

SENATE BILL NO. 470—COMMITTEE ON GOVERNMENT AFFAIRS

MARCH 22, 2001

Referred to Committee on Government Affairs

SUMMARY—Makes various changes relating to bonds issued by local government for local improvements. (BDR 21-1155)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: 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 governments; revising the time for payment of interest on assessment bonds issued by local governments for local improvements; removing certain obsolete references; 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 271.475 is hereby amended to read as follows:
2 271.475 1. The governing body shall likewise have power to issue
3 negotiable ~~coupon~~ bonds in an amount not exceeding the total unpaid
4 assessments levied to pay the cost of any project, howsoever acquired, as
5 hereinafter provided.
6 2. Any ordinance pertaining to the sale, issuance or payment of bonds
7 or other securities of the municipality, ~~or~~ or any combination thereof, ~~or~~
8 may:
9 (a) Be adopted as if an emergency existed. The declaration of the
10 governing body, if any, is conclusive in the absence of fraud or gross abuse
11 of discretion.
12 (b) Become effective at any time when an emergency ordinance of the
13 municipality may go into effect.
14 (c) Be adopted by not less than two-thirds of all of the voting members
15 of the governing body, ~~or~~ excluding from any such computation any
16 vacancy on the governing body and any member thereon who may vote
17 only to break a tie vote. ~~or~~
18 **Sec. 2.** NRS 271.515 is hereby amended to read as follows:
19 271.515 1. Any assessment bonds:
20 (a) Must bear such date or dates;
21 (b) Must mature in such denomination or denominations at such time or
22 times, but in no event commencing later than 1 year nor exceeding 20 years
23 ~~from~~ *after* their date;



1 (c) Must bear interest ~~which may be evidenced by one or two sets of~~
2 ~~coupons, payable annually or semiannually, except that the first coupon or~~
3 ~~coupons on any bond may represent interest for any period not in excess of~~
4 ~~1 year;~~ *payable at such intervals as are determined by the governing*
5 *body;*

6 (d) Must be payable in such medium of payment at such place or places
7 within and without the state, including, but not limited to, the office of the
8 county treasurer; and

9 (e) At the option of the governing body, may be made subject to prior
10 redemption in advance of maturity, in such order or by lot or otherwise,
11 at such time or times, without or with the payment of a premium or
12 premiums not exceeding 9 percent of the principal amount of each bond so
13 redeemed,
14 as provided by ordinance.

15 2. Bonds may be issued with privileges for registration for payment as
16 to principal, or both principal and interest, and ~~where interest accruing on~~
17 ~~the bonds is not represented by interest coupons;~~ the bonds may provide
18 for the endorsing of payments of interest thereon. ~~and the~~ *The* bonds
19 generally must be issued in such manner, in such form, with such recitals,
20 terms, covenants and conditions, with such provisions for conversion into
21 bonds of other denominations, and with such other details, as may be
22 provided by the governing body in the ordinance or ordinances authorizing
23 the bonds, except as herein otherwise provided.

24 3. Pending preparations of the definitive bonds, interim or temporary
25 bonds, in such form and with such provisions as the governing body may
26 determine, may be issued.

27 4. Except for payment provisions herein expressly provided, the bonds
28 ~~any interest coupons thereto attached;~~ and such interim or temporary
29 bonds must be fully negotiable within the meaning of and for all the
30 purposes of the Uniform Commercial Code-Negotiable Instruments and the
31 Uniform Commercial Code-Investment Securities.

32 5. Notwithstanding any other provisions of law, the governing body, in
33 any proceedings authorizing bonds hereunder, may:

34 (a) Provide for the initial issuance of one or more bonds, ~~and~~ in this
35 subsection ~~is~~ called "bond," ~~and~~ aggregating the amount of the entire
36 issue or any portion thereof.

37 (b) Make such provision for installment payments of the principal
38 amount of any such bond as it may consider desirable.

39 (c) Provide for the making of any such bond payable to bearer or
40 otherwise, registrable as to principal, or as to both principal and interest,
41 and ~~where interest accruing thereon is not represented by interest~~
42 ~~coupons;~~ for the endorsing of payments of interest on such bond.

