

CHAPTER.....

AN ACT relating to municipal obligations; revising provisions governing the acquisition by a county or this state of municipal obligations issued by a water authority organized as a political subdivision created by cooperative agreement; 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 244A.0347 is hereby amended to read as follows:

244A.0347 “Municipality” means any city, town, school district, library district, consolidated library district, fire protection district, district for a fire department, park district, general improvement district organized pursuant to chapter 318 of NRS, water district organized pursuant to a special act or water authority organized as a political subdivision created by cooperative agreement . ~~[whose members include at least the two largest municipal retail water purveyors in the county.]~~

Sec. 2. NRS 350A.152 is hereby amended to read as follows:

350A.152 1. Before state securities may be issued pursuant to this chapter for the purpose of acquiring bonds which are issued by a water authority organized as a political subdivision created by cooperative agreement ~~[-]~~ *that operates in all or a portion of a county whose population is 400,000 or more:*

(a) The water authority must obtain approval for the bonds from the debt management commission of each county in which any member of the water authority that is obligated to make payments on the bonds of the water authority is located; and

(b) The members of the water authority must contract with the water authority to make payments from the revenues of the members’ water systems that, in the aggregate, are fully sufficient to pay those bonds as they become due. If the water revenues of any such member are insufficient to pay that member’s share of the amount due on the bonds, the member shall pay the deficiency out of money available for that purpose in the general fund of the member. If the money in the general fund of the member is insufficient to pay fully any such deficiency promptly, the member shall levy a general ad valorem tax on all taxable property within the member’s boundaries at a rate necessary to produce revenue in an amount sufficient to pay that member’s share of the payments due on the bonds.

2. Notwithstanding the provisions of paragraph (a) of subsection 1, the obligations of the members of the water authority

to the water authority and the State of Nevada as a result of the acquisition of bonds of the water authority pursuant to this chapter do not constitute indebtedness of the members within the meaning of any constitutional, charter or statutory limitation or other provisions restricting the incurrence of any debt.

3. A property tax levied pursuant to this section:

(a) Shall be considered to have been levied for the payment of bonded indebtedness for the purposes of NRS 361.463.

(b) Is exempt from the limitations on property taxes contained in chapter 354 of NRS.

Sec. 3. This act becomes effective on July 1, 2003.