
ASSEMBLY BILL NO. 534—COMMITTEE ON WAYS AND MEANS

(ON BEHALF OF THE UNIVERSITY AND COMMUNITY
COLLEGE SYSTEM OF NEVADA)

MARCH 29, 2005

Referred to Committee on Ways and Means

SUMMARY—Expands authority of Board of Regents of University
of Nevada to issue revenue bonds. (BDR S-162)

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 the University and Community College System
of Nevada; authorizing the Board of Regents of the
University of Nevada to issue revenue bonds to finance a
portion of the cost of constructing parking facilities at the
Community College of Southern Nevada and a residence
hall at Western Nevada Community College; increasing
the total authorized amount of certain revenue bonds that
the Board of Regents may issue for certain facilities at the
University of Nevada, Reno, and the University of
Nevada, Las Vegas; and providing other matters properly
relating thereto.

Legislative Counsel's Digest:

1 Under existing law, the Board of Regents of the University of Nevada is
2 authorized to borrow money to finance construction of campus facilities by issuing
3 revenue bonds and other securities. (NRS 396.845) This debt is not a general
4 obligation of the State and is not repaid by legislative appropriations. (NRS
5 396.839, 396.843) Instead, the Board of Regents pledges to retire the debt using
6 revenue earned from certain fees paid by students and from various campus
7 operations, such as dormitories and food service. (NRS 396.828, 396.829, 396.839,
8 396.8395)
9 This bill authorizes the Board of Regents to issue revenue bonds in a total
10 principal amount not exceeding \$20 million to finance parking facilities at the
11 Community College of Southern Nevada and in a total principal amount not



exceeding \$10 million to finance a residence hall at Western Nevada Community College.

Under existing law, the Board of Regents is authorized to issue revenue bonds up to a maximum principal amount for certain facilities at the University of Nevada, Reno, and the University of Nevada, Las Vegas. (Section 5 of Chapter 501, Statutes of Nevada 1991, as last amended by Chapter 299, Statutes of Nevada 2003, at page 1619)

This bill increases the maximum principal amount of the revenue bonds that the Board of Regents is authorized to issue to finance those facilities.

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

Section 1. 1. Except as otherwise provided in sections 2 to 9, inclusive, of this act, terms used or referred to in sections 2 to 9, inclusive, of this act have the meanings ascribed to them in the University Securities Law.

2. As used in sections 2 to 9, inclusive, of this act, unless the context otherwise requires, the terms defined in sections 2, 3 and 4 of this act have the meanings ascribed to them in those sections.

Sec. 2. “Net pledged revenues” means all the pledged revenues, without any deduction of any operation and maintenance expenses, except as otherwise provided in the definition of “pledged revenues.”

Sec. 3. 1. “Pledged revenues” means, in connection with securities issued pursuant to sections 1 to 9, inclusive, of this act, to finance in part the project designated in section 4 of this act:

(a) The gross revenues derived from or otherwise pertaining to the operation of any one, all, or any combination of facilities enumerated in NRS 396.828 and situated on the campuses of the community colleges of the University and Community College System of Nevada, including, without limitation, the project, which revenues the Board, by the resolution authorizing the securities issued pursuant to sections 1 to 9, inclusive, of this act, determines to pledge for the payment of the securities, after the deduction of the expenses of operation and maintenance of those facilities pertaining to those pledged revenues; and

(b) The gross revenues derived from the imposition and collection of the fees designated in NRS 396.8395, payable by the students attending any of the community colleges of the University and Community College System of Nevada, subject to the limitation provided in subsection 5 of NRS 396.840.

2. “Pledged revenues” includes, in connection with students attending those community colleges, any fees of students authorized by law after the effective date of this act, all grants, conditional or unconditional, from the Federal Government for the payment of any



1 securities requirements, if any, and net revenues, if any, to be
2 derived from the operations of income-producing facilities of the
3 community colleges, the Board or from other available sources, and
4 to which fees, grants and revenues, the pledge and lien provided for
5 the payment of the securities authorized in sections 1 to 9, inclusive,
6 of this act and any other securities payable therefrom are extended
7 after the effective date of this act.

8 3. "Pledged revenues" indicates a source of revenues and does
9 not necessarily indicate all or any portion of such revenues in the
10 absence of further qualification.

11 **Sec. 4.** 1. "Project" means the construction, acquisition,
12 rehabilitation or improvement, or any combination thereof, of:

13 (a) Parking facilities at the Community College of Southern
14 Nevada; and

15 (b) A residence hall at Western Nevada Community College.

16 2. The term includes any land, equipment and furnishings
17 required therefor, and other appurtenances relating thereto.

