

ASSEMBLY BILL NO. 484—ASSEMBLYWOMAN
SEGERBLOM (BY REQUEST)

MARCH 11, 1999

Referred to Committee on Government Affairs

SUMMARY—Extends powers of housing authorities to new types of development.
(BDR 25-1513)

FISCAL NOTE: Effect on Local Government: Yes.
Effect on the State or on Industrial Insurance: Yes.

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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 housing authorities; extending their scope of activity beyond housing of persons of very low income; providing exemptions from and payments in lieu of taxes; 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.** Chapter 315 of NRS is hereby amended by adding thereto
2 the provisions set forth as sections 2 to 27, inclusive, of this act.
3 **Sec. 2.** *“Affiliate” means another party to an arrangement in which*
4 *an authority participates by sharing ownership or governance. An*
5 *affiliate is “controlled” if commissioners, officers, employees or agents*
6 *of the authority constitute a majority of the governing body or the*
7 *authority holds a majority of the ownership.*
8 **Sec. 3.** *“Affordable housing” means dwelling units that may be*
9 *rented or purchased by persons of eligible income with or without*
10 *governmental assistance.*
11 **Sec. 4.** *“Arrangement” means a legal relationship with an artificial*
12 *person.*
13 **Sec. 5.** *“Commissioner” means a member of the governing body of*
14 *an authority.*
15 **Sec. 6.** *“Community facility” means real and appurtenant personal*
16 *property suitable for public recreation or education or to promote public*
17 *health or welfare.*

1 **Sec. 7. “Development” means:**

2 **1. The actions and property described in NRS 315.440 and sections**
3 **16 to 23, inclusive, of this act; or**

4 **2. The acquisition or creation of mobile home parks and facilities,**
5 **the rental or leasing of mobile home lots or the purchase, rental or**
6 **leasing of mobile homes.**

7 **Sec. 8. “Family” means a person or group of persons, whether or**
8 **not including any children, whom an authority accepts for occupancy of**
9 **a dwelling or to whom the authority provides other assistance.**

10 **Sec. 9. “Guest” means a person, not a resident of the development**
11 **or dwelling, who is present in the development or dwelling at the**
12 **invitation, or with the consent or acquiescence, of a resident of the**
13 **development or dwelling.**

14 **Sec. 10. “Mixed-finance development” means a development**
15 **financed both by private persons and by the federal, state or local**
16 **government.**

17 **Sec. 11. “Mixed-income development” means a development**
18 **occupied both by persons of eligible income and by other persons.**

19 **Sec. 12. “Mixed-use development” means a development that**
20 **includes both residential and other uses.**

21 **Sec. 13. “Person of eligible income” means:**

22 **1. With respect to a development financed by the federal, state or**
23 **local government, a person or member of a family whose income**
24 **qualifies under the applicable program or, if there is no limit of income,**
25 **a person or family whose income or assets qualify pursuant to subsection**
26 **2; or**

27 **2. With respect to other developments, a person or member of a**
28 **family whose income or assets are insufficient without governmental**
29 **assistance or undue hardship, taking into account all available**
30 **resources, to purchase or rent decent, safe and sanitary dwellings of**
31 **adequate size.**

32 **Sec. 14. “Representative” means a commissioner, officer, employee**
33 **or agent of an authority.**

34 **Sec. 15. “Resident” means a person residing in a development with**
35 **the consent of the authority and in accordance with its rules, procedures**
36 **and policies.**

37 **Sec. 16. 1. An authority may acquire an interest in real or**
38 **personal property by gift, purchase, lease, exchange or eminent domain**
39 **and may donate, sell, lease, exchange or otherwise dispose of any**
40 **property.**

41 **2. At and after the time of acquiring occupied property, an authority**
42 **may allow an existing tenant to remain at the property upon terms that**

1 *the authority considers appropriate, even if the tenant is not a person of*
2 *eligible income.*

3 *3. An authority may operate programs to increase ownership of*
4 *homes by residents of its developments and other persons of eligible*
5 *income.*

6 **Sec. 17.** *An authority may:*

7 *1. Finance its developments and their maintenance from any*
8 *combination of public and private sources of revenue that may be*
9 *available, and from the income of its own investments, as its*
10 *commissioners deem appropriate.*

11 *2. Enter into arrangements for mixed-finance development and*
12 *provide financing for affordable housing owned wholly or in part by*
13 *others.*

14 *3. Carry out plans and agreements, and provide financial assistance*
15 *to governmental agencies and private persons, whether or not organized*
16 *for profit, to preserve, rehabilitate, maintain or procure existing*
17 *affordable housing in safe, decent and sanitary condition and ensure its*
18 *availability to persons of eligible income. The authority may establish or*
19 *agree to exclusions from income in determining eligibility for this*
20 *purpose.*

21 **Sec. 18.** *An authority may mortgage, pledge, or otherwise encumber*
22 *or subject to a lien or security interest any real or personal property of*
23 *the authority or in which it holds an interest, to secure:*

24 *1. Performance or the repayment of borrowed money by the*
25 *authority, or a guarantee of repayment; or*

26 *2. Performance or repayment, or a guarantee of repayment, by an*
27 *affiliate of the authority or by parties to an arrangement into which the*
28 *authority has entered.*

29 **Sec. 19.** *1. Except as otherwise provided in subsection 4, for the*
30 *purposes set forth in subsection 2, an authority may:*

31 *(a) Lend on the security of a mortgage, or subsidize such a loan, to or*
32 *for the benefit of a person of eligible income;*

33 *(b) Act as a conduit, fiduciary, borrower or lender in a program to*
34 *make financing available to persons of eligible income by purchasing*
35 *mortgages given by them or encumbering housing for them;*

36 *(c) Operate a program to provide financing for the creation and*
37 *operation, or the purchase, of affordable housing through the use of*
38 *federal or state tax credits or similar inducements;*

39 *(d) Make or guarantee loans for the acquisition, construction,*
40 *development or rehabilitation of housing for persons of eligible income*
41 *or of mixed-income development;*

1 (e) Expend money to buy down rates of interest on mortgages or
2 otherwise enhance the availability of financing by mortgage to persons of
3 eligible income; and

4 (f) Enter into and perform agreements and arrangements with
5 financial institutions and other lenders.

