

ASSEMBLY BILL NO. 300—COMMITTEE ON WAYS AND MEANS

(ON BEHALF OF STATE PLANNING COMMISSION FOR THE
NEW CONSTRUCTION, DESIGN, MAINTENANCE AND
REPAIR OF SCHOOL FACILITIES)

MARCH 7, 2001

Referred to Committee on Ways and Means

SUMMARY—Creates revolving fund for construction and repair of school buildings and facilities and makes related appropriations. (BDR 34-1003)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Contains Appropriation not included in Executive Budget.

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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 governmental administration; creating a revolving fund for the construction, repair and renovation of school buildings and facilities; authorizing boards of trustees of school districts to apply to the director of the department of administration for a loan or other financial assistance from the revolving fund; making appropriations; 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 387 of NRS is hereby amended by adding thereto
- 2 the provisions set forth as sections 2 to 6, inclusive, of this act.
- 3 **Sec. 2.** *As used in sections 2 to 6, inclusive, of this act, unless the*
- 4 *context otherwise requires, “revolving fund” means the fund for the*
- 5 *construction, repair and renovation of school buildings and facilities*
- 6 *created pursuant to section 3 of this act.*
- 7 **Sec. 3.** *1. The fund for the construction, repair and renovation of*
- 8 *school buildings and facilities is hereby created in the state treasury as a*
- 9 *revolving fund, to be administered by the director of the department of*
- 10 *administration.*
- 11 *2. The money in the revolving fund must be invested as other state*
- 12 *funds are invested. All interest and income earned on the money in the*
- 13 *revolving fund must be credited to the revolving fund. Any money*
- 14 *remaining in the revolving fund at the end of a fiscal year does not revert*



1 to the state general fund and the balance in the fund must be carried
2 forward.

3 3. All payments of principal and interest on all the loans made to a
4 school district from the revolving fund and all proceeds from the sale,
5 refunding or prepayment of acquired obligations of a school district or
6 loans made in carrying out the purposes of the revolving fund must be
7 deposited in the state treasury for credit to the revolving fund.

8 4. Claims against the revolving fund must be paid as other claims
9 against the state are paid.

10 5. The director of the department of administration may accept gifts
11 and grants from any source for deposit in the revolving fund.

12 **Sec. 4.** 1. The director of the department of administration may
13 use the money in the revolving fund, including repayments of principal
14 and interest on loans made from the revolving fund, and interest and
15 income earned on money in the revolving fund, only to:

16 (a) Make loans at or below market rate to boards of trustees of school
17 districts for the construction, repair and renovation of school buildings
18 and facilities.

19 (b) Buy or refinance at or below market rate the obligations of school
20 districts, if the project for which the obligations were incurred is for a
21 purpose set forth in NRS 387.335.

22 (c) Guarantee or purchase insurance for obligations of school
23 districts if such action would improve access to credit or reduce the rate
24 of interest applicable to the obligation.

25 (d) Provide or guarantee loans, or as a source of reserve and security
26 for leveraged loans.

27 2. The total amount of loans and other financial assistance provided
28 to school districts in a single biennium must not exceed one-half of the
29 total amount of money in the revolving fund at the beginning of that
30 biennium.

31 **Sec. 5.** 1. The board of trustees of a school district may submit an
32 application to the director of the department of administration for a loan
33 or other financial assistance from the revolving fund. The application
34 must include:

35 (a) If the application is for a loan, a written description of the
36 construction, repair or renovation project for which the loan will be
37 used; and

38 (b) A written description of the financial status of the school district,
39 including, without limitation, the criteria for approval set forth in
40 paragraphs (a), (b) and (c) of subsection 2.

41 2. The director of the department of administration, in consultation
42 with the department of education, the department of taxation and the
43 state public works board, shall determine whether to approve an
44 application submitted pursuant to subsection 1 based upon:

45 (a) The money and other resources that are available to the school
46 district to finance the construction, repair and renovation of school
47 buildings and facilities;

48 (b) The discrepancy, if any, between the growth of assessed valuation
49 of taxable property in the county in which the school district is located



1 *and the growth of the total number of pupils enrolled in the school*
2 *district;*

3 *(c) The remaining allowable increase in ad valorem taxes available to*
4 *the school district;*

5 *(d) If the application is for a loan, the proposed use of the loan,*
6 *including, without limitation, whether the money will be used in an*
7 *efficient manner; and*

8 *(e) The needs of the school district.*

9 3. *The director of the department of administration shall, within the*
10 *limits of money available for use in the revolving fund, make loans and*
11 *provide other financial assistance to school districts whose applications*
12 *have been approved based upon the criteria set forth in paragraphs (a) to*
13 *(e), inclusive, of subsection 2. If the director makes a loan from the*
14 *revolving fund, he shall ensure that the contract of the loan includes all*
15 *terms and conditions for repayment of the loan.*

16 4. *The director of the department of administration:*

17 *(a) Shall adopt regulations that prescribe the annual deadline for*
18 *submission of an application to the director of the department of*
19 *administration by the board of trustees of a school district that desires to*
20 *receive a loan or other financial assistance from the revolving fund.*

21 *(b) May adopt other regulations as he deems necessary to carry out*
22 *the provisions of sections 2 to 6, inclusive, of this act.*

23 **Sec. 6.** *The director of the department of administration may employ*
24 *any legal, fiscal and any other expert services necessary to carry out his*
25 *duties pursuant to sections 2 to 6, inclusive, of this act.*

26 **Sec. 7.** 1. There is hereby appropriated from the state general fund
27 to the fund for the construction, repair and renovation of school buildings
28 and facilities created pursuant to section 3 of this act, the sum of
29 \$3,750,000.

30 2. The director of the department of administration shall use the money
31 appropriated by subsection 1 to make loans of money and provide other
32 financial assistance to school districts pursuant to sections 2 to 6, inclusive,
33 of this act.

34 **Sec. 8.** 1. There is hereby appropriated from the state general fund
35 to the fund to assist school districts in financing capital improvements
36 created pursuant to NRS 387.333, the sum of \$1,250,000.

37 2. The director of the department of administration shall use the money
38 appropriated by subsection 1 to provide grants of money to school districts
39 in accordance with NRS 387.3335 based upon the need of each school
40 district whose application is approved by the state board of examiners
41 pursuant to that section.

42 **Sec. 9.** This act becomes effective upon passage and approval.

