
ASSEMBLY BILL NO. 402—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE NEVADA ASSOCIATION OF COUNTIES)

MARCH 24, 2005

Referred to Committee on Government Affairs

SUMMARY—Makes various changes relating to municipal obligations. (BDR 30-594)

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 municipal obligations; amending the definition of “pledged revenues” to include certain fees imposed upon a public utility by a municipality; authorizing a board of county commissioners or a city council to pledge certain fees that are imposed on a public utility for the payment of certain general or special obligations; authorizing a board of county commissioners or a city council to use the proceeds of certain fees that are imposed on a public utility to the pay the principal, interest or any other indebtedness on general or special obligations; 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 350.550 is hereby amended to read as follows:
2 350.550 “Pledged revenues” means the moneys pledged
3 wholly or in part for the payment of bonds or other municipal
4 securities issued in accordance with the provisions of the Local
5 Government Securities Law ~~H~~ and, subject to any existing pledges
6 or other contractual limitations:
7 1. May include at the governing body’s discretion moneys
8 derived from one, all or any combination of revenue resources



1 appertaining to any facilities, including , without limitation , use and
2 service charges, rents, fees and any other income derived from the
3 operation or ownership of, from the use or services of, or from the
4 availability of or services appertaining to, the lease of, any sale or
5 other disposal of, any contract or other arrangement, or otherwise
6 derived in connection with any facilities or all or any part of any
7 property appertaining to any facilities;

8 2. May so include all loans, grants, or contributions to the
9 municipality, if any, conditional or unconditional, from the Federal
10 Government, the State or any public body for the payment of the
11 principal of, the interest on, and any prior redemption premiums due
12 in connection with any municipal securities issued hereunder, or any
13 combination thereof; ~~and~~

14 3. May so include the proceeds of any excise taxes levied and
15 collected by the municipality or otherwise received by it and
16 authorized by law , ~~H~~ other than the Local Government Securities
17 Law , ~~H~~ to be pledged for the payment of municipal securities
18 issued in accordance with the provisions of the Local Government
19 Securities Law, but excluding the proceeds of any taxes as defined
20 in NRS 350.560 ~~H~~ ; and

21 4. *May so include the proceeds of the fees that are imposed*
22 *on public utilities by a municipality and described in NRS*
23 *354.59881 to 354.59889, inclusive.*

24 **Sec. 2.** Chapter 244 of NRS is hereby amended by adding
25 thereto a new section to read as follows:

26 1. *A board of county commissioners may:*

27 (a) *Pledge the proceeds of any fees that are imposed on public*
28 *utilities by the county and are described in NRS 354.59881 to*
29 *354.59889, inclusive, for the payment of any general or special*
30 *obligations issued by the county for a purpose authorized by the*
31 *laws of this State.*

32 (b) *Use the proceeds of any fees that are imposed on public*
33 *utilities by the county and are described in NRS 354.59881 to*
34 *354.59889, inclusive:*

35 (1) *To pay the principal, interest or any other indebtedness*
36 *on any general or special obligations issued by the county*
37 *pursuant to the laws of this State; and*

38 (2) *For the expense of operating or maintaining, or both,*
39 *any facilities of the county.*

40 2. *The proceeds of any fees that are imposed on public*
41 *utilities by the county and are described in NRS 354.59881 to*
42 *354.59889, inclusive, that are pledged for the repayment of*
43 *general obligations may be treated as pledged revenues for the*
44 *purposes of NRS 350.020.*



1 **Sec. 3.** Chapter 268 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 **1. The city council or other governing body of each**
4 **incorporated city in this State, whether organized pursuant to**
5 **general law or special charter, may:**

6 **(a) Pledge the proceeds of any fees that are imposed on public**
7 **utilities by the city and are described in NRS 354.59881 to**
8 **354.59889, inclusive, for the payment of any general or special**
9 **obligations issued by the city for a purpose authorized by the laws**
10 **of this State.**

11 **(b) Use the proceeds of any fees that are imposed on public**
12 **utilities by the city and are described in NRS 354.59881 to**
13 **354.59889, inclusive:**

14 **(1) To pay the principal, interest or any other indebtedness**
15 **on any general or special obligations issued by the city pursuant to**
16 **the laws of this State; and**

17 **(2) For the expense of operating or maintaining, or both,**
18 **any facilities of the city.**

19 **2. The proceeds of any fees that are imposed on public**
20 **utilities by the city and are described in NRS 354.59881 to**
21 **354.59889, inclusive, that are pledged for the repayment of**
22 **general obligations may be treated as pledged revenues for the**
23 **purposes of NRS 350.020.**

24 **Sec. 4.** This act becomes effective upon passage and approval.