6 2. The purpose of the activities set forth in subsection 1 are to
7 enhance the supply of financing:

8 (a) By mortgage at rates and on terms affordable to persons of eligible
9 income; and

10 (b) At rates and upon terms sufficiently attractive to encourage the
11 creation of housing for rent or purchase that is affordable to persons of
12 eligible income.

13 3. An authority may:

14 (a) Establish fees, conditions of repayment and other appropriate
15 terms and conditions with respect to assistance provided by it pursuant to
16 this section; and

17 (b) Make loans not secured by mortgage to a person or member of a
18 family whose income does not exceed 150 percent of the income
19 allowable under section 13 of this act.

20 4. An authority may not finance mortgages on owner-occupied,
21 single-family residences with bonds or other obligations that require an
22 allocation of the volume caps on the issuance of private activity bonds
23 pursuant to chapter 348A of NRS.

24 **Sec. 20.** An authority may:

25 1. Forgive, compromise, or forbear from collecting or enforcing, in
26 whole or in part, a debt or obligation owed to it.

27 2. Administer programs to provide housing for rent, or assistance in
28 relocation, on its own behalf or for others in its area of operation.

29 **Sec. 21.** An authority may:

30 1. Borrow money or accept a grant or other financial assistance from
31 a private person and comply with otherwise lawful requirements and
32 conditions attached to the provision of the loan or assistance.

33 2. Enter into an arrangement with a private person, whether or not
34 organized for profit, to acquire, create, manage or operate a residential
35 development, including, without limitation, a mixed-income
36 development, supply services to the residents of the development and
37 perform all responsibilities under the arrangement.

38 **Sec. 22.** An authority may:

39 1. Manage or operate a residential development owned or controlled
40 by another authority, a governmental agency or a private person,
41 whether or not organized for profit;

1 2. Allow the operation or management of a development in which the
2 authority holds an interest by another authority, a governmental agency
3 or a private person, whether or not organized for profit; and

4 3. Allow the operation or management of a program, assistance or
5 service of the authority other than a development by another authority, a
6 governmental agency or a private person, whether or not organized for
7 profit, or administer any such program, assistance or service on behalf of
8 another authority or a governmental agency, upon such terms and for
9 such compensation as may be agreed.

10 **Sec. 23.** An authority may:

11 1. Construct and operate facilities and programs and provide
12 services, directly or through others, for the maintenance of safety and
13 security and the protection of persons and property at or near its
14 developments; and

15 2. Make and enforce rules for those purposes, consistent with the
16 provisions of NRS 315.011 to 315.071, inclusive.

17 **Sec. 24.** An authority may:

18 1. Purchase letters of credit, insurance for payment of bonds, or any
19 other device to enhance its credit that would establish or increase the
20 marketability of its bonds.

21 2. Waive one or more of the powers granted in NRS 315.680 to
22 315.730, inclusive, and sections 24 and 25 of this act by a resolution
23 adopted by the affirmative vote of a majority of its commissioners.

24 **Sec. 25.** 1. An authority may borrow money, for any purpose for
25 which it may issue bonds and within the authorized amount of a
26 particular issue of bonds, by issuing notes in anticipation of the receipt of
27 the proceeds of the bonds.

28 2. A note in anticipation may be issued for not more than 5 years,
29 and except as otherwise provided in this subsection, may be renewed for
30 not more than 1 year, but each note must be paid not later than 5 years
31 after the note was originally issued. A note may not be renewed if such
32 renewal would extend the time for payment of the note beyond 5 years
33 after the note was originally issued.

34 3. A note or other instrument must be authorized by resolution of the
35 commissioners, and may be in such denomination and bear such interest,
36 or have such other incidents, as the resolution prescribes.

37 4. A note or other instrument may be sold at public or private sale at
38 such price or for such other consideration as the resolution prescribes.
39 The consideration may be real or personal property and, if the note is a
40 renewal note, it may be exchanged for such outstanding notes as the
41 authority determines.

1 **5. An authority may issue bonds, notes, certificates or other**
2 **instruments evidencing indebtedness or participation in ownership on**
3 **behalf of others for any purpose authorized by this chapter if:**

4 **(a) The bonds issued by an authority on behalf of others are special,**
5 **limited obligations of the authority and the principal of and interest on**
6 **such bonds are payable, subject to the security provisions herein, solely**
7 **out of the revenues derived from the financing, leasing or sale of the**
8 **development to be financed by the bonds;**

9 **(b) The bonds and any interest thereon will never constitute the debt**
10 **or indebtedness of the authority within the meaning of any provision or**
11 **limitation of the constitution or statutes of the State of Nevada, and will**
12 **not constitute or give rise to a pecuniary liability of the authority or a**
13 **charge against its general credit; and**

14 **(c) The limitations contained in paragraph (b) stated plainly on the**
15 **face of each such bond.**

16 **Sec. 26.** (Deleted by amendment.)

17 **Sec. 27. A guaranty or other instrument may not be given that**
18 **provides for recourse against the property of an authority other than the**
19 **development for whose financing it was given unless the commissioners**
20 **adopt a resolution finding that:**

21 **1. Giving the guaranty or instrument will result in lower financing**
22 **costs to the authority; and**

23 **2. The value of all property which is pledged or mortgaged does not,**
24 **at the time the pledge or mortgage is given or entered into, exceed an**
25 **amount equal to 1 1/2 times the value of the property being acquired.**
26 **The finding and determination of values by the commissioners are**
27 **conclusive in the absence of fraud or gross abuse of discretion.**

28 **Sec. 28.** NRS 315.140 is hereby amended to read as follows:

29 315.140 NRS 315.140 to 315.780, inclusive, **and sections 2 to 27,**
30 **inclusive, of this act** may be referred to as the Housing Authorities Law of
31 1947.