43 (d) Make provision in any such proceedings for the manner and
44 circumstances in and under which any such bond may in the future, at the
45 request of the holder thereof, be converted into bonds of larger or smaller
46 denominations. ~~which bonds of larger or smaller denominations may in~~
47 ~~turn be either coupon bonds or bonds registrable as to principal, or both~~
48 ~~principal and interest, or either, at the option of the holder.~~



1 6. Any bonds may be issued hereunder with provisions for their
2 reissuance, and the terms and conditions thereof, whether lost, apparently
3 destroyed, wrongfully taken, or for any other reason, as provided in the
4 Uniform Commercial Code-Investment Securities, or otherwise.

5 7. Any bond must be executed in the name of and on behalf of the
6 municipality and signed by the mayor, chairman ~~or~~ or other presiding
7 officer of the governing body, countersigned by the treasurer of the
8 municipality, with the seal of the municipality affixed thereto and attested
9 by the clerk.

10 8. ~~Except for such bonds which are registrable for payment of~~
11 ~~interest, interest coupons payable to bearer must be attached to the bonds~~
12 ~~and bear the original or facsimile signature of the treasurer.~~

13 ~~9.~~ Any bond may be executed as provided in the Uniform Facsimile
14 Signatures of Public Officials Act. ~~Compliance therewith is not a~~
15 ~~condition precedent to the execution of any coupon with a facsimile~~
16 ~~signature.~~

17 ~~10.~~ 9. The bonds ~~and coupons,~~ bearing the signatures of the officers
18 in office at the time of the signing thereof ~~or~~ are the valid and binding
19 obligations of the municipality, notwithstanding that before the delivery
20 thereof and payment therefor, any or all of the persons whose signatures
21 appear thereon have ceased to fill their respective offices.

22 ~~or~~ 10. Any officer herein authorized or permitted to sign any bond,
23 at the time of its execution and of the execution of a signature certificate,
24 may adopt as and for his own facsimile signature the facsimile signature of
25 his predecessor in office in the event that such facsimile signature appears
26 upon the bond. ~~for coupons pertaining thereto, or upon both the bond and~~
27 ~~such coupons.~~

28 **Sec. 3.** NRS 271.620 is hereby amended to read as follows:

29 271.620 Within 30 days after the maturity of the last installment of any
30 issue of bonds for the local improvement district, if any such bonds ~~for~~
31 ~~interest coupons~~ remain unpaid, any property remaining unsold, to which
32 the municipality has taken title or on which it holds a certificate of sale,
33 ~~shall~~ **must** be offered for sale by giving notice of the time and place of
34 sale by publication and by mail. At the time and place designated in the
35 notice, the treasurer shall offer such property for sale to the highest bidder.
36 Upon the sale of any property and payment therefor, a deed shall be
37 executed to the purchaser in substantially the same manner as herein
38 provided for the execution of deeds.

39 **Sec. 4.** NRS 271.630 is hereby amended to read as follows:

40 271.630 1. If any assessment or installment thereof is not promptly
41 collected or enforced, then any bondholder may file and prosecute a
42 foreclosure action in the name of the municipality. Any bondholder may
43 also proceed against such municipality to protect and enforce the rights of
44 the bondholders under the Consolidated Local Improvements Law, or
45 under any charter adopting the provisions hereof or referring hereto for a
46 method of collecting assessments, or any ordinance required or permitted
47 thereunder, by suit, action or special proceedings in equity or at law, either
48 for the appointment of a receiver or for the specific performance of any
49 provisions contained herein or in such ordinance or in an award of



1 execution of any power granted herein or in such ordinance for the
2 enforcement of any proper, legal or equitable remedy as such bondholder
3 or bondholders may deem most effectual to protect and enforce the rights
4 aforesaid.
5 2. All such proceedings at law or in equity shall be instituted, had and
6 maintained for the equal benefit of all holders of the bonds ~~and coupons~~
7 then outstanding. The failure of the bondholders so to foreclose such
8 delinquent assessments, or so to proceed against the municipality, or both,
9 shall not relieve the municipality or any of its officers, agents or employees
10 of any liability for its failure so to foreclose such delinquent assessments.
11 **Sec. 5.** This act becomes effective upon passage and approval.

