

Senate Bill No. 470—Committee on Government Affairs

CHAPTER.....

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:

Section 1. NRS 271.475 is hereby amended to read as follows:

271.475 1. The governing body shall likewise have power to issue negotiable ~~coupon~~ bonds in an amount not exceeding the total unpaid assessments levied to pay the cost of any project, howsoever acquired, as hereinafter provided.

2. Any ordinance pertaining to the sale, issuance or payment of bonds or other securities of the municipality, ~~or~~ or any combination thereof, ~~or~~ may:

(a) Be adopted as if an emergency existed. The declaration of the governing body, if any, is conclusive in the absence of fraud or gross abuse of discretion.

(b) Become effective at any time when an emergency ordinance of the municipality may go into effect.

(c) Be adopted by not less than two-thirds of all of the voting members of the governing body, ~~or~~ excluding from any such computation any vacancy on the governing body and any member thereon who may vote only to break a tie vote. ~~or~~

Sec. 2. NRS 271.515 is hereby amended to read as follows:

271.515 1. Any assessment bonds:

(a) Must bear such date or dates;

(b) Must mature in such denomination or denominations at such time or times, but in no event commencing later than 1 year nor exceeding 20 years ~~from~~ after their date;

(c) Must bear interest ~~which may be evidenced by one or two sets of coupons, payable annually or semiannually, except that the first coupon or coupons on any bond may represent interest for any period not in excess of 1 year;~~ payable at such intervals, but not less often than annually;

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

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

2. Bonds may be issued with privileges for registration for payment as to principal, or both principal and interest, and ~~where interest accruing on the bonds is not represented by interest coupons;~~ the bonds may provide for the endorsing of payments of interest thereon. ~~and the~~ The bonds generally must be issued in such manner, in such form, with such recitals, terms, covenants and conditions, with such provisions for conversion into

bonds of other denominations, and with such other details, as may be provided by the governing body in the ordinance or ordinances authorizing the bonds, except as herein otherwise provided.

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

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

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

(a) Provide for the initial issuance of one or more bonds, ~~[-]~~ in this subsection ~~[-]~~ called "bond," ~~[-]~~ aggregating the amount of the entire issue or any portion thereof.

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

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

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

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

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

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

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

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

~~111~~ 10. Any officer herein authorized or permitted to sign any bond, at the time of its execution and of the execution of a signature certificate, may adopt as and for his own facsimile signature the facsimile signature of his predecessor in office in the event that such facsimile signature appears upon the bond. ~~for coupons pertaining thereto, or upon both the bond and such coupons.~~

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

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

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

271.630 1. If any assessment or installment thereof is not promptly collected or enforced, then any bondholder may file and prosecute a foreclosure action in the name of the municipality. Any bondholder may also proceed against such municipality to protect and enforce the rights of the bondholders under the Consolidated Local Improvements Law, or under any charter adopting the provisions hereof or referring hereto for a method of collecting assessments, or any ordinance required or permitted thereunder, by suit, action or special proceedings in equity or at law, either for the appointment of a receiver or for the specific performance of any provisions contained herein or in such ordinance or in an award of execution of any power granted herein or in such ordinance for the enforcement of any proper, legal or equitable remedy as such bondholder or bondholders may deem most effectual to protect and enforce the rights aforesaid.

2. All such proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all holders of the bonds ~~and coupons~~ then outstanding. The failure of the bondholders so to foreclose such delinquent assessments, or so to proceed against the municipality, or both, shall not relieve the municipality or any of its officers, agents or employees of any liability for its failure so to foreclose such delinquent assessments.

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