ASSEMBLY BILL NO. 92–COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF CLARK COUNTY)

FEBRUARY 4, 1999

Referred to Committee on Government Affairs

SUMMARY—Authorizes governing body to issue general obligation bonds for water facility or wastewater facility to mature within 40 years from date of issue. (BDR 30-276)

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

~

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

AN ACT relating to municipal obligations; authorizing a governing body to issue general obligation bonds for a water facility or wastewater facility to mature within 40 years from the date of issue; 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 350.630 is hereby amended to read as follows:

350.630 1. As the governing body may determine, any bonds and other municipal securities issued hereunder, except as otherwise provided in the Local Government Securities Law, or in any act supplemental thereto, must:

(a) Be of a convenient denomination or denominations;

(b) Be fully negotiable within the meaning of and for all the purposes of the Uniform Commercial Code—Investment Securities;

(c) Mature at such time or serially at such times in regular numerical order at annual or other designated intervals in amounts designated and fixed by the governing body, except as herein otherwise provided;

(d) Bear interest at a rate or rates which do not exceed the limit provided in NRS 350.2011, payable annually, semiannually or at other designated intervals, but the first interest payment date may be for interest accruing for any other period;

(e) Be made payable in lawful money of the United States, at the office of the treasurer or any commercial bank or commercial banks within or without or both within and without the state as may be provided by the governing body; and

(f) Be printed at such a place, within or without this state, as the governing body may determine.

2. ~~[General]~~ ***Except as otherwise provided in subsection 3, general*** obligation bonds must mature within 30 years from their respective dates and, if they mature serially, commencing not later than the fifth year thereafter, in such manner as the governing body may determine.

3. ***General obligation bonds issued for a water facility or wastewater facility must mature within 40 years from their respective dates and, if they mature serially, commencing not later than the fifth year thereafter, in such manner as the governing body may determine.***

4. Special obligation bonds must mature within 50 years from their respective dates.

5. As used in this section:

(a) "Wastewater facility" has the meaning ascribed to it in NRS 377B.030.

(b) "Water facility" has the meaning ascribed to it in NRS 377B.050.

Sec. 2. NRS 350.678 is hereby amended to read as follows:

350.678 1. Except as otherwise provided in NRS 350.674, the proceeds of taxes, pledged revenues and other money, including ***,*** without limitation ***,*** proceeds of bonds to be issued or reissued after the issuance of interim debentures, and bonds issued to secure the payment of interim debentures, or any combination thereof, may be pledged to secure the payment of interim debentures ***,*** ~~[;]~~ but the proceeds of taxes and the proceeds of bonds payable from taxes, or any combination thereof, must not be used to pay any special obligation interim debentures nor may their payment be secured by a pledge of any such general obligation bonds.

2. Any bonds pledged as collateral security for the payment of any interim debentures must mature at such time or times as the governing body may determine, except as otherwise provided in subsections 2 ***,*** ~~[and]~~ 3 ***and 4*** of NRS 350.630.

3. Any bonds pledged as collateral security must not be issued in an aggregate principal amount exceeding the aggregate principal amount of the interim debenture or interim debentures secured by a pledge of such bonds, nor may they bear interest at any time which, with any interest accruing at the same time on the interim debenture or interim debentures so secured, exceeds the rate permitted on the debenture or debentures secured, computed from the appropriate index which was most recently published before the bids are received or a negotiated offer is accepted.

Sec. 3. NRS 350.682 is hereby amended to read as follows:

350.682 1. For the purpose of funding any interim debentures, any bonds pledged as collateral security to secure the payment of such interim debentures, upon their surrender as pledged property, may be reissued without an election, and any bonds not previously issued but authorized to be issued, at an election in the case of bonds required by law so to be authorized, and otherwise merely by the governing body, for a purpose or purposes the same as or encompassing the purpose or purposes for which the interim debentures were issued, may be issued for such a funding.

2. Any such bonds shall mature at such time or times as the governing body may determine, except as otherwise provided in subsections 2 ***,*** ~~[and]~~ 3 ***and 4*** of NRS 350.630.

3. Bonds for funding ***,*** ~~[(]~~ including ***,*** but not necessarily limited to ***,*** any such reissued bonds ***,*** ~~[)]~~ and bonds for any other purpose or purposes may be issued separately or issued in combination in one series or more.

4. Except as herein otherwise provided in this section and in NRS 350.676, 350.678 and 350.680, any such funding bonds shall be issued as is provided herein for other bonds.

Sec. 4. NRS 350.694 is hereby amended to read as follows:

350.694 1. No bonds may be refunded under this chapter unless the holders thereof voluntarily surrender them for exchange or payment, or unless they either mature or are callable for prior redemption under their terms within 25 years from the date of issuance of the refunding bonds. Provision must be made for paying the securities within that period.

2. The maturity of any bond refunded may not be extended beyond 25 years, or beyond 1 year next following the date of the last outstanding maturity, whichever limitation is later, nor may any interest on any bond refunded be increased to any rate which exceeds the limit provided in NRS 350.2011.

3. The principal amount of the refunding bonds may exceed the principal amount of the refunded bonds, but in the case of any bonds constituting a debt the principal of the bonds may not be increased to any amount in excess of any municipal debt limitation.

4. The principal amount of the refunding bonds may also be less than or the same as the principal amount of the bonds being refunded so long as provision is duly and sufficiently made for their payment.

5. If at the time of the issuance of any issue of general obligation refunding bonds provision is not made for the redemption of all the outstanding bonds of the ~~[or]~~ ***issue refunded or the outstanding bonds of*** each issue refunded, as the case may be, by the use of proceeds of the refunding bonds and any other money available for the redemption, the

general obligation refunding bonds may mature but are not required to mature serially commencing not later than the fifth year after their respective dates in accordance with ~~[subsection]~~ ***subsections*** 2 ***and 3*** of NRS 350.630.

~