32 **Sec. 29.** NRS 315.150 is hereby amended to read as follows:

33 315.150 Unless the context otherwise requires, the definitions
34 contained in NRS 315.160 to ~~315.300,~~ **315.290**, inclusive, **and sections 2**
35 **to 15, inclusive, of this act** govern the construction of NRS 315.140 to
36 315.780, inclusive ~~15,~~ **and sections 2 to 27, inclusive, of this act.**

37 **Sec. 29.5.** NRS 315.180 is hereby amended to read as follows:

38 315.180 "Bonds" means any bonds, notes, interim certificates,
39 **certificates of participation**, debentures or other obligations issued by an
40 authority pursuant to NRS 315.140 to 315.780, inclusive ~~15,~~ **and sections**
41 **2 to 27, inclusive, of this act.**

10 2. ~~[Such]~~ A housing authority is hereby created a public body corporate
11 for municipal purposes and ~~[shall be]~~ is a municipal corporation.

15 **4. A noncontrolled affiliate of an authority does not become a public**
16 **agency by virtue of the affiliation and is not subject to any law relating to**
17 **local governments or other public agencies, including, without limitation,**
18 **those laws relating to public employment, procurement and records.**

20 315.430 An authority may:

- 31 **Sec. 32.** NRS 315.440 is hereby amended to read as follows:

~~33 —1.—Prepare, carry out and operate housing projects and provide for the~~
~~34 construction, reconstruction, improvement, extension, alteration, or repair~~
~~35 of any such project or any part thereof.~~
~~36 —2.—Determine where there is unsafe, insanitary or overcrowded housing.~~
~~37 —3.—Make studies and recommendations relating to the problem of~~
~~38 eliminating unsafe, insanitary or overcrowded housing.~~
~~39 —4.—Cooperate with the city, the county, the state, or any political~~
~~40 subdivision thereof in action taken in connection with such problems.]~~

41 **1. An authority may plan, carry out, acquire, renovate, enlarge,**
42 **reduce, manage and operate residential, nonresidential and mixed-use**
43 **developments, including, without limitation:**

- (a) Preparation of the site and construction of improvements;
- (b) Demolition or removal of buildings and other improvements from land situated in a blighted area or slum; and
- (c) Financing of affordable housing that is decent, safe and sanitary and of other improvements described in subsection 2.

2. A development may include:

- (a) Manufactured or modular housing, utilities and other improvements related to the housing;
- (b) Land, leaseholds, easements, licenses and other rights to the use and occupancy of land;
- (c) Common areas, streets, sidewalks, bicycle paths, drainage, parking facilities, street lighting and landscaping;
- (d) Community facilities, such as playgrounds, parks and other facilities for sport or recreation of the residents and their guests;
- (e) Community facilities to provide educational, vocational or training programs and supportive services to the residents; and
- (f) Appropriate commercial and other nonresidential facilities.

Sec. 33. NRS 315.450 is hereby amended to read as follows:

315.450 An authority may:

- ~~1. [Arrange or contract for the furnishing by any person or agency, public or private, of services, privileges, works or facilities for, or in connection with, its housing projects.~~
- ~~2. Notwithstanding anything to the contrary contained in NRS 315.140 to 315.780, inclusive, or any other provisions of law, agree to any conditions attached to federal financial assistance relating to the determination of prevailing salaries or wages or payment of not less than prevailing salaries or wages or compliance with labor standards, in the development or administration of projects.~~
- ~~3. Include in any contract let in connection with a housing project, stipulations requiring that the contractor and any subcontractors comply with requirements as to minimum salaries or wages and maximum hours of labor, and comply with any conditions attached to the financial aid of such project.]~~ Provide directly or contract or cooperate with a person or governmental agency to provide, or use its property to provide, services or financial or other contributions to enhance the social and economic well-being of residents and other persons of eligible income;
2. Create and operate accounts for the benefit of persons and families participating in programs to enhance the economic self-sufficiency of persons and families;
3. Award scholarships and conduct or provide for programs of education and training; and
4. Collect fees or seek reimbursement of the costs for programs or services provided pursuant to this section.

1 **Sec. 34.** NRS 315.470 is hereby amended to read as follows:

2 315.470 An authority may:

3 1. Invest any funds held in reserves or sinking funds, or any funds not
4 required for immediate disbursement, in ~~the~~:

5 ~~—(a) Obligations issued by the United States Postal Service or the Federal~~
6 ~~National Mortgage Association, whether or not the payment of principal~~
7 ~~and interest thereon is guaranteed by the Federal Government.~~

8 ~~—(b) Bonds or other obligations issued by a redevelopment agency~~
9 ~~created pursuant to NRS 279.382 to 279.685, inclusive, or a legislative~~
10 ~~body that has elected to exercise the powers granted an agency pursuant to~~
11 ~~NRS 279.382 to 279.685, inclusive.~~

12 ~~—(c) Bonds or other securities issued pursuant to the provisions of NRS~~
13 ~~349.150 to 349.364, inclusive, 350.500 to 350.720, inclusive, or 396.809 to~~
14 ~~396.885, inclusive.~~

15 ~~—(d) Money market mutual funds that:~~

16 ~~—(1) Are registered with the Securities and Exchange Commission;~~

17 ~~—(2) Are rated by a nationally recognized rating service as “AAA” or~~
18 ~~its equivalent; and~~

19 ~~—(3) Invest only in securities issued or guaranteed as to payment of~~
20 ~~principal and interest by the Federal Government, or its agencies or~~
21 ~~instrumentalities, or in repurchase agreements that are fully collateralized~~
22 ~~by such securities.] any manner authorized for a local government~~
23 ~~pursuant to chapter 355 of NRS;~~

