

ASSEMBLY BILL NO. 475—COMMITTEE ON GOVERNMENT AFFAIRS

MARCH 28, 2005

Referred to Committee on Government Affairs

SUMMARY—Makes various changes relating to general improvement districts. (BDR 25-39)

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 general improvement districts; revising the requirements for providing notice of certain matters relating to a district; revising the provisions governing the compensation of members of the board of trustees of districts; authorizing the board of trustees of a district to adopt and enforce regulations regarding the date on which a charge for services provided by the district becomes delinquent; revising the provisions governing the merger, consolidation or dissolution of certain districts; 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 318.020 is hereby amended to read as follows:
2 318.020 As used in this chapter, unless the context otherwise
3 requires:
4 1. “Acquisition,” “acquire” and “acquiring” each means
5 acquisition, extension, alteration, reconstruction, repair or other
6 improvement by purchase, construction, installation, reconstruction,
7 condemnation, lease, rent, gift, grant, bequest, devise, contract or
8 other acquisition, or any combination thereof.
9 2. “Board of trustees” and “board” alone each means the board
10 of trustees of a district.
11 3. “FM radio” means a system of radio broadcasting by means
12 of frequency modulation.



4. "General improvement district" and "district" alone each means any general improvement district organized or, in the case of organizational provisions, proposed to be organized, pursuant to this chapter.

5. "Mail" means a single mailing first class or its equivalent, postage prepaid, by deposit in the United States mails, at least 15 days before the designated time or event.

6. "Project" and "improvement" each means any structure, facility, undertaking or system which a district is authorized to acquire, improve, equip, maintain or operate. A project may consist of all kinds of personal and real property, including, but not limited to, land, elements and fixtures thereon, property of any nature appurtenant thereto or used in connection therewith, and every estate, interest and right therein, legal or equitable, including terms for years, or any combination thereof.

7. "Publication" means publication ~~[at least once a week for 3 consecutive weeks in at least one]~~ **once in a** newspaper of general circulation in the district ~~[. It is not necessary that publication be made on the same day of the week in each of the 3 calendar weeks, but the first publication must be]~~ at least 15 days before the designated time or event.

8. "Qualified elector" means a person who has registered to vote in district elections.

9. "Special assessment district" means any local public improvement district organized within a general improvement district by the board of trustees of such general improvement district pursuant to this chapter.

10. "Trustees" means the members of a board.

Sec. 2. NRS 318.025 is hereby amended to read as follows:

318.025 For the purpose of computing any period of time prescribed in this chapter, the **first** day of the ~~[first publication, or other]~~ designated **action or** time ~~[, shall]~~ **must** be excluded and the **last** day of the ~~[last publication, or other]~~ designated action or time ~~[, shall]~~ **must** be included.

Sec. 3. NRS 318.085 is hereby amended to read as follows:

318.085 Except as otherwise provided in NRS 318.0953 and 318.09533:

1. After taking oaths and filing bonds, the board shall choose one of its members as chairman of the board and president of the district, and shall elect a secretary and a treasurer of the board and of the district, who may or may not be members of the board. The secretary and the treasurer may be one person.

2. The board shall adopt a seal.

3. The secretary shall keep, in a well-bound book, a record of all of the board's proceedings, minutes of all meetings, any



1 certificates, contracts, bonds given by employees and all corporate
2 acts. This book must be open to inspection of all owners of real
3 property in the district as well as to all other interested persons.

4 4. The treasurer shall keep strict and accurate accounts of all
5 money received by and disbursed for and on behalf of the district in
6 permanent records. He shall file with the county clerk, at the
7 expense of the district, a corporate surety bond in an amount not
8 more than \$50,000, the form and exact amount thereof to be
9 approved and determined, respectively, by the board of county
10 commissioners, conditioned for the faithful performance of the
11 duties of his office. Any other officer or trustee who actually
12 receives or disburses money of the district shall furnish a bond as
13 provided in this subsection. The board of county commissioners
14 may, upon good cause shown, increase or decrease the amount of
15 that bond.

16 5. ~~{Each}~~ *Except as otherwise provided in this subsection,*
17 *each* member of a board of trustees of a district organized or
18 reorganized pursuant to this chapter may receive as compensation
19 for his service not more than \$6,000 per year. ~~{A}~~ *Each member of a*
20 *board of trustees of a district that is organized or reorganized*
21 *pursuant to this chapter and which is granted the powers set forth*
22 *in NRS 318.140, 318.142 and 318.144 may receive as*
23 *compensation for his service not more than \$9,000 per year. The*
24 *compensation of the members of a board is* payable monthly, if the
25 budget is adequate and a majority of the members of the board vote
26 in favor of such compensation, but no member of the board may
27 receive any other compensation for his service to the district as an
28 employee or otherwise. ~~{A}~~ *Each* member of the board ~~is not~~
29 ~~entitled to receive as compensation more than \$1,800 per year if the~~
30 ~~additional compensation is approved during the term of the~~
31 ~~member.] must receive the same amount of compensation. If a~~
32 *majority of the members of the board vote in favor of an increase*
33 *in the compensation of the trustees, the increase may not become*
34 *effective until January 1 of the calendar year immediately*
35 *following the next biennial election of the district as set forth in*
36 *NRS 318.095.*

37 **Sec. 4.** NRS 318.197 is hereby amended to read as follows:

38 318.197 1. The board may fix, and from time to time increase
39 or decrease, electric energy, cemetery, swimming pool, other
40 recreational facilities, television, FM radio, sewer, water, storm
41 drainage, flood control, snow removal, lighting, garbage or refuse
42 rates, tolls or charges other than special assessments, including, but
43 not limited to, service charges and standby service charges, for
44 services or facilities furnished by the district, charges for the
45 availability of service, annexation charges, and minimum charges,



1 and pledge the revenue for the payment of any indebtedness or
2 special obligations of the district.

