

(REPRINTED WITH ADOPTED AMENDMENTS)
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SENATE BILL NO. 552—COMMITTEE ON GOVERNMENT AFFAIRS

MARCH 26, 2001

Referred to Committee on Government Affairs

SUMMARY—Makes various changes relating to assistance to finance housing.
(BDR 25-1448)

FISCAL NOTE: Effect on Local Government: No.
 Effect on the State: 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 affordable housing; expanding the powers of the housing division of the department of business and industry; exempting the housing division from the state purchasing act; removing certain requirements for loans made by the housing division; 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 319 of NRS is hereby amended by adding thereto a
2 new section to read as follows:

3 ***1. Upon the approval of the state board of finance, the division may***
4 ***enter into instruments, agreements and other such transactions for one***
5 ***or more of the following purposes:***

6 ***(a) Reducing or modifying the amount or duration of any payment,***
7 ***interest rate, spread or similar risk;***

8 ***(b) Lowering the cost of borrowing when used in combination with***
9 ***the issuance or carrying of bonds or investments; or***

10 ***(c) Enhancing the relationship between risk and return with respect to***
11 ***the programs of the division for lending or investment or any portion***
12 ***thereof.***

13 ***2. In entering into such instruments, agreements or other such***
14 ***transactions, the division shall consider the creditworthiness of the***
15 ***counterparties and other relevant criteria relating to the objectives of the***
16 ***programs of the division.***

17 **Sec. 2.** NRS 319.140 is hereby amended to read as follows:

18 319.140 1. The division shall administer the provisions of this
19 chapter. The administrator may adopt, amend or rescind regulations,
20 consistent with the provisions of this chapter, appropriate to carry out its
21 purposes.



- 1 2. The administrator may make copies of all proceedings and other
2 records and documents of the division and issue certificates under the seal
3 of the division to the effect that the copies are true copies, and all persons
4 dealing with the division may rely upon such certificates.
- 5 3. The division *has perpetual succession, subject to termination in*
6 *accordance with statute, and may ~~employ~~;*
7 (a) *Sue and be sued in its own name, subject to chapter 41 of NRS;*
8 (b) *Adopt an official seal and alter the same at the pleasure of the*
9 *division;*
10 (c) *Maintain such offices at any place or places within the state as it*
11 *determines necessary to carry out the provisions of this chapter;*
12 (d) *Adopt, amend and repeal regulations as provided in chapter 233B*
13 *of NRS, consistent with the provisions of this chapter and appropriate to*
14 *carry out its purposes;*
15 (e) *Maintain records, proceedings and documents of the division,*
16 *subject to chapters 239, 239A and 239B of NRS;*
17 (f) *Make and execute contracts and all other instruments necessary or*
18 *convenient for the exercise of its powers and functions pursuant to this*
19 *chapter with any governmental agency, private corporation or other*
20 *entity, or natural person;*
21 (g) *Enter into agreements or other transactions with, and accept*
22 *grants from and cooperate with, any governmental agency or other*
23 *source in furtherance of the purposes of this chapter;*
24 (h) *Acquire real or personal property or any interest therein, by gift,*
25 *purchase, foreclosure, deed in lieu of foreclosure, lease, option or*
26 *otherwise;*
27 (i) *Hold, sell, assign, lease, encumber, mortgage, release or otherwise*
28 *dispose of any real or personal property or any interest therein, by public*
29 *or private sale, with or without public bidding, notwithstanding any other*
30 *provision of law;*
31 (j) *Employ* or contract for the services of attorneys, accountants,
32 financial experts and any other advisers, employees, consultants and agents
33 as the administrator may determine to be necessary ~~H~~ ;
34 (k) *Create or cause to be created legal entities, including nonprofit*
35 *corporations, grantor trusts and other legal entities, which the division*
36 *determines are necessary or convenient for the exercise of its powers and*
37 *duties pursuant to this chapter, provided, however, that the issuance of*
38 *bonds, notes or other evidence of indebtedness by any legal entity*
39 *controlled by the division is subject to the approval of the state board of*
40 *finance;*
41 (l) *Provide advice, technical information, training and educational*
42 *services related to the development of housing, building technologies and*
43 *related fields;*
44 (m) *Conduct research, make grants, and promote the development of*
45 *housing, building technologies and related fields; and*
46 (n) *Do any and all things necessary or appropriate to carry out its*
47 *purposes and exercise the powers expressly granted pursuant to this*
48 *chapter.*



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1 4. Before September 1 of each even-numbered year, the division shall
2 submit a report of its activities for the biennium ending June 30 of that year
3 to the governor, state treasurer and the legislature. Each such report shall
4 set forth a complete operating and financial statement of the division
5 during such biennium. The division shall cause an audit of its books and
6 accounts to be made at least once in each fiscal year by a certified public
7 accountant. The certified public accountant may audit the division's books
8 and accounts for consecutive audit periods as requested by the division.

