

ASSEMBLY BILL NO. 85—COMMITTEE ON  
GOVERNMENT AFFAIRS

(ON BEHALF OF THE DEPARTMENT OF BUSINESS  
AND INDUSTRY, DIRECTOR'S OFFICE)

FEBRUARY 13, 2003

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing revenue bonds for industrial development. (BDR 30-469)

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 revenue bonds for industrial development; revising the prerequisites to the financing of certain proposed projects; 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 349.590 is hereby amended to read as follows:  
2     349.590 Except as otherwise provided in NRS 349.640, before  
3     financing a project pursuant to subsection 2 of NRS 349.580, the  
4     Director and the Board ~~{must also:}~~ *shall, or before financing a*  
5     *project pursuant to NRS 349.595, the Director shall:*  
6     1. Determine the total amount of money necessary to be  
7     provided by the Director for financing the project.  
8     2. Except as otherwise provided in this subsection, receive a  
9     5-year operating history from the contemplated lessee, purchaser or  
10    other obligor or from any other enterprise that will make or  
11    guarantee the payment of the principal, premium, if any, and interest  
12    on any bonds issued. An operating history is not required if the  
13    bonds:



1 (a) Are to be sold only to qualified institutional buyers, as  
2 defined in Rule 144A of the Securities and Exchange Commission,  
3 17 C.F.R. § 230.144A, in minimum denominations of at least  
4 \$100,000; or

5 (b) Will receive a rating within one of the top four rating  
6 categories of Moody's Investors Service, Inc., Standard and Poor's  
7 Rating Services or Fitch IBCA, Inc.

8 3. Consider whether the contemplated lessee, purchaser, other  
9 obligor or other enterprise that will make or guarantee the payment  
10 of the principal, premium, if any, and interest on any bonds issued  
11 has received within the 12 months preceding the date of the findings  
12 of the Director, or then has or has not in effect, a rating within one  
13 of the top four rating categories of Moody's Investors Service, Inc.,  
14 Standard and Poor's Ratings Services or Fitch IBCA, Inc.

15 4. Identify any existing facilities of a like nature within the  
16 county or city in which the project will be located and consider the  
17 applicability of paragraph (b) of subsection 1 of NRS 349.565.

18 5. Consider the extent to which the project is affected by any  
19 federal, state or local governmental action, activity, program or  
20 development.

21 6. Consider whether the lessee, purchaser, other obligor or  
22 other enterprise of the project has maintained facilities appropriate  
23 to the community in this state for 10 years or longer.

24 **Sec. 2.** NRS 349.595 is hereby amended to read as follows:

25 349.595 1. The Director may provide financing for a project  
26 pursuant to this section if:

27 (a) ~~[The financing is limited in amount and purpose to the~~  
28 ~~payment of the costs associated with:~~

29 ~~— (1) The acquisition, refurbishing, replacement and~~  
30 ~~installation of equipment for the project; and~~

31 ~~— (2) The issuance of bonds pursuant to this section;~~

32 ~~— (b) ]~~ The total amount of the bonds issued pursuant to this  
33 section for ~~[a particular]~~ **the** project does not exceed ~~[\$2,500,000;~~

34 ~~— (e) ] \$3,000,000;~~

35 (b) The Director determines that the bonds will:

36 (1) Be sold only to qualified institutional buyers, as defined  
37 in Rule 144A of the Securities and Exchange Commission,  
38 17 C.F.R. § 230.144A, in minimum denominations of at least  
39 \$100,000; or

40 (2) Receive a rating within one of the top four rating  
41 categories of Moody's Investors Service, Inc., Standard and Poor's  
42 Rating Services or Fitch IBCA, Inc.;

43 ~~[(d)]~~ (c) The Director makes the findings set forth in  
44 paragraphs (a) ~~[to (e), inclusive.]~~ , (b), (d), (e), (g) and (h) of  
45 subsection 2 of NRS 349.580 ~~[, and the governing body of the city]~~



1 ~~or county where the project is to be located approves the findings of~~  
2 ~~the Director.];~~

3 (d) *The Director provides notice of the request for the*  
4 *financing of the project to the governing body of the city or county*  
5 *in which the project is proposed to be located, and has not received*  
6 *a copy of a resolution from the governing body objecting to the*  
7 *project within 25 business days after the notice is provided; and*

8 (e) The Director complies with the *provisions of NRS 349.590*  
9 *and the* guidelines established pursuant to subsection 2.

10 2. The Board shall establish guidelines for the provision of  
11 financing for a project pursuant to this section.

12 **Sec. 3.** This act becomes effective upon passage and approval.

