ASSEMBLY BILL NO. 312—ASSEMBLYMEN SIBLEY, HARDY, MABEY, CONKLIN, PARKS, ALLEN, ATKINSON, BUCKLEY, CARPENTER, CHRISTENSEN, DENIS, GANSERT, GERHARDT, GIUNCHIGLIANI, GOICOECHEA, GRADY, HETTRICK, HORNE, KIRKPATRICK, MANENDO, MCCLEARY, MUNFORD, OCEGUERA, PERKINS, SEALE, SHERER AND WEBER

MARCH 21, 2005

JOINT SPONSORS: SENATORS TITUS, COFFIN, TOWNSEND, BEERS, CARLTON, AMODEI, CEGAVSKE, HARDY, HECK, LEE AND WIENER

Referred to Committee on Growth and Infrastructure

SUMMARY—Requires certain governmental entities to conduct certain sales and other disposals of certain public lands and real property by public auction. (BDR 26-1089)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State: No.

EXPLANATION - Matter in bolded italics is new; matter between brackets [omitted material] is material to be omitted.

AN ACT relating to real property; requiring certain governmental entities to conduct certain sales and other disposals of certain public lands and real property by public auction; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes the State Land Registrar to cause the sale of certain state lands by public auction or upon sealed bids. (NRS 321.335)

This bill provides that the sale of such lands must be by public auction.

Existing law authorizes the board of county commissioners of a county, with regard to certain real property owned by the county, to sell the property by public auction, sell the property through a licensed real estate broker, or exchange the property for other real property of substantially equal value. (NRS 244.281)

This bill provides that such real property must be disposed of by sale by public auction.



* A B 3 1 2

Existing law authorizes the city council or other governing body of a city to acquire, hold and dispose of real property owned by the city. (NRS 266.265, 266.267, 268.008, 268.048-268.058)

This bill provides that, with the exception of certain conveyances for the purpose of industrial development, and certain conveyances to certain corporations for public benefit and nonprofit organizations for the development of affordable housing, the governing body may not sell or otherwise dispose of property owned by the city except by public auction.

Existing law authorizes a municipality (defined pursuant to NRS 496.020 as a county, city or town) to sell, lease or otherwise dispose of an airport, air navigation facility or other related property, or any portion thereof or interest therein, and provides procedures alternative to disposal in the form of certain contracts, leases and arrangements not exceeding 50 years in duration. (NRS 496.080, 496.090)

This bill provides that the sale or disposal of such property must be made by public auction, and prohibits the use of alternative procedures to circumvent the requirement of a public auction.

Existing law authorizes the Airport Authorities of Battle Mountain, Carson City and Washoe County to sell, lease or otherwise dispose of real property.

This bill provides that such disposals of real property must be made by public auction.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- **Section 1.** NRS 321.335 is hereby amended to read as follows: 321.335 1. Except as *otherwise* provided in NRS 321.125 and 321.510, after April 1, 1957, all sales of any lands that the Division is required to hold pursuant to NRS 321.001, including lands subject to contracts of sale that have been forfeited, are governed by the provisions of this section.
- 2. Whenever the State Land Registrar deems it to be in the best interests of the State of Nevada that any lands owned by the State and not used or set apart for public purposes be sold, he may, with the approval of the State Board of Examiners and the Interim Finance Committee, cause those lands to be sold at public auction, [or upon sealed bids,] for cash or pursuant to contract of sale, at a price not less than their appraised value plus the costs of appraisal and publication of notice of sale.
- 3. Before offering any land for sale, the State Land Registrar
 shall cause it to be appraised by a competent appraiser.
 4. After receipt of the report of the appraiser, the State Land
 - 4. After receipt of the report of the appraiser, the State Land Registrar shall cause a notice of sale to be published once a week for 4 consecutive weeks in a newspaper of general circulation published in the county where the land to be sold is situated, and in such other newspapers as he deems appropriate. If there is no newspaper published in the county where the land to be sold is situated, the notice must be so published in a newspaper published



1 in this State having a general circulation in the county where the 2 land is situated.

