commission shall consider the application and submit its recommendation to the board.~~

~~3.~~ Before the board of county commissioners makes a determination on such an application for conveyance, it shall hold at least one public hearing on the application. Notice of the time, place and specific purpose of the hearing must be:

(a) Published at least once in a newspaper of general circulation in the county.

(b) Mailed to all owners of record of real property which is located not more than 300 feet from the property that is proposed for conveyance.

(c) Posted in a conspicuous place on the property that is proposed for conveyance.

The hearing must be held not fewer than 10 days but not more than 40 days after the notice is published, mailed and posted in accordance with this subsection.

~~4.~~ **3.** The board of county commissioners may approve such an application for conveyance if the nonprofit organization demonstrates to the satisfaction of the board that the organization **or its assignee** will use

1 the property to develop affordable housing for families whose income *at*
2 *the time of application for such housing* does not exceed 80 percent of the
3 median gross income for families residing in the same county, as that
4 percentage is defined by the United States Department of Housing and
5 Urban Development. If the board of county commissioners receives more
6 than one application for conveyance of the property, the board must give
7 priority to an application ~~{for conveyance}~~ of a nonprofit organization that
8 demonstrates to the satisfaction of the board that the organization *or its*
9 *assignee* will use the property to develop affordable housing for persons
10 who are disabled or elderly.

11 ~~{5.}~~ 4. If the board of county commissioners approves an application
12 for conveyance, it may convey the property to the nonprofit organization
13 without consideration. Such a conveyance must not be in contravention of
14 any condition in a gift or devise of the property to the county.

15 ~~{6.}~~ 5. As a condition to the conveyance of the property pursuant to
16 subsection ~~{5.}~~ 4, the board of county commissioners shall enter into an
17 agreement with the nonprofit ~~{corporation that will ensure the affordability~~
18 ~~of any housing constructed on}~~ *organization that requires the nonprofit*
19 *organization or its assignee to use* the property ~~{}~~ *to provide affordable*
20 *housing for at least 50 years. If the nonprofit organization or its assignee*
21 *fails to use the property to provide affordable housing pursuant to the*
22 *agreement, the board of county commissioners may take reasonable*
23 *action to return the property to use as affordable housing, including,*
24 *without limitation:*

25 (a) *Repossessing the property from the nonprofit organization or its*
26 *assignee.*

27 (b) *Transferring ownership of the property from the nonprofit*
28 *organization or its assignee to another person or governmental entity that*
29 *will use the property to provide affordable housing.*

30 6. The agreement *required by subsection 5* must ~~{provide that the~~
31 ~~property automatically reverts to the county if, at any time after the date of~~
32 ~~conveyance pursuant to subsection 5,}~~ *be recorded in the office of the*
33 *county recorder of the county in which the property is located and must*
34 *specify:*

35 (a) *The number of years for which the nonprofit organization or its*
36 *assignee must use the property to provide affordable housing; and*

37 (b) *The action that the board of county commissioners will take if the*
38 nonprofit ~~{corporation}~~ *organization or its assignee fails to use the*
39 *property to provide affordable housing* ~~{on the property.}~~ *pursuant to the*
40 *agreement.*

41 7. A board of county commissioners that has conveyed property
42 pursuant to subsection ~~{5.}~~ 4

shall:

1 (a) Prepare annually a list which includes a description of all property
2 that was conveyed to a nonprofit organization pursuant to this section; and

3 (b) Include the list in the annual audit of the county which is conducted
4 pursuant to NRS 354.624.

5 8. If, 5 years after the date of a conveyance pursuant to subsection ~~5,~~
6 **4**, a nonprofit organization *or its assignee* has not commenced construction
7 of affordable housing, or entered into such contracts as are necessary to
8 commence the construction of affordable housing, the property that was
9 conveyed automatically reverts to the county.

10 9. *A board of county commissioners may subordinate the interest of*
11 *the county in property conveyed pursuant to subsection 4 to a first or*
12 *subsequent holder of a mortgage on that property to the extent the board*
13 *deems necessary to promote investment in the construction of affordable*
14 *housing.*

15 **10.** As used in this section, unless the context otherwise requires,
16 “nonprofit organization” means an organization that is recognized as
17 exempt pursuant to 26 U.S.C. § 501(c)(3).

18 **Sec. 3.** NRS 268.058 is hereby amended to read as follows:

19 268.058 1. A nonprofit organization may submit to the governing
20 body of a city an application for conveyance of property that is owned by
21 the city if the property was purchased or received by the city pursuant to
22 NRS 268.008.

23 2. ~~If a city that receives an application for conveyance pursuant to~~
24 ~~subsection 1 has a planning commission, the governing body shall refer the~~
25 ~~application to the planning commission. The planning commission shall~~
26 ~~consider the application and submit its recommendation to the governing~~
27 ~~body.~~

28 ~~3.~~ Before the governing body makes a determination on such an
29 application for conveyance, it shall hold at least one public hearing on the
30 application. Notice of the time, place and specific purpose of the hearing
31 must be:

32 (a) Published at least once in a newspaper of general circulation in the
33 city.