24 2. Redeem its bonds at the redemption price established therein or
25 purchase its bonds ~~[at less than such redemption price. All bonds so~~
26 ~~redeemed or purchased must be canceled.] or other securities at such price~~
27 ~~as it finds acceptable; and~~

28 3. *Enter into agreements with responsible agents for investment*
29 *upon such terms and conditions as its commissioners deem*
30 *appropriate.*

31 **Sec. 35.** NRS 315.480 is hereby amended to read as follows:

32 315.480 An authority may exercise all or any part or combination of
33 powers granted in NRS 315.420 to 315.470, inclusive ~~and~~, *and sections 16*
34 *to 25, inclusive, of this act.*

35 **Sec. 36.** NRS 315.500 is hereby amended to read as follows:

36 315.500 ~~[It is declared to be the policy of this state that each authority~~
37 ~~shall manage and operate its housing projects in an efficient manner so as~~
38 ~~to enable it to fix the rentals or payments for dwelling accommodations at~~
39 ~~low rates consistent with its providing decent, safe and sanitary dwelling~~
40 ~~accommodations for persons of low income, and that no authority shall~~
41 ~~construct or operate any housing project for profit, or as a source of~~
42 ~~revenue to the city, town or the county. To this end an authority shall fix~~
43 ~~the rentals or payments for dwellings in its housing projects at no higher~~

1 rates than it shall find to be necessary in order to produce revenues which,
2 together with all other available moneys, revenues, income and receipts of
3 the authority from whatever sources derived, will be sufficient:

4 ~~—1.— To pay, as the same become due, the principal and interest on the~~
5 ~~bonds of the authority.~~

6 ~~—2.— To create and maintain such reserves as may be required to assure~~
7 ~~the payment of principal and interest as it becomes due on its bonds.~~

8 ~~—3.— To meet the cost of, and to provide for, maintaining and operating~~
9 ~~the housing projects (including necessary reserves therefor and the cost of~~
10 ~~any insurance) and the administrative expenses of the authority.~~

11 ~~—4.— To make such payments in lieu of taxes as it determines are~~
12 ~~consistent with the maintenance of the low rent character of the housing~~
13 ~~projects.} An authority may:~~

14 *1. Rent or lease dwellings, facilities or other real property it owns or*
15 *possesses, or has a contractual right to rent or lease, upon such terms*
16 *and for such rentals as it determines are appropriate.*

17 *2. Base its rents on family income, adjusted as appropriate, and set*
18 *minimum or maximum rents. The rents may differ between separate*
19 *developments of the authority.*

20 *3. Establish other standards or conditions as to rental that its*
21 *commissioners determine are appropriate.*

22 **Sec. 37.** NRS 315.510 is hereby amended to read as follows:

23 315.510 ~~{In the operation or management of housing projects an~~
24 ~~authority shall at all times observe the following duties with respect to~~
25 ~~rentals and tenant admissions:~~

26 ~~—1.— It may rent or lease the dwelling accommodations therein only to~~
27 ~~persons of low income and, as among low income persons who are eligible~~
28 ~~applicants for occupancy in dwellings of given sizes and at specified rents,~~
29 ~~shall extend the following preferences in the selection of tenants:~~

30 ~~—(a) First: To families who are to be displaced by any low rent housing~~
31 ~~project or by any public slum clearance or redevelopment project initiated~~
32 ~~after January 1, 1947, or who were so displaced within 3 years before~~
33 ~~making application on authority for admission to any low rent housing.~~
34 ~~Among such families first preference must be given to families of disabled~~
35 ~~veterans whose disability has been determined by the Department of~~
36 ~~Veterans Affairs to be service connected, second preference must be given~~
37 ~~to families of deceased veterans and servicemen whose death has been~~
38 ~~determined by the Department of Veterans Affairs to be service connected,~~
39 ~~and third preference must be given to families of other veterans and~~
40 ~~servicemen.~~

41 ~~—(b) Second: To families of other veterans and servicemen. Among such~~
42 ~~families~~

first}

1 **1. An authority shall, after determining eligibility, establish a**
2 **preference in the selection of tenants at least to the following extent. First**
3 preference must be given to families of disabled veterans whose disability
4 has been determined by the Department of Veterans Affairs to be service
5 connected, and second preference must be given to families of deceased
6 veterans and servicemen whose death has been determined by the
7 Department of Veterans Affairs to be service connected.

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

12 ~~—3.—An authority shall not accept any person or persons as tenants in any~~
13 ~~housing project if the person or persons who occupy the dwelling~~
14 ~~accommodations have, at the time of admission, an aggregate annual net~~
15 ~~income, less an exemption of \$200 for each minor member of the family~~
16 ~~other than the head of the family and his spouse, in excess of 7 times the~~
17 ~~annual rental of the quarters to be furnished such person or persons; but an~~
18 ~~authority may agree to conditions as to tenant eligibility or preference~~
19 ~~required by the Federal Government pursuant to federal law in any contract~~
20 ~~for financial assistance with the authority. In computing the rental for this~~
21 ~~purpose of admitting tenants, there must be included in the rental the~~
22 ~~average annual cost, as determined by the authority, to occupants of heat,~~
23 ~~water, electricity, gas, cooking fuel and other necessary services or~~
24 ~~facilities, whether or not the charge for such services and facilities is~~
25 ~~included in the rental.] An authority may establish criteria and~~
26 **requirements for eligibility for assistance provided or administered by it**
27 **that may relate to income, work or employment, child care, education,**
28 **training for work and self-sufficiency of a person or member of a family.**
29 **The authority may also apply these criteria and requirements when**
30 **determining the amount and duration of the assistance provided.**

31 **3. The criteria may include preference for persons who are employed**
32 **or for families that include at least one member who is employed. The**
33 **authority may establish exclusions from income as necessary to apply**
34 **these preferences to persons who are employed.**