5. The notice must contain:

- (a) A description of the land to be sold;
- (b) A statement of the terms of sale;
- (c) A statement [of whether] that the land will be sold at public auction [or upon sealed bids] to the highest bidder; and
- (d) [If the sale is to be at public auction, the] The time and place of the sale. [; and
- (e) If the sale is to be upon sealed bids, the place where the bids will be accepted, the first and last days on which the bids will be accepted, and the time when and place where the bids will be opened.]
- 6. The State Land Registrar may reject any bid for offer to purchasel if he deems the bid for offer to be:
 - (a) Contrary to the public interest.
 - (b) For a lesser amount than is reasonable for the land involved.
- 18 (c) On lands which it may be more beneficial for the State to 19 reserve.
 - (d) On lands which are requested by the State of Nevada or any department, agency or institution thereof.
 - 7. Upon acceptance of any bid [or offer] and payment to the State Land Registrar in accordance with the terms of sale specified in the notice of sale, the State Land Registrar shall convey title by quitclaim or cause a patent to be issued as provided in NRS 321.320 and 321.330.
 - 8. The State Land Registrar may require any person requesting that state land be sold pursuant to the provisions of this section to deposit a sufficient amount of money to pay the costs to be incurred by the State Land Registrar in acting upon the application, including the costs of publication and the expenses of appraisal. This deposit must be refunded whenever the person making the deposit is not the successful bidder. The costs of acting upon the application, including the costs of publication and the expenses of appraisal, must be borne by the successful bidder.
 - **Sec. 2.** NRS 244.281 is hereby amended to read as follows: 244.281 Except as otherwise provided in NRS 244.276, 244.279, 244.2825 and 244.288:
 - 1. When a board of county commissioners has determined by resolution that the sale [or exchange] of any real property owned by the county will be for purposes other than to establish, align, realign, change, vacate or otherwise adjust any street, alley, avenue or other thoroughfare, or portion thereof, or flood control facility within the county and will be in the best interest of the county, it may [:



(a) Sell sell the property at public auction, in the manner prescribed for the sale of real property in NRS 244.282.

2

3 4

5

6

7

8

9

21 22

23

31

32

33

- [(b) Sell the property through a licensed real estate broker, or if there is no real estate broker resident of the county, the board of county commissioners may negotiate the sale of the property. No exclusive listing may be given. In all listings, the board of county commissioners shall specify the minimum price, the terms of sale and the commission to be allowed, which must not exceed the normal commissions prevailing in the community at the time.
- (c) Exchange the property for other real property of substantially
 equal value, or for other real property plus an amount of money
 equal to the difference in value, if it has also determined by
 resolution that the acquisition of the other real property will be in
 the best interest of the county.
- 15 2. Before the board of county commissioners may sell or 16 exchange any real property as provided in paragraphs (b) and (c) of 17 subsection 1, it shall:
- 18 (a) Post copies of the resolution described in subsection 1 in 19 three public places in the county; and 20 (b) Cause to be published at least once a week for 3 successive
 - (b) Cause to be published at least once a week for 3 successive weeks, in a newspaper qualified under chapter 238 of NRS that is published in the county in which the real property is located, a notice setting forth:
- 24 (1) A description of the real property proposed to be sold or exchanged in such a manner as to identify it:
- 26 (2) The minimum price, if applicable, of the real property proposed to be sold or exchanged; and
- 28 (3) The places at which the resolution described in subsection 1 has been posted pursuant to paragraph (a), and any other places at which copies of that resolution may be obtained.
 - → If no qualified newspaper is published within the county in which the real property is located, the required notice must be published in some qualified newspaper printed in the State of Nevada and having a general circulation within that county.
- 35 3. In addition to the requirements set forth in paragraph (b) of subsection 2, in case of:
- (a) A sale, the notice must state the name of the licensed real
 estate broker handling the sale and invite interested persons to
 negotiate with him.
- 40 (b) An exchange, the notice must call for offers of cash or exchange. The commission shall accept the highest and best offer.
- 42 4.] 2. If the board of county commissioners by its resolution further finds that the property to be sold is worth more than \$1,000,
- 44 the board shall appoint one or more disinterested, competent real
- 45 estate appraisers to appraise the property, and, except for property



acquired pursuant to NRS 371.047, shall not sell [or exchange] it for less than the appraised value.