18 **Sec. 5.** 1. The Board, on behalf and in the name of the
19 University, is authorized by sections 1 to 9, inclusive, of this act, as
20 supplemented by the provisions of the University Securities Law:

21 (a) To finance the project by the issuance of bonds and other
22 securities of the University in a total principal amount not exceeding
23 \$20,000,000 for parking facilities at the Community College of
24 Southern Nevada and in a total principal amount not exceeding
25 \$10,000,000 for a residence hall at Western Nevada Community
26 College, except that if the Board sells any of the bonds or other
27 securities at a discount, the total principal amount of the bonds and
28 other securities the Board is authorized to issue increases by an
29 amount equal to the amount of the discount at which the bonds or
30 other securities are sold.

31 (b) To issue the bonds and other securities in connection with
32 the project in one series or more at any time or from time to time,
33 but not later than 15 years after the effective date of this act, as the
34 Board determines, and consisting of special obligations of the
35 University payable from the net pledged revenues authorized by
36 sections 1 to 9, inclusive, of this act and which may subsequently be
37 payable from other net pledged revenues, secured by a pledge
38 thereof and a lien thereon, subject to existing contractual limitations,
39 and subject to the limitations in paragraph (a).

40 (c) To employ legal, fiscal and other expert services and to
41 defray the costs thereof with any money available therefor,
42 including, without limitation, proceeds of securities authorized by
43 sections 1 to 9, inclusive, of this act.



(d) To exercise the incidental powers provided in the University Securities Law in connection with the powers authorized by sections 1 to 9, inclusive, of this act except as otherwise expressly provided in those sections.

2. Sections 1 to 9, inclusive, of this act do not prevent the Board from funding, refunding or reissuing any securities of the University or the Board at any time as provided in the University Securities Law.

Sec. 6. Bonds and other securities authorized by sections 1 to 9, inclusive, of this act are subject to no limitations upon their rate of interest or the rate of discount at which they may be sold, including the limitations set forth in subsection 2 of NRS 396.850 and in paragraph (d) of subsection 1 of NRS 396.852, except that the rate of interest on any of those bonds or other securities must not exceed by more than 5 percent the Index of Revenue Bonds most recently published before bids are received or a negotiated offer is accepted.

Sec. 7. The powers conferred by sections 1 to 9, inclusive, of this act are in addition to and supplemental to, and the limitations imposed by sections 1 to 9, inclusive, of this act do not affect, the powers conferred by any other law, general or special. Securities may be issued under sections 1 to 9, inclusive, of this act without regard to the procedure required by any other such law except as otherwise provided in this act or in the University Securities Law. Insofar as the provisions of sections 1 to 9, inclusive, of this act are inconsistent with the provisions of any other law, general or special, the provisions of sections 1 to 9, inclusive, of this act control.

Sec. 8. The Legislature intends that sections 1 to 9, inclusive, of this act, being necessary to secure and preserve the public health, safety, convenience and welfare, be liberally construed to effect their purposes.

Sec. 9. If any provision of sections 1 to 9, inclusive, of this act or the application thereof to any person, thing or circumstance is held invalid, that invalidity does not affect the provisions or application of sections 1 to 9, inclusive, of this act that can be given effect without the invalid provisions or application, and to this end the provisions of sections 1 to 9, inclusive, of this act are declared to be severable.

Sec. 10. Section 5 of chapter 501, Statutes of Nevada 1991, as last amended by chapter 299, Statutes of Nevada 2003, at page 1619, is hereby amended to read as follows:

Sec. 5. 1. The board, on behalf and in the name of the university, is authorized by this act, as supplemented by the provisions of the University Securities Law:



(a) To finance the project by the issuance of bonds and other securities of the university in a total principal amount not exceeding ~~[\$176,000,000]~~ \$276,855,000 for facilities at the University of Nevada, Reno, and in a total principal amount not exceeding ~~[\$199,000,000]~~ \$339,055,000 for facilities at the University of Nevada, Las Vegas, \$35,000,000 of which may be used for the construction, other acquisition and improvement of a dental school and other structures and clinics associated with the dental school;

(b) To issue such bonds and other securities in connection with the ~~[projects]~~ project in one series or more at any time or from time to time within 18 years after the effective date of this act, as the board may determine, and consisting of special obligations of the university payable from the net pledged revenues authorized by this act and possibly subsequently other net pledged revenues, secured by a pledge thereof and a lien thereon, subject to existing contractual limitations, and subject to the limitation in paragraph (a);

(c) To employ legal, fiscal and other expert services and to defray the costs thereof with any money available therefor, including, proceeds of securities authorized by this act; and

(d) To exercise the incidental powers provided in this University Securities Law in connection with the powers authorized by this act except as otherwise expressly provided in this act.

2. If the board determines to sell the bonds authorized by subsection 1 at a discount from their face amount, the principal amount of bonds which the board is authorized to issue provided in subsection 1 is increased by an amount equal to the discount at which the bonds are sold.

3. This act does not limit the board in funding, refunding or reissuing any securities of the university or the board at any time as provided in the University Securities Law.

Sec. 11. This act becomes effective upon passage and approval.