35 **Sec. 38.** NRS 315.530 is hereby amended to read as follows:

36 315.530 ~~[Any authority or authorities may join or cooperate with~~
37 ~~another in the exercise, either jointly or otherwise, of any of their powers~~
38 ~~for the purpose of financing, including the issuance of bonds, notes or other~~
39 ~~obligations and the giving of security therefor, planning, undertaking,~~
40 ~~owning, constructing, operating or contracting with respect to a housing~~
41 ~~project or projects located within the area within which one or more of such~~
42 ~~authorities are authorized to exercise their powers. For such purpose any~~
43 ~~cooperating authority may, by resolution, prescribe and authorize any~~

1 authority so joining and cooperating with it to act in its behalf in the
2 exercise of any of such powers, or the cooperating authorities may, by
3 resolution, appoint from among the commissioners of such authorities an
4 executive committee with full powers to act on behalf of such authorities
5 with respect to any of their powers as prescribed by resolution of such
6 authority.}]

7 **1. An authority may form and operate one or more nonprofit**
8 **corporations and enter into other arrangements in connection with the**
9 **exercise of any of its powers. Participation in any such arrangement with**
10 **a natural person or nongovernmental entity does not render an activity of**
11 **an authority proprietary or deprive the authority of any privilege or**
12 **immunity.**

13 **2. An authority may function in an arrangement as a partner or**
14 **other part-owner or as an investor, lender or guarantor and may exercise**
15 **such rights and undertake such obligations as its commissioners**
16 **determine to be appropriate.**

17 **Sec. 39.** NRS 315.540 is hereby amended to read as follows:

18 315.540 ~~{An authority shall agree to make such payments in lieu of~~
19 ~~taxes to the city, town, county, and the state, or any political subdivision, as~~
20 ~~it finds consistent with the maintenance of the low-rent character of housing~~
21 ~~projects or the achievement of the purposes of NRS 315.140 to 315.780,~~
22 ~~inclusive.}~~

23 **1. The real and personal property of an authority and a controlled**
24 **affiliate thereof is exempt from all property taxes and special**
25 **assessments. Property owned jointly by an authority or its controlled**
26 **affiliate and a natural person or nongovernmental entity is so exempt to**
27 **the extent of the interest held by the authority or affiliate in the property.**

28 **2. An authority and its controlled affiliates may agree to make**
29 **payments in lieu of taxes or special assessments, or both, to the city or**
30 **county in which a development is wholly or partly located, for**
31 **improvements, services and facilities provided by the city or county, but**
32 **any such payments must not exceed the amounts payable as taxes and**
33 **special assessments if the property were not exempt pursuant to**
34 **subsection 1.**

35 **Sec. 40.** NRS 315.560 is hereby amended to read as follows:

36 315.560 ~~{1.—In addition to the powers conferred upon an authority by~~
37 ~~other provisions of NRS 315.140 to 315.780, inclusive, an authority may:~~

38 ~~—(a) Borrow money or accept contributions, grants or other financial~~
39 ~~assistance from the Federal Government for or in aid of any housing project~~
40 ~~within its area of operation.~~

41 ~~—(b) Take over or lease or manage any housing project or undertaking~~
42 ~~constructed or owned by the Federal Government, and to these ends, to~~
43 ~~comply with such conditions and enter into such mortgages, trust~~

1 indentures, leases or agreements as may be necessary, convenient or
2 desirable.

3 ~~—2.— In any contract with the Federal Government for annual~~
4 ~~contributions to an authority, the authority may obligate itself (which~~
5 ~~obligation shall be specifically enforceable and shall not constitute a~~
6 ~~mortgage, notwithstanding any other laws) to convey to the Federal~~
7 ~~Government possession of or title to the project to which such contract~~
8 ~~relates, upon the occurrence of a substantial default (as defined in such~~
9 ~~contract) with respect to the covenants or conditions to which the authority~~
10 ~~is subject. Such contract may further provide that in case of such~~
11 ~~conveyance, the Federal Government may complete, operate, manage,~~
12 ~~lease, convey or otherwise deal with the project in accordance with the~~
13 ~~terms of such contract; provided, that the contract requires that, as soon as~~
14 ~~practicable after the Federal Government is satisfied that all defaults with~~
15 ~~respect to the project have been cured and that the project will thereafter be~~
16 ~~operated in accordance with the terms of the contract, the Federal~~
17 ~~Government shall reconvey to the authority the project as then constituted.~~

18 ~~—3.— It is the purpose and intent of NRS 315.140 to 315.780, inclusive, to~~
19 ~~authorize every authority to do any and all things necessary or desirable to~~
20 ~~secure the financial aid or cooperation of the Federal Government in the~~
21 ~~undertaking, construction, maintenance or operation of any housing project~~
22 ~~by such authority.} An authority may:~~

23 *1. Borrow money or accept a grant or other financial assistance from*
24 *this state, local subdivisions thereof or the Federal Government in*
25 *connection with any program pursuant to this chapter, take all actions*
26 *necessary to comply with the requirements of a state or federal program*
27 *of assistance to authorities and perform any obligation required under its*
28 *agreement or by state or federal law to obtain the loan or assistance.*

29 *2. Assume, lease or manage a development or undertaking*
30 *constructed or owned by the state or the Federal Government.*

31 *3. Participate in a plan or program of the state or the Federal*
32 *Government that provides revenues to carry out the activities authorized*
33 *by this chapter.*

34 *4. Operate or administer a program of rental assistance for itself or*
35 *on behalf of others.*

36 **Sec. 41.** NRS 315.600 is hereby amended to read as follows:

37 315.600 *1. An authority* ~~{shall have power:~~

38 ~~—1.— To issue bonds from time to time, in its discretion, for any of its~~
39 ~~corporate purposes.~~