- [5.] 3. If the property is appraised at \$1,000 or more, the board of county commissioners may sell it either for cash or for not less than 25 percent cash down and upon deferred payments over a period of not more than 10 years, secured by a mortgage or deed of trust, bearing such interest and upon such further terms as the board of county commissioners may specify.
- 9 [6.] 4. As used in this section, "flood control facility" has the meaning ascribed to it in NRS 244.276.
 - **Sec. 3.** Chapter 266 of NRS is hereby amended by adding thereto a new section to read as follows:

Except as otherwise provided in NRS 268.048 to 268.058, inclusive, if the city council of a city sells or otherwise disposes of real property owned by the city, the sale or other disposal must be made by public auction.

- **Sec. 4.** NRS 266.265 is hereby amended to read as follows:
- 266.265 1. The city council may:
- (a) Control the property of the city.

- (b) Erect and maintain all buildings, structures and other improvements for the use of the city.
- (c) [Purchase,] Except as otherwise provided in section 3 of this act, purchase, receive, hold, sell, lease, convey and dispose of property, real and personal, for the benefit of the city, both within and without the city boundaries, improve and protect such property, and do all other things in relation thereto which natural persons might do.
- 2. Except as otherwise provided by law, the city council may not mortgage, hypothecate or pledge any property of the city for any purpose.
 - **Sec. 5.** NRS 266.267 is hereby amended to read as follows:
 - 266.267 1. A city council shall not enter into a lease of real property owned by the city for a term of 3 years or longer or enter into a contract for the sale or exchange of real property until after the property has been appraised by one disinterested appraiser employed by the city. Except as otherwise provided in this section and paragraph (a) of subsection 1 of NRS 268.050 [, a]:
 - (a) The sale or other disposal of real property must be made by public auction as required pursuant to section 3 of this act; and
 - (b) A lease, sale or exchange must be made at or above the current appraised value of the real property as determined by the appraiser unless the city council, in a public hearing held before the adoption of the resolution to lease, sell or exchange the property, determines by affirmative vote of not fewer than two-thirds of the entire city council based upon specified findings of fact that a lesser



value would be in the best interest of the public. For the purposes of this subsection, an appraisal is not considered current if it is more than 3 years old.

- 2. The city council may sell, lease or exchange real property for less than its appraised value to any person who maintains or intends to maintain a business within the boundaries of the city which is eligible pursuant to NRS 374.357 for an abatement from the sales and use taxes imposed pursuant to chapter 374 of NRS.
- **Sec. 6.** Chapter 268 of NRS is hereby amended by adding thereto a new section to read as follows:

Except as otherwise provided in NRS 268.048 to 268.058, inclusive, if the governing body of a city sells or otherwise disposes of real property owned by the city, the sale or other disposal must be made by public auction.

- **Sec. 7.** NRS 268.008 is hereby amended to read as follows: 268.008 An incorporated city may:
- 1. Have and use a common seal, which it may alter at pleasure.
- 2. Purchase, receive, hold and use personal and real property wherever situated.
- 3. [Sell,] Except as otherwise provided in section 6 of this act, sell, convey and dispose of such personal and real property for the common benefit.
- 4. Determine what are public uses with respect to powers of eminent domain.
- 5. Acquire, own and operate a public transit system both within and without the city.
- 6. Receive bequests, devises, gifts and donations of all kinds of property wherever situated in fee simple, in trust or otherwise, for charitable or other purposes and do anything necessary to carry out the purposes of such bequests, devises, gifts and donations with full power to manage, sell, lease or otherwise dispose of such property in accordance with the terms of such bequest, devise, gift or donation.
 - **Sec. 8.** NRS 496.080 is hereby amended to read as follows:
- 496.080 1. Except as *otherwise provided in subsection 2 or* as may be limited by the terms and conditions of any grant, loan or agreement pursuant to NRS 496.180, every municipality may, by sale, lease or otherwise, dispose of any airport, air navigation facility, or other property, or portion thereof or interest therein, acquired pursuant to this chapter.
- 41 2. The disposal by sale, lease or otherwise [shall be in] must 42 be:
 - (a) Made by public auction; and
 - (b) In accordance with the laws of this State, or provisions of the charter of the municipality, governing the disposition of other



property of the municipality, except that in the case of disposal to another municipality or agency of the State or Federal Government for aeronautical purposes incident thereto, the sale, lease or other disposal may be effected in such manner and upon such terms as the governing body of the municipality may deem in the best interest of the municipality, and except as otherwise provided in subsections 3, 4 and 5 of NRS 496.090.

