

Amendment No. 427

Senate Amendment to Senate Bill No. 464

(BDR 31-580)

Proposed by: Committee on Government Affairs**Amendment Box:****Resolves Conflicts with:** N/A**Amends:** Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: No

ASSEMBLY ACTION	Initial and Date	SENATE ACTION	Initial and Date
Adopted <input type="checkbox"/> Lost <input type="checkbox"/>	_____	Adopted <input type="checkbox"/> Lost <input type="checkbox"/>	_____
Concurred In <input type="checkbox"/> Not <input type="checkbox"/>	_____	Concurred In <input type="checkbox"/> Not <input type="checkbox"/>	_____
Receded <input type="checkbox"/> Not <input type="checkbox"/>	_____	Receded <input type="checkbox"/> Not <input type="checkbox"/>	_____

Amend section 1, page 2, line 2, by deleting “*or*”.

Amend section 1, page 2, by deleting line 4 and inserting:

“*thereof; or*

(c) *The Public Employees’ Retirement System or an agent or representative thereof.*”.

Amend sec. 2, page 2, by deleting lines 14 through 16 and inserting:

“securities on behalf of the depository for the benefit of the State Treasurer ~~and~~ *pursuant to NRS 356.300 to 356.390, inclusive;*”.

Amend the bill as a whole by renumbering sections 8 through 10 as sections 15 through 17 and adding new sections designated sections 8 through 14, following sec. 7, to read as follows:

“**Sec. 8.** NRS 349.227 is hereby amended to read as follows:

MSM/BJE

Date: 4/25/2005

S.B. No. 464—Revises certain provisions relating to state financial administration.



349.227 1. ~~{The}~~ *In the case of securities bearing interest at a variable rate, or in the case of securities with a term of 270 days or less, the* act or resolution authorizing the issuance of any state securities or any trust indenture or other instrument appertaining thereto may fix a rate or rates of interest or provide for the determination of the rate or rates from time to time by a designated agent according to the procedure specified in that resolution or other instrument. The rate so determined must approximate the rates then being paid for other securities which contain similar provisions and have an equivalent rating. The Commission may contract with or select any person to make that determination ~~{,}~~, *and shall specify parameters for the interest rate if it is fixed by such an agent.*

2. The Commission may enter into an agreement with a third party for an assurance of payment of the principal of, the interest on, or premiums, if any, due in connection with any state securities issued by the Commission. The obligation of the Commission to reimburse that third party for any advances made pursuant to that agreement may be provided in that agreement, recited in those securities or evidenced by another instrument as designated in the act or resolution authorizing the issuance of those securities or any other instrument appertaining thereto. The Commission may assign its rights under that agreement.

Sec. 9. NRS 349.303 is hereby amended to read as follows:

349.303 1. The Commission may, before any sale of ~~{bonds,}~~ *securities*, delegate to the treasurer or his designee, *or an agent in the case of securities described in subsection 1 of NRS 349.227*, the authority to sign a contract for the purchase of the ~~{bonds}~~ *securities* or to accept a binding bid for the ~~{bonds}~~ *securities* subject to the requirements specified by the Commission concerning:

(a) The rate of interest on the ~~{bonds,}~~ *securities*;

(b) The dates on which and the prices at which the ~~{bonds}~~ *securities* may be called for redemption before maturity;

(c) The price at which the ~~{bonds}~~ *securities* will be sold; and

(d) The principal amount of the ~~{bonds}~~ *securities* and the amount of principal maturing in any particular year.

2. All terms of the ~~{bonds}~~ *securities* other than:

(a) The rate of interest;

(b) The dates and prices for the redemption of the ~~{bonds,}~~ *securities;*

(c) The price for the sale of the ~~{bonds,}~~ *securities;*

(d) The principal amount of the ~~{bonds,}~~ *securities;* and

(e) The requirements for the principal maturing in particular years,

↪ must be approved by the Commission before the ~~{bonds}~~ *securities* are delivered.

3. The final rate of interest, dates and prices of redemption, price for the sale of the ~~{bonds,}~~ *securities*, principal amount and the requirements for the principal amount maturing in particular years are not required to be approved by the Commission if each of those terms complies with the requirements specified by the Commission before the contract for the purchase of the ~~{bonds}~~ *securities* is signed or the bid for the ~~{bonds}~~ *securities* is accepted.

Sec. 10. NRS 350.165 is hereby amended to read as follows:

350.165 1. The governing body of a municipality may, before any sale of bonds, whether by competitive bid or negotiated sale, delegate to the chief administrative officer or chief financial officer of the municipality , *or an agent in the case of securities described in subsection 1 of NRS*

350.583, the authority to sign a contract for the purchase of the bonds or to accept a binding bid for the bonds subject to the requirements specified by the governing body concerning:

- (a) The rate of interest on the bonds;
- (b) The dates on which and the prices at which the bonds may be called for redemption before maturity;
- (c) The price at which the bonds will be sold; and
- (d) The principal amount of the bonds and the amount of principal maturing in any particular year.