40 ~~—2.— To issue refunding bonds for the purpose of paying or retiring bonds~~
41 ~~previously issued by it.} *may issue bonds from time to time, and fix their*~~

42 ~~*terms and conditions for any purpose allowed pursuant to this chapter*~~

43 ~~*and may issue refunding or advance refunding bonds to pay or retire*~~

1 *bonds previously issued. NRS 315.600 to 315.780, inclusive, and sections*
2 *24 and 25 of this act constitute full and complete authority for the*
3 *issuance, delivery and sale of bonds pursuant to this chapter without*
4 *reference to or compliance with any other statute of this state.*

5 *2. Bonds of an authority must be authorized by a resolution adopted*
6 *by the vote of a majority of its commissioners.*

7 **Sec. 42.** NRS 315.610 is hereby amended to read as follows:

8 315.610 1. An authority may issue such types of bonds as it may
9 determine, including (without limiting the generality of the foregoing)
10 bonds on which the principal and interest are payable ~~±~~

11 ~~—(a) Exclusively from the income and~~ *with any one or both of the*
12 *following:*

13 *(a) Income or* revenues of the ~~[housing project]~~ *authority or loan*
14 *repayments of the development whether or not* financed with the proceeds
15 of such bonds ~~±~~

16 ~~—(b) Exclusively from the income and revenues of certain designated~~
17 ~~housing projects whether or not they are financed in whole or in part with~~
18 ~~the proceeds of such bonds.~~

19 ~~—(c) From its~~ *, or with a grant from the Federal Government, or this*
20 *state, or any public agency thereof, in aid of such development or to*
21 *carry out any purpose authorized by NRS 315.140 to 315.780, inclusive,*
22 *and sections 2 to 27, inclusive, of this act.*

23 *(b) Its* revenues generally.

24 2. Any of the bonds may be additionally secured by a pledge of any
25 grant or contributions from the Federal Government or other source, or a
26 pledge of any income or revenues of the authority, or a mortgage of any
27 housing project, projects or other property of the authority.

28 *3. Bonds may be issued in one or more series and, subject to the*
29 *provisions of subsection 4, must:*

30 *(a) Bear such dates;*

31 *(b) Mature at such times;*

32 *(c) Bear interest at such rates;*

33 *(d) Be in such denominations;*

34 *(e) Be in coupon or registered form;*

35 *(f) Carry such privileges of conversion or registration;*

36 *(g) Have such rank or priority;*

37 *(h) Be executed in such manner;*

38 *(i) Be payable in such medium of payment and at such places; and*

39 *(j) Be subject to such terms of redemption, with or without*
40 *premium,*

41 *as the resolution, or a trust indenture or mortgage, may provide.*

42 *4. The bonds may designate an agent and procedure for establishing*
43 *the interest rate. If the bonds designate such an agent and procedure, the*

1 *interest rate on such bonds must be the interest rate established by the*
2 *agent. If the bonds do not designate an agent and procedure, the interest*
3 *on such bonds must not exceed by more than 3 percent the Index of*
4 *Revenue Bonds that was most recently published before the bids are*
5 *received or a negotiated offer is accepted.*

6 *5. The resolution may provide for the issuance of zero-coupon bonds*
7 *or bonds subject to federal taxation of interest.*

8 *6. The authority may issue bonds or other obligations to which the*
9 *volume caps on the issuance of private activity bonds is allocated*
10 *pursuant to chapter 348A of NRS only if the issuance of the bonds or*
11 *other obligations is approved by the state board of finance before the*
12 *issuance of such bonds or other obligations.*

13 **Sec. 43.** NRS 315.620 is hereby amended to read as follows:

14 315.620 *1.* Neither the commissioners of an authority nor any person
15 executing ~~{the}~~ bonds *or other instruments* is liable personally on the
16 bonds by reason of the issuance thereof.

17 *2.* The bonds and other ~~{obligations}~~ *instruments* of an authority are
18 not, and must state on their face that they are not, a debt of the city, the
19 county, the state or any other political subdivision thereof, and *, unless*
20 *liability is assumed by agreement and specifically provided in the bonds*
21 *or other obligations*, neither the city, the county, the state nor any other
22 political subdivision thereof is liable thereon, nor ~~{in any event}~~
23 bonds or obligations payable out of any funds or properties other than those
24 of the authority. ~~{The}~~

25 *3. Unless liability on the part of this state or a political subdivision*
26 *thereof is assumed by agreement, the* bonds do not constitute an
27 indebtedness within the meaning of any constitutional or statutory debt
28 limitation or restriction.

29 **Sec. 44.** NRS 315.640 is hereby amended to read as follows:

30 315.640 *1.* The bonds *or other obligations* may be sold ~~{at public or~~
31 ~~private sale.}~~ *as follows:*

32 *(a) If the bonds or other obligations have received on the date of*
33 *issuance a rating within one of the top four rating categories of Moody's*
34 *Investors Service, Inc., or Standard and Poor's Ratings Services, the*
35 *bonds or other obligations may be offered publicly, through a public sale*
36 *after such prior notice as the resolution may provide, or at private sale by*
37 *negotiation without prior notice.*

38 *(b) If the bonds or other obligations have not received on the date of*
39 *issuance a rating within one of the top four rating categories of Moody's*
40 *Investors Service, Inc., or Standard and Poor's Rating Services, the*
41 *bonds or other obligations must not be sold to more than 10 investors*
42 *and each of those investors must certify that he:*

43 *(1) Has a net worth of \$500,000 or more; and*

1 (2) *Is purchasing the bonds or other obligations for investment and*
2 *not for resale.*

3 2. *The resolution may provide for sale at par or at a specified*
4 *discount or premium.*

5 3. *An authority may enter into agreements with third parties for the*
6 *marketing of its bonds.*