3 2. Upon compliance with subsection 9 and until paid, all rates,
4 tolls or charges constitute a perpetual lien on and against the
5 property served. A perpetual lien is prior and superior to all liens,
6 claims and titles other than liens of general taxes and special
7 assessments and is not subject to extinguishment by the sale of any
8 property on account of nonpayment of any liens, claims and titles
9 including the liens of general taxes and special assessments. A
10 perpetual lien must be foreclosed in the same manner as provided by
11 the laws of the State of Nevada for the foreclosure of mechanics'
12 liens. Before any lien is foreclosed, the board shall hold a hearing
13 thereon after providing notice thereof by publication and by
14 registered or certified first-class mail, postage prepaid, addressed to
15 the last known owner at his last known address according to the
16 records of the district and the real property assessment roll in the
17 county in which the property is located.

18 3. The board shall prescribe and enforce regulations for the
19 connection with and the disconnection from properties of the
20 facilities of the district and the taking of its services.

21 4. The board may provide for the collection of charges.
22 Provisions may be made for, but are not limited to:

23 (a) The granting of discounts for prompt payment of bills.

24 (b) The requiring of deposits or the prepayment of charges in an
25 amount not exceeding 1 year's charges from persons receiving
26 service and using the facilities of the enterprise or from the owners
27 of property on which or in connection with which services and
28 facilities are to be used. In case of nonpayment of all or part of a
29 bill, the deposits or prepaid charges must be applied only insofar as
30 necessary to liquidate the cumulative amount of the charges plus
31 penalties and cost of collection.

32 (c) The requiring of a guaranty by the owner of property that the
33 bills for service to the property or the occupants thereof will be paid.

34 5. The board may provide for a basic penalty for nonpayment
35 of the charges within the time and in the manner prescribed by it.
36 The basic penalty must not be more than 10 percent of each month's
37 charges for the first month delinquent. In addition to the basic
38 penalty, the board may provide for a penalty of not exceeding 1.5
39 percent per month for nonpayment of the charges and basic penalty.

40 ~~{On the first day of the calendar month following the date of~~
41 ~~payment specified in the bill the}~~ *The board may prescribe and*
42 *enforce regulations that set forth the date on which a* charge
43 becomes delinquent . ~~{if the bill or that portion thereof which is not~~
44 ~~in bona fide dispute remains unpaid.}~~
45 The board may provide for collection of the penalties provided for in this section.



6. The board may provide that charges for any service must be collected together with and not separately from the charges for any other service rendered by it, and that all charges must be billed upon the same bill and collected as one item.

7. The board may enter into a written contract with any person, firm or public or private corporation providing for the billing and collection by the person, firm or corporation of the charges for the service furnished by any enterprise. If all or any part of any bill rendered by the person, firm or corporation pursuant to a contract is not paid and if the person, firm or corporation renders any public utility service to the person billed, the person, firm or corporation may discontinue its utility service until the bill is paid, and the contract between the board and the person, firm or corporation may so provide.

8. As a remedy established for the collection of due and unpaid deposits and charges and the penalties thereon an action may be brought in the name of the district in any court of competent jurisdiction against the person or persons who occupied the property when the service was rendered or the deposit became due or against any person guaranteeing payment of bills, or against any or all such persons, for the collection of the amount of the deposit or the collection of delinquent charges and all penalties thereon.

9. A lien against the property served is not effective until a notice of the lien, separately prepared for each lot affected, is:

(a) Mailed to the last known owner at his last known address according to the records of the district and the real property assessment roll of the county in which the property is located;

(b) Delivered by the board to the office of the county recorder of the county within which the property subject to such lien is located;

(c) Recorded by the county recorder in a book kept by him for the purpose of recording instruments encumbering land; and

(d) Indexed in the real estate index as deeds and other conveyances are required by law to be indexed.

Sec. 5. NRS 318.490 is hereby amended to read as follows:

318.490 1. Except as otherwise provided in NRS 318.492, whenever a majority of the members of the board of county commissioners of any county deem it to be in the best interests of the county and of the district that the district be merged, consolidated or dissolved, ~~it~~ *or if the board of trustees of a district, by resolution pursuant to subsection 3, agrees to such a merger, consolidation or dissolution, the board of county commissioners* shall so determine by ordinance, after there is first found, determined and recited in the ordinance that:



1 (a) All outstanding indebtedness and bonds of all kinds of the
2 district have been paid or will be assumed by the resulting merged
3 or consolidated unit of government.

4 (b) The services of the district are no longer needed or can be
5 more effectively performed by an existing unit of government.

6 2. The county clerk shall thereupon certify a copy of the
7 ordinance to the board of *trustees of* the district and shall mail
8 written notice to all property owners within the district in his
9 county, containing the following:

10 (a) The adoption of the ordinance;

11 (b) The determination of the board of county commissioners that
12 the district should be dissolved, merged or consolidated; and

13 (c) The time and place for hearing on the dissolution, merger or
14 consolidation.

15 *3. If a majority of the members of the board of county*
16 *commissioners of a county deems it to be in the best interests of*
17 *the county and of a district that was, on October 1, 2005,*
18 *exercising powers pursuant to NRS 318.140, 318.142 and 318.144,*
19 *that the district be merged, consolidated or dissolved, the board of*
20 *county commissioners shall submit the question of the merger,*
21 *consolidation or dissolution to the board of trustees of the district.*
22 *If the board of trustees of the district, by resolution, does not agree*
23 *to the merger, consolidation or dissolution within 90 days after the*
24 *question was submitted to it, the district may not be merged,*
25 *consolidated or dissolved.*