- **Sec. 9.** NRS 496.090 is hereby amended to read as follows:
- 496.090 1. In operating an airport or air navigation facility or any other facilities appertaining to the airport owned, leased or controlled by a municipality, the municipality may, except as limited by the terms and conditions of any grant, loan or agreement pursuant to NRS 496.180, enter into:
 - (a) Contracts, leases and other arrangements with any persons:
- (1) Granting the privilege of using or improving the airport or air navigation facility, or any portion or facility thereof, or space therein, for commercial purposes. The municipality may, if it determines that an improvement benefits the municipality, reimburse the person granted the privilege for all or any portion of the cost of making the improvement.
- (2) Conferring the privilege of supplying goods, commodities, things, services or facilities at the airport or air navigation facility or other facilities.
- (3) Making available services to be furnished by the municipality or its agents or by other persons at the airport or air navigation facility or other facilities.
- (4) Providing for the maintenance of the airport or air navigation facility, or any portion or facility thereof, or space therein.
- (5) Allowing residential occupancy of property acquired by the municipality.
- (b) Contracts for the sale of revenue bonds or other securities whose issuance is authorized by the Local Government Securities Law or NRS 496.150 or 496.155, for delivery within 10 years after the date of the contract.
- 2. In each case the municipality may establish the terms and conditions and fix the charges, rentals or fees for the privileges or services, which must be reasonable and uniform for the same class of privilege or service and must be established with due regard to the property and improvements used and the expenses of operation to the municipality.
- 3. [As] Except as otherwise provided in this subsection, and as an alternative to the procedure provided in subsection 2 of NRS 496.080, to the extent of its applicability, the governing body of any municipality may authorize it to enter into any such contracts, leases



and other arrangements with any persons, as provided in this section, for a period not exceeding 50 years, upon such terms and conditions as the governing body deems proper. The provisions of this subsection must not be used to circumvent the requirement set forth in subsection 2 of NRS 496.080 that the disposal of real property be made by public auction.

- 4. Before entering into any such contract, lease or other arrangements, the municipality shall publish notice of its intention in general terms in a newspaper of general circulation within the municipality at least once a week for 21 days or three times during a period of 10 days. If there is not a newspaper of general circulation within the municipality, the municipality shall post a notice of its intention in a public place at least once a week for 30 days. The notice must specify that a regular meeting of the governing body is to be held, at which meeting any interested person may appear. No such contract, lease or other arrangement may be entered into by the municipality until after the notice has been given and a meeting held as provided in this subsection.
- 5. Any member of a municipality's governing body may vote on any such contract, lease or other arrangement notwithstanding the fact that the term of the contract, lease or other arrangement may extend beyond his term of office.
- **Sec. 10.** Section 10 of the Airport Authority Act for Battle Mountain, being chapter 458, Statutes of Nevada 1983, as amended by chapter 230, Statutes of Nevada 1991, at page 508, is hereby amended to read as follows:
 - Sec. 10. Authority: General powers. The Authority may do all things necessary to accomplish the purposes of this act. The Authority may, by reason of example and not of limitation:
 - 1. Have perpetual succession and sue and be sued.
 - 2. Plan, establish, acquire, construct, improve and operate an airport within Lander County.
 - 3. Acquire real or personal property or any interest therein by gift, lease or purchase for any of the purposes provided in this section, including the elimination, prevention or marking of airport hazards.
 - 4. [Sell,] Except as otherwise provided in this subsection, sell, lease or otherwise dispose of any real property. If the Authority sells or otherwise disposes of real property, the sale or other disposal must be made by public auction.
 - 5. Acquire real property or any interest therein in areas most affected by aircraft noise for the purpose of resale or



 lease thereof, subject to restrictions limiting its use to industrial or other purposes least affected by aircraft noise.