7 4. *The commissioners may, before any sale of bonds, whether by*
8 *competitive bid or negotiated sale, authorize the chief administrative*
9 *officer or chief financial officer of the authority to sign a contract of the*
10 *purchase of the bonds or to accept a binding bid for the bonds subject to*
11 *the requirements specified by the commissioners concerning:*

12 (a) *The rate of interest and the dates for the payment of interest on the*
13 *bonds;*

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

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

17 (d) *The principal amount of the bonds, the amount of principal*
18 *maturing in any particular year and the dates for the payment of*
19 *principal on the bonds.*

20 5. *All terms of the bonds other than:*

21 (a) *The rate of interest and the dates for the payment of interest on the*
22 *bonds;*

23 (b) *The dates and prices for the redemption of the bonds;*

24 (c) *The price for the sale of the bonds; and*

25 (d) *The principal amount of the bonds, the amount of principal*
26 *maturing in any year and the dates for the payment of principal on the*
27 *bonds,*

28 *must be approved by the commissioners of the authority before the bonds*
29 *are delivered.*

30 6. *The final rate of interest, dates for the payment of interest, dates*
31 *and prices of redemption, price for the sale of bonds, principal amount,*
32 *dates for the payment of principal and requirements for the principal*
33 *amount maturing in particular years are not required to be approved by*
34 *the commissioners of the authority if each of those terms complies with*
35 *the requirements specified by the commissioners before the contract for*
36 *the purchase of the bonds is signed or the bid for the bonds is accepted.*

37 **Sec. 45.** *NRS 315.660 is hereby amended to read as follows:*

38 315.660 *1. No action or proceeding involving the validity or*
39 *enforceability of a bond of an authority may be commenced after the*
40 *delivery of the bond.*

41 2. *In any ~~suit,~~ action or proceeding involving the validity or*
42 *enforceability of any bond of an authority or the security therefor, any such*

1 bond reciting in substance that it has been issued by the authority to aid in
2 financing a ~~{housing project, as defined in NRS 315.230,}~~ **development or**
3 **activity pursuant to this chapter** is conclusively deemed to have been
4 issued for ~~{such}~~ **that** purpose and ~~{such project}~~ **the development or**
5 **activity** is conclusively deemed to have been planned, located, and carried
6 out in accordance with the purposes and provisions of ~~{NRS 315.140 to~~
7 ~~315.780, inclusive.}~~ **this chapter.**

8 **Sec. 46.** NRS 315.670 is hereby amended to read as follows:

9 315.670 In connection with the issuance of bonds or the incurring of
10 obligations under leases and in order to secure the payment of such bonds
11 or obligations, an authority, in addition to its other powers, has the powers
12 conferred by NRS 315.680 to 315.740, inclusive ~~{,}~~ **, and sections 24 and**
13 **25 of this act.**

14 **Sec. 47.** NRS 315.690 is hereby amended to read as follows:

15 315.690 An authority may:

16 1. Covenant against pledging all or any part of its rents, fees and
17 revenues, or against mortgaging all or any part of its real or personal
18 property, to which its right or title then exists or may thereafter come into
19 existence, or against permitting or suffering any lien on such revenues or
20 property.

21 2. Covenant with respect to **limitations on** its right to sell, lease or
22 otherwise dispose of ~~{any housing project}~~ **a development** or any part
23 thereof.

24 3. Covenant as to what other ~~{,}~~ or additional debts or obligations may
25 be incurred by it.

26 4. Covenant as to the bonds to be issued and as to the issuance of
27 ~~{such}~~ **the** bonds in escrow and otherwise, and as to the use and disposition
28 of the proceeds thereof.

29 5. Provide for the replacement of lost, destroyed or mutilated bonds.

30 6. Covenant against extending the time for the payment of its bonds or
31 interest thereon.

32 7. Covenant for the redemption of the bonds, and to provide the terms
33 and conditions thereof.

34 **Sec. 48.** NRS 315.700 is hereby amended to read as follows:

35 315.700 An authority may:

36 1. Covenant ~~{,}~~ subject to the limitations contained in NRS 315.140
37 to 315.780, inclusive ~~{,}~~ **, and sections 2 to 27, inclusive, of this act,** as to
38 the rents and fees to be charged in the operation of ~~{a housing project or~~
39 ~~projects,}~~ **one or more developments,** the amount to be raised each year or
40 other period of time by rents, fees and other revenues, and as to the use and
41 disposition to be made thereof.

42 2. Create or authorize the creation of special funds for ~~{moneys}~~
43 **money** to be held for construction or operating costs, debt service, reserves

1 or other purposes, and covenant as to the use and disposition of the
2 ~~{moneys}~~ **money** held in ~~{such}~~ **those** funds.

3 **Sec. 49.** NRS 315.730 is hereby amended to read as follows:

4 315.730 An authority may:

5 1. Vest in ~~{any obligees of the authority}~~ **one or more obligees, or any**
6 **proportion of the holders of its bonds**, the right to enforce the payment of
7 the bonds or any covenants securing or relating to the bonds.

8 2. Vest in an obligee or obligees ~~{holding a specified amount in bonds}~~
9 the right, in the event of a default by the authority, to take possession of and
10 use, operate and manage ~~{any housing project or any}~~ **a development or**
11 part thereof, ~~{for any funds connected therewith, and}~~ to collect the rents
12 and revenues arising therefrom, and to dispose of ~~{such moneys}~~ **the money**
13 in accordance with the agreement of the authority with ~~{such}~~ **the** obligees.

14 3. Provide for the powers and duties of ~~{such}~~ **the** obligees and limit
15 the liabilities thereof.

16 4. Provide the terms and conditions upon which ~~{such}~~ **the** obligees **or**
17 **the holders of a specified proportion of its bonds** may enforce any
18 covenant or rights securing or relating to the bonds.