2. All terms of the bonds other than:

- (a) The rate of interest;
- (b) The dates and prices for the redemption of the bonds;
- (c) The price for the sale of the bonds;
- (d) The principal amount of the bonds; and
- (e) The requirements for the principal maturing in particular years,

➔ must be approved by the governing body of the municipality before the bonds are delivered.

3. The final rate of interest, dates and prices of redemption, price for the sale of the bonds, principal amount and the requirements for the principal amount maturing in particular years are not required to be approved by the governing body of the municipality if each of those terms complies with the requirements specified by the governing body before the contract for the purchase of the bonds is signed or the bid for the bonds is accepted.

Sec. 11. NRS 350.583 is hereby amended to read as follows:

350.583 1. ~~{The}~~ *In the case of securities bearing interest at a variable rate, or in the case of securities with a term of 270 days or less which are issued by a municipality whose population is 50,000 or more, the* ordinance or resolution authorizing the issuance of any municipal securities or any trust indenture or other instrument appertaining thereto may fix a rate or rates of interest or provide for the determination of the rate or rates from time to time by a designated agent according to the procedure specified in that ordinance or other instrument. The rate so determined must approximate the rates then being paid for other securities which contain similar provisions and have an equivalent rating. A governing body of a municipality may contract with or select any person to make that determination ~~{-}~~, *and shall specify parameters for the interest rate if it is fixed by such an agent.*

2. A governing body of a municipality may enter into an agreement with a third party for an assurance of payment of the principal of, the interest on, or premiums, if any, due in connection with any municipal securities issued by the governing body. The obligation of the governing body to reimburse that third party for any advances made pursuant to that agreement may be provided in that agreement, recited in those securities or evidenced by another instrument as designated in the ordinance or resolution authorizing the issuance of those securities or any other instrument appertaining thereto. The governing body may assign its rights under that agreement.

Sec. 12. 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]~~ *Except for refunding bonds, 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. 13. NRS 396.8455 is hereby amended to read as follows:

396.8455 1. The Board may, before any sale of securities, whether by competitive bid or negotiated sale, delegate to the Chancellor of the University or the Vice Chancellor for Finance of the University , *or an agent in the case of securities described in subsection 1 of NRS 396.8495*, the authority to sign a contract for the purchase of the securities or to accept a binding bid for the securities subject to the requirements specified by the Board concerning:

- (a) The rate of interest on the securities;
- (b) The dates on which and the prices at which the securities may be called for redemption before maturity;
- (c) The price at which the securities will be sold; and
- (d) The principal amount of the securities and the amount of principal maturing in any particular year.

2. All terms of the securities other than:

- (a) The rate of interest;
- (b) The dates and prices for the redemption of the securities;
- (c) The price for the sale of the securities;
- (d) The principal amount of the securities; and
- (e) The requirements for the principal maturing in particular years,

↪ must be approved by the Board before the securities are delivered.

3. The final rate of interest, dates and prices of redemption, price for the sale of the securities, principal amount and the requirements for the principal amount maturing in particular years are not required to be approved by the Board if each of those terms complies with the requirements specified

by the Board before the contract for the purchase of the securities is signed or the bid for the securities is accepted.

Sec. 14. NRS 396.8495 is hereby amended to read as follows:

396.8495 1. ~~[The]~~ *In the case of securities bearing interest at a variable rate, or in the case of securities with a term of 270 days or less, the* resolution authorizing the issuance of any securities or any trust indenture or other instrument appertaining thereto may fix a rate or rates of interest or provide for the determination of the rate or rates from time to time by a designated agent according to the procedure specified in that resolution or other instrument. The rate so determined must approximate the rates then being paid for other securities which contain similar provisions and have an equivalent rating. The Board may contract with or select any person to make that determination ~~[,]~~, *and shall specify parameters for the interest rate if it is fixed by such an agent.*

2. The Board may enter into an agreement with a third party for an assurance of payment of the principal of, the interest on, or premiums, if any, due in connection with any securities issued by the Board. The obligation of the Board to reimburse that third party for any advances made pursuant to that agreement may be provided in that agreement, recited in those securities or evidenced by another instrument as designated in the resolution authorizing the issuance of those securities or any other instrument appertaining thereto. The Board may assign its rights under that agreement.

3. In fixing the rate or rates of interest for securities pursuant to subsection 1 or the rate or rates of interest imposed on the Board for reimbursement of any advances made under an agreement pursuant to subsection 2, the Board is not subject to any limitations on rates of interest provided by statute, including, without limitation, NRS 396.852. The resolution fixing that rate or rates of interest must contain the findings of the Board that the procedure specified therein for determining that rate

or rates is reasonable under existing or anticipated conditions in the market and is necessary and advisable for marketing the securities. These findings are conclusive. This section does not prohibit the Board from fixing a maximum rate of interest.”.

Amend the title of the bill, fifth line, after “Controller;” by inserting:
“revising various provisions relating to the issuance and interest rate of certain securities; revising the authority of certain agents in regard to certain securities;”.