- 6. Enter into agreements with Lander County and Battle Mountain to acquire, by lease, gift, purchase or otherwise, any airport of the county or municipality and to operate the airport.
- 7. Exercise the power of eminent domain and dominant eminent domain in the manner provided by law for the condemnation by a town of private property for public use to take any property necessary to the exercise of the powers granted, within the designated district in Lander County.
- 8. Apply directly to the proper federal, state, county and municipal officials and agencies or to any other source, public or private, for loans, grants, guarantees or other financial assistance in aid of airports operated by it, and accept the same.
- 9. Prepare and adopt a comprehensive, long-term general plan for the physical development of all property owned and operated by the Authority for submission to the Board of County Commissioners of Lander County. The Authority may prepare and adopt for approval by the Board of County Commissioners of Lander County a comprehensive zoning plan of all property owned or operated by the Authority. The zoning plan must be consistent with the requirements of chapter 497 of NRS and any applicable federal laws and regulations.
- 10. Have control of its airports with the right and duty to establish and charge fees, rentals, rates and other charges, and collect revenues therefrom, not inconsistent with the rights of the holders of its bonds, and enter into agreements with carriers for the payment of landing fees, rental rates and other charges.
- 11. Use in the performance of its functions the officers, agents, employees, services, facilities, records and equipment of Lander County or Battle Mountain, with the consent of the county or municipality and subject to such terms and conditions as may be agreed upon.
- 12. Enter upon such lands, waters or premises as in the judgment of the Authority may be necessary for the purpose of making surveys, soundings, borings and examinations to accomplish any purpose authorized by this act. The Authority is liable for actual damage done.
- 13. Provide its own fire protection, police and crash and rescue service.



- 14. Contract with carriers with regard to landings and the accommodations of the employees and passengers of such carriers.
- 15. Contract with persons or corporations to provide goods and services for the use of the employees and passengers of the carriers and the employees of the Authority, as necessary or incidental to the operation of the airports.
- 16. Hire and retain officers, agents and employees, including a fiscal adviser, engineers, attorneys or other professional or specialized personnel.
- 17. Adopt regulations governing vehicular traffic on its airports, relating, but not limited to, speed restrictions, stopping, standing and parking, loading zones, turning movements and parking meters. It is unlawful for any person to do any act forbidden or fail to perform any act required in such regulations.
- **Sec. 11.** Section 9 of the Airport Authority Act for Carson City, being chapter 844, Statutes of Nevada 1989, at page 2026, is hereby amended to read as follows:
 - Sec. 9. Board: General powers. The Board may:
 - 1. Acquire real and personal property by gift or devise for the purposes provided in this act.
 - 2. With the approval of the Board of Supervisors:
 - (a) Acquire real and personal property by purchase or lease for the purposes provided in this act.
 - (b) [Lease,] Except as otherwise provided in this paragraph, lease, sell or otherwise dispose of any property. If the Board sells or otherwise disposes of real property, the sale or other disposal must be made by public auction.
 - 3. Recommend to the Board of Supervisors any changes in the laws governing zoning necessary to comply with the regulations of the Federal Aviation Administration or to limit the uses of the area near the airport to those least affected by noise.
 - 4. Use, in the performance of its functions, the officers, employees, facilities and equipment of Carson City, with the consent of Carson City and subject to such terms and conditions as may be agreed upon by the Board and the Board of Supervisors.
 - 5. Provide emergency services for the Authority.
 - 6. Contract with any person, including any person who transports passengers or cargo by air, to provide goods and services as necessary or desirable to the operation of the airport. Any contract between the Board and a fixed base



operator must be submitted for approval by the Board of Supervisors.

- 7. Employ a manager of the airport, fiscal advisers, engineers, attorneys and other personnel necessary to the discharge of its duties.
- 8. Apply to any public or private source for loans, grants, guarantees or other financial assistance.
- 9. Establish fees, rates and other charges for the use of the airport.
 - 10. Regulate vehicular traffic at the airport.
- 11. Adopt, enforce, amend and repeal any rules and regulations necessary for the administration and use of the airport.
- 12. Take such other action as is necessary to comply with any statute or regulation of this State or of the Federal Government.
- **Sec. 12.** Section 10 of the Airport Authority Act for Washoe County, being chapter 474, Statutes of Nevada 1977, as last amended by chapter 359, Statutes of Nevada 1997, at page 1299, is hereby amended to read as follows:
 - Sec. 10. Authority: General powers. The Authority may do all things necessary to accomplish the purposes of this act. The Authority has perpetual succession and may, by way of example and not of limitation:
 - 1. Sue and be sued.