19 **Sec. 50.** NRS 315.760 is hereby amended to read as follows:

20 315.760 1. The state and all public officers, municipal corporations,
21 political subdivisions, and public bodies, all banks, bankers, trust
22 companies, savings banks and institutions, investment companies, insurance
23 companies, insurance associations and other persons carrying on a banking
24 or insurance business, and all executors, administrators, guardians, trustees,
25 and other fiduciaries may legally invest any sinking ~~{funds, moneys or other~~
26 ~~funds}~~ **funds or money** belonging to them or within their control in any
27 bonds or other obligations issued by ~~{a housing authority created by or~~
28 ~~pursuant to NRS 315.140 to 315.780, inclusive, or issued by a public~~
29 ~~housing authority or agency in the United States, when such bonds or other~~
30 ~~obligations are secured by a pledge of annual contributions to be paid by~~
31 ~~the United States Government or any agency thereof, and such}~~ **an**
32 **authority. Those** bonds and other obligations are authorized security for all
33 public deposits ~~{}~~ and are fully negotiable in this state. ~~{; it being}~~

34 2. **It is** the purpose of the Housing Authorities Law of 1947 to
35 authorize any of the foregoing to use any funds owned or controlled by
36 them, including ~~{(but not limited to)}~~, **without limitation**, sinking,
37 insurance, investment, retirement, compensation, pension ~~{}~~ and trust
38 funds, and funds held on deposit, for the purchase of any such bonds or
39 other obligations. ~~{; but nothing contained in NRS 315.140 to 315.780,~~
40 ~~inclusive, is construed as relieving}~~ **This authorization does not relieve** any
41 person, firm or corporation from any duty of exercising reasonable care in
42 selecting securities.

1 ~~[2.—The provisions of the Housing Authorities Law of 1947 apply~~
2 ~~notwithstanding any restrictions on investments contained in other laws.]~~

3 **Sec. 51.** NRS 315.780 is hereby amended to read as follows:

4 315.780 By its resolution, trust indenture, mortgage, lease or other
5 contract, an authority may confer upon any obligee holding or representing
6 a specified amount in bonds, ~~[the right (in addition to all rights that may~~
7 ~~otherwise be conferred).]~~ *or holding a lease, such additional rights as it*
8 *determines are necessary or desirable to generate revenues or otherwise*
9 *further its purposes. These rights are exercisable* upon the happening of
10 an event of default as defined in ~~[such]~~ *the* resolution or instrument ~~[, by~~
11 ~~suit,]~~ *and may include the right, enforceable by* action or proceeding in
12 any court of competent jurisdiction:

13 1. To cause possession of ~~[any housing project]~~ *a development* or any
14 part thereof to be surrendered to any such obligee.

15 2. To obtain the appointment of a receiver of ~~[any housing project of~~
16 ~~the authority or any]~~ *a development or* part thereof and of the rents and
17 profits therefrom. If the receiver ~~[be]~~ *is* appointed, he may enter and take
18 possession of ~~[such project or any]~~ *the development or* part thereof and
19 operate and maintain it, collect and receive all fees, rents, revenues or other
20 charges thereafter arising therefrom, and shall keep such ~~[moneys]~~ *money*
21 in a separate account or accounts and apply ~~[the same]~~ *it* in accordance
22 with the obligations of the authority as the court shall direct.

23 3. To require the authority to account as if it were the trustees of an
24 express trust.

25 4. *To obtain a judgment for any deficiency remaining after the*
26 *foreclosure and sale of the security for an obligation. Except with respect*
27 *to property developed with money provided by the Federal Government,*
28 *unless the Federal Government otherwise authorizes, the judgment is a*
29 *lien upon the property of the authority and may be enforced by*
30 *execution. The authority or the city or county with respect to which it is*
31 *established may purchase the property sold upon the execution, may cure*
32 *the default before execution or may take any other step necessary to*
33 *protect the public interest or the property of the authority.*

34 **Sec. 52.** NRS 315.988 is hereby amended to read as follows:

35 315.988 1. The state authority may exercise all or any part or
36 combination of the powers granted to local housing authorities in NRS
37 315.450, 315.460 and 315.470 *and section 16 of this act* in connection
38 with contracts, property, investments and related matters.

39 2. The provisions of NRS 315.560, 315.570 and 315.600 to 315.780,
40 inclusive, *and sections 16 to 25, inclusive, of this act* concerning powers
41 of local housing authorities with respect to federal aid, housing in rural
42 areas, bond financing and related matters apply to the state authority in the
43 same manner and to the same extent as they apply to local authorities.

- 1 **Sec. 53.** NRS 350A.095 is hereby amended to read as follows:
2 350A.095 “Revenue securities” means notes, warrants, interim
3 debentures, bonds and temporary bonds validly issued by a municipality as
4 obligations for a purpose related to any undertaking which the municipality
5 is authorized to complete and which are payable from:
6 1. The revenues of one or more such undertakings;
7 2. Taxes levied by or on behalf of the municipality for revenues
8 pledged by the municipality which are not derived from a project; or
9 3. Any combination of those revenues and taxes.
10 The term does not include municipal securities or obligations issued
11 pursuant to the provisions of NRS 244A.669 to 244A.763, inclusive,
12 268.512 to 268.568, inclusive, or 315.140 to 315.780, inclusive ~~§~~, and
13 *sections 2 to 27, inclusive, of this act.*
14 **Sec. 54.** NRS 315.230, 315.260, 315.300, 315.310, 315.520, 315.580,
15 315.590 and 315.630 are hereby repealed.

LEADLINES OF REPEALED SECTIONS

- 315.230 “Housing project” defined.
315.260 “Persons of low income” defined.
315.300 “Veteran” and “serviceman” defined.
315.310 Exemption of real property from execution, process and
judgment lien: Enforcement of certain encumbrances, pledges and
liens.
315.520 Remedies of authority’s obligee: Effect of NRS 315.500
and 315.510.
315.580 Housing for veterans and servicemen.
315.590 Lease of government war housing projects by authority.
315.630 Resolution authorizing bonds: Contents.