9 **5. *The division is exempt from the provisions of chapter 333 of NRS.***

10 **Sec. 3.** NRS 319.190 is hereby amended to read as follows:

11 319.190 ~~{+}~~ The division may make, undertake commitments to
12 make and participate with lending institutions in the making of mortgage
13 loans, make temporary loans and advances in anticipation of mortgage
14 loans, and issue letters of credit ~~{pursuant to subsection 2}~~ to finance the
15 acquisition, construction ~~{or}~~, **development, renewal, redevelopment,**
16 rehabilitation **or refinancing** of residential housing, including multifamily
17 housing ~~{. Any loan made by the division pursuant to this section must be~~
18 ~~insured or guaranteed unless it is financed by an issue of obligations of the~~
19 ~~division that are insured or secured by surety bonds, letters of credit not~~
20 ~~issued by the division, guaranties or other means of assuring repayment of~~
21 ~~those obligations. Such loans may be made or letters of credit issued only~~
22 ~~after a determination by the administrator that mortgage loans or letters of~~
23 ~~credit are not otherwise available from private lenders upon reasonable~~
24 ~~equivalent terms and conditions.~~

25 ~~—2. The division may issue a letter of credit only if sufficient reserves in~~
26 ~~the funds established by the division are deposited in a separate account to~~
27 ~~be used to pay any liabilities that may be incurred by issuing the letter of~~
28 ~~credit. The aggregate amount of outstanding letters of credit issued by the~~
29 ~~division must not exceed \$5,000,000.}, **within this state.**~~

30 **Sec. 4.** NRS 319.200 is hereby amended to read as follows:

31 319.200 Any ~~{insured}~~ mortgage loan made by the division ~~{shall:~~

32 ~~—1. Not exceed the amount permitted under the insurance program~~
33 ~~under which the mortgage is insured.~~

34 ~~—2. Be} **must be** secured in such manner, be repaid in such period and~~
35 ~~bear interest at {a} **such** rate **or rates as are** determined by the division .~~
36 ~~{and permitted under the insurance program under which the mortgage is~~
37 ~~insured. In addition to such interest charges, the division may charge and~~
38 ~~collect such fees and charges, including reimbursement of the division's~~
39 ~~operating expenses, financing costs, service charges, insurance premiums~~
40 ~~and mortgage insurance premiums as the division determines to be~~
41 ~~reasonable.}~~

42 **Sec. 5.** NRS 319.210 is hereby amended to read as follows:

43 319.210 1. The division may:

44 (a) Invest in, purchase or make commitments to purchase, and take
45 assignments from lending institutions of mortgage loans and promissory
46 notes accompanying such mortgage loans, including ~~{federally insured}~~
47 mortgage loans or participations with lending institutions in such
48 promissory notes and mortgage loans, for the construction, rehabilitation,
49 purchase, leasing or refinancing of residential housing within this state.



1 (b) Sell, at public or private sale, with or without public bidding, any
2 mortgage or other obligation held by the division.
3 2. At or before the time of purchase, the lending institution shall
4 certify to the division with respect to all mortgage loans transferred to the
5 division:
6 (a) That the mortgage loans transferred to the division are for residential
7 housing for eligible families within this state; or
8 (b) That the proceeds of sale or its equivalent will be reinvested in
9 mortgage loans for residential housing for eligible families within this state
10 in an aggregate principal amount equal to the amount of such sale
11 proceeds.
12 **Sec. 6.** NRS 333.020 is hereby amended to read as follows:
13 333.020 As used in this chapter, unless the context otherwise requires:
14 1. "Chief" means the chief of the purchasing division.
15 2. "Director" means the director of the department of administration.
16 3. "Invitation to bid" means a written statement which sets forth the
17 requirements and specifications of a contract to be awarded by competitive
18 selection.
19 4. "Proprietary information" means:
20 (a) Any trade secret or confidential business information that is
21 contained in a bid or proposal submitted on a particular contract; or
22 (b) Any other trade secret or confidential business information
23 submitted in a bid or proposal and designated as proprietary by the
24 chief.
25 As used in this subsection, "confidential business information" means any
26 information relating to the amount or source of any income, profits, losses
27 or expenditures of a person, including data relating to cost or price
28 submitted in support of a bid or proposal. The term does not include the
29 amount of a bid or proposal.
30 5. "Purchasing division" means the purchasing division of the
31 department of administration.
32 6. "Purchasing officer" means a person who is authorized by the chief
33 or a using agency to participate in:
34 (a) The evaluation of bids or proposals for a contract;
35 (b) Any negotiations concerning a contract; or
36 (c) The development, review or approval of a contract.
37 7. "Request for proposals" means a written statement which sets forth
38 the requirements and specifications of a contract to be awarded by
39 competitive selection.
40 8. "Trade secret" has the meaning ascribed to it in NRS 600A.030.
41 9. "Using agencies" means all officers, departments, institutions,
42 boards, commissions and other agencies in the executive department of the
43 state government which derive their support from public money in whole
44 or in part, whether the money is provided by the State of Nevada, received
45 from the Federal Government or any branch, bureau or agency thereof, or
46 derived from private or other sources. The term does not include the
47 Nevada rural housing authority, *the housing division of the department of*
48 *business and industry*, local governments as defined in NRS 354.474,



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1 conservation districts, irrigation districts and the University and
2 Community College System of Nevada.

3 10. “Volunteer fire department” means a volunteer fire department
4 which pays premiums for industrial insurance pursuant to the provisions of
5 chapters 616A to 616D, inclusive, or chapter 617 of NRS.

6 **Sec. 7.** NRS 319.080, 319.150, 319.160, 319.165, 319.175 and
7 319.180 are hereby repealed.

8 **Sec. 8.** This act becomes effective on July 1, 2001, and expires by
9 limitation on July 1, 2003.

LEADLINES OF REPEALED SECTIONS

319.080 “Insured mortgage” defined.

319.150 Contracts and other transactions; grants.

319.160 Information, research and promotion.

**319.165 Division may create instrumentalities to carry out
purposes of chapter; notes, bonds or obligations subject to statutory
requirements.**

319.175 Acquisition and sale of land.

319.180 Powers of division as mortgagee.