- 2. Plan, establish, acquire, construct, improve and operate one or more airports within Washoe County.
- 3. Acquire real or personal property or any interest therein by gift, lease or purchase for any of the purposes provided in this section, including the elimination, prevention or marking of airport hazards.
- 4. [Sell,] Except as otherwise provided in this subsection, sell, lease or otherwise dispose of any real property in such manner and upon such terms and conditions as the Board deems proper and in the best interests of the Authority. If the Board or Authority sells or otherwise disposes of real property, the sale or other disposal must be made by public auction.
- 5. Acquire real property or any interest therein in areas most affected by the noise of aircraft for the purpose of resale or lease thereof, subject to restrictions limiting its use to industrial or other purposes least affected by aircraft noise.
- 6. Enter into agreements with Washoe County and the cities of Reno and Sparks to acquire, by lease, gift, purchase



or otherwise, any airport of such county or municipality and to operate that airport.

- 7. Exercise the power of eminent domain and dominant eminent domain in the manner provided by law for the condemnation by a city of private property for public use to take any property necessary to the exercise of the powers granted, within Washoe County.
- 8. Apply directly to the proper federal, state, county and municipal officials and agencies or to any other source, public or private, for loans, grants, guarantees or other financial assistance in aid of airports operated by it, and accept the same.
- 9. Study and recommend to the Board of County Commissioners of Washoe County and the city councils of the cities of Reno and Sparks zoning changes in the area of any airport operated by the Authority with respect to noise, height and aviation obstructions in order to enable the Authority to meet the requirements of any regulations of the Federal Aviation Administration.
- 10. Control its airports with the right and duty to establish and charge fees, rentals, rates and other charges, and collect revenues therefrom, not inconsistent with the rights of the holders of its bonds, and enter into agreements with carriers for the payment of landing fees, rental rates and other charges.
- 11. Use in the performance of its functions the officers, agents, employees, services, facilities, records and equipment of Washoe County or the cities of Reno and Sparks, with the consent of the respective county or municipality, and subject to such terms and conditions as may be agreed upon.
- 12. Enter upon such lands, waters or premises as in the judgment of the Authority may be necessary for the purpose of making surveys, soundings, borings and examinations to accomplish any purpose authorized by this act. The Authority is liable for actual damage done.
- 13. Provide its own fire protection, police and crash and rescue service. A person employed by the Authority to provide police service to the Authority has the powers and must have the training required of a law enforcement officer pursuant to Part 107 of Title 14 of the Code of Federal Regulations, as those provisions existed on January 1, 1997. A person employed by the Authority to provide police service shall be deemed to be a peace officer for the purposes of determining retirement benefits under the Public Employees' Retirement System.



- 14. Contract with carriers with regard to landings and the accommodations of the employees and passengers of those carriers.
- 15. Contract with persons or corporations to provide goods and services for the use of the employees and passengers of the carriers and the employees of the Authority, as necessary or incidental to the operation of the airports.
- 16. Hire and retain officers, agents and employees, including a fiscal adviser, engineers, attorneys or other professional or specialized personnel.
- 17. Adopt regulations governing vehicular traffic on the public areas of its airports, relating to, but not limited to, speed restrictions, turning movements and other moving violations. It is unlawful for any person to do any act forbidden or fail to perform any act required in such regulations.
- 18. Adopt regulations governing parking, loading zones and ground transportation operations on its airports and governing traffic on restricted areas of its airports. The Authority may establish a system of:
- (a) Administrative procedures for review of alleged violations of such regulations; and
- (b) Remedies for violations of such regulations, including the imposition of administrative fines to be imposed upon and collected from persons violating such regulations.
- **Sec. 13.** This act becomes effective on July 1, 2005.