34 (b) Mailed to all owners of record of real property which is located not
35 more than 300 feet from the property that is proposed for conveyance.

36 (c) Posted in a conspicuous place on the property that is proposed for
37 conveyance.

38 The hearing must be held not fewer than 10 days but not more than 40 days
39 after the notice is published, mailed and posted in accordance with this
40 subsection.

41 ~~4.~~ **3.** The governing body may approve such an application for
42 conveyance if the nonprofit organization demonstrates to the satisfaction of
43 the governing body that the organization *or its assignee* will use the

1 property to develop affordable housing for families whose income *at the*
2 *time of application for such housing* does not exceed 80 percent of the
3 median gross income for families residing in the same city, as that
4 percentage is defined by the United States Department of Housing and
5 Urban Development. If the governing body receives more than one
6 application for conveyance of the property, the governing body must give
7 priority to an application ~~{for conveyance}~~ of a nonprofit organization that
8 demonstrates to the satisfaction of the governing body that the organization
9 *or its assignee* will use the property to develop affordable housing for
10 persons who are disabled or elderly.

11 ~~{5.}~~ 4. If the governing body approves an application for conveyance, it
12 may convey the property to the nonprofit organization without
13 consideration. Such a conveyance must not be in contravention of any
14 condition in a gift or devise of the property to the city.

15 ~~{6.}~~ 5. As a condition to the conveyance of the property pursuant to
16 subsection ~~{5.}~~ 4, the governing body shall enter into an agreement with the
17 nonprofit ~~{corporation that will ensure the affordability of any housing~~
18 ~~constructed on}~~ *organization that requires the nonprofit organization or*
19 *its assignee to use the property* ~~{to provide affordable housing for at~~
20 *least 50 years. If the nonprofit organization or its assignee fails to use the*
21 *property to provide affordable housing pursuant to the agreement, the*
22 *governing body may take reasonable action to return the property to use*
23 *as affordable housing, including, without limitation:*

24 (a) *Repossessing the property from the nonprofit organization or its*
25 *assignee.*

26 (b) *Transferring ownership of the property from the nonprofit*
27 *organization or its assignee to another person or governmental entity that*
28 *will use the property to provide affordable housing.*

29 6. The agreement *required by subsection 5* must ~~{provide that the~~
30 ~~property automatically reverts to the city if, at any time after the date of~~
31 ~~conveyance pursuant to subsection 5,}~~ *be recorded in the office of the*
32 *county recorder of the county in which the property is located and must*
33 *specify:*

34 (a) *The number of years for which the nonprofit organization or its*
35 *assignee must use the property to provide affordable housing; and*

36 (b) *The action that the governing body will take if the nonprofit*
37 ~~{corporation}~~ *organization or its assignee fails to use the property to*
38 *provide affordable housing* ~~{on the property.}~~ *pursuant to the agreement.*

39 7. A governing body that has conveyed property pursuant to subsection
40 ~~{5.}~~ 4 shall:

41 (a) Prepare annually a list which includes a description of all property
42 conveyed to a nonprofit organization pursuant to this section; and

(b) Include the list in the annual audit of the city which is conducted pursuant to NRS 354.624.

8. If, 5 years after the date of a conveyance pursuant to subsection ~~5~~, 4, a nonprofit organization *or its assignee* has not commenced construction of affordable housing, or entered into such contracts as are necessary to commence the construction of affordable housing, the property that was conveyed automatically reverts to the city.

9. *A governing body may subordinate the interest of the city in property conveyed pursuant to subsection 4 to a first or subsequent holder of a mortgage on that property to the extent the governing body deems necessary to promote investment in the construction of affordable housing.*

10. As used in this section, unless the context otherwise requires, "nonprofit organization" means an organization that is recognized as exempt pursuant to 26 U.S.C. § 501(c)(3).

Sec. 4. Section 5 of Senate Bill No. 139 of this session is hereby amended to read as follows:

Sec. 5. Chapter 268 of NRS is hereby amended by adding thereto a new section to read as follows:

1. The governing body of a city may expend money for any purpose that will provide a substantial benefit to the inhabitants of the city. The governing body may grant all or part of the money to a nonprofit organization created for religious, charitable or educational purposes to be expended for a selected purpose.

2. The governing body of a city or its authorized representative may donate commodities, supplies, materials and equipment that the governing body determines have reached the end of their useful lives to a nonprofit organization created for religious, charitable or educational purposes ~~or~~ *or to another governmental entity, to be used for any purpose which will provide a substantial benefit to the inhabitants of the city.*

3. A grant or donation to a nonprofit organization created for religious, charitable or educational purposes *and a donation to a governmental entity pursuant to this section* must be made by resolution. The resolution must specify:

(a) The purpose of the grant or donation;

(b) If applicable, the maximum amount to be expended from the grant; and

(c) Any conditions or other limitations on the expenditure of the grant or the use of the donated property.

4. As used in this section:

(a) "Authorized representative" has the meaning ascribed to it in NRS 332.025.

1 (b) “Nonprofit organization created for religious, charitable or
2 educational purposes” means an organization that meets the
3 requirements set forth in NRS 372.3261.

4 **Sec. 5.** This act becomes effective upon passage and approval.

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