

Assembly Bill No. 350—Assemblywoman Smith

Joint Sponsor: Senator Mathews

CHAPTER.....

AN ACT relating to cooperative agreements; revising provisions relating to certain cooperative agreements entered into by housing authorities; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, state and local governmental agencies in this State, including a housing authority, may enter into cooperative agreements with public agencies of other states or the Federal Government for the purchase of certain insurance or the establishment of a self-insurance reserve or fund for certain coverage. (NRS 277.055) This bill authorizes a housing authority that is a party to such an agreement with one or more housing authorities that are agencies of another state or the Federal Government to be obligated to pledge revenues or contribute money to secure the obligations of or to pay the expenses of the cooperative undertaking. This bill also authorizes such an agreement to provide for the establishment of a separate entity to administer the cooperative undertaking, the powers of which may include the authority to issue bonds and notes under state law. The authority provided in this bill to housing authorities that enter into an interstate agreement with other housing authorities concerning insurance is the same authority that is granted to state and local governmental agencies in this State which enter into an intrastate cooperative agreement concerning insurance. (NRS 277.067, 277.069, 277.0695)

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

Section 1. Chapter 277 of NRS is hereby amended by adding thereto a new section to read as follows:

1. An agreement entered into pursuant to NRS 277.055 by a housing authority created pursuant to chapter 315 of NRS, including, without limitation, the Nevada Rural Housing Authority, with a housing authority that is a political subdivision of another state or an agency of the United States may obligate the respective parties to such an agreement to pledge revenues or contribute money to secure the obligations or pay the expenses of the cooperative undertaking and may provide for the establishment of a separate entity to administer the undertaking.

2. Except as otherwise provided in subsections 3 and 4, any party to an agreement described in subsection 1, or any entity established by such an agreement, may:

(a) Obligate itself to contribute money for:

(1) The purchase of insurance;



(2) The establishment of a reserve fund or other fund for coverage;

(3) The payment of any debt; or

(4) Any other purpose related to the agreement;

(b) Borrow money for any such purpose;

(c) Issue notes and bonds evidencing the borrowing; and

(d) Secure payment of the notes and bonds by a pledge of revenues.

3. Except as otherwise provided in subsection 4, any obligation to contribute money that is undertaken pursuant to an agreement described in subsection 1:

(a) Is binding notwithstanding that it is intended to remain in force beyond the current budget year or the terms of office of the present members of the governing body of the obligor.

(b) If undertaken to pay any debt, must not remain in force for more than 30 years after the date on which the debt was incurred.

(c) If undertaken to pay claims and administrative expenses, must not remain in force for more than 10 years, except with respect to claims arising from events that occur during the period the obligation is in force.

4. Except for a pledge of revenues or an obligation to contribute money that pledges revenues or that otherwise commits money derived from a source other than taxation, any pledge or obligation which is made or undertaken pursuant to an agreement described in subsection 1 by a housing authority created in this State must not remain in force after the end of the biennium in which it is made or undertaken.

5. Any pledge of revenues made by a housing authority created in this State or a separate entity pursuant to an agreement described in subsection 1 is valid and binding from the time when the pledge is made. The revenues, money or property so pledged and thereafter received by the housing authority or separate entity are immediately subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge is valid and binding as against all persons having claims of any kind in tort, contract or otherwise against the housing authority or separate entity, whether or not such persons have notice thereof. Neither the proceedings of the housing authority or separate entity relating to the bonds or notes issued pursuant to this section nor any other instrument by which such a pledge is created need be recorded.

6. This section constitutes full authority for the exercise of the powers granted in this section. Any other act or law which



relates to the authorization or issuance of securities and which provides for an election does not apply to any proceedings taken or acts done pursuant to this section.

7. An issuance of bonds or notes, pledge of revenues, or obligation to contribute money that is made or undertaken pursuant to this section shall be deemed not to create indebtedness for the purposes of any limitation on indebtedness contained in any general or special law.

8. Except as otherwise provided in this section, the issuance of any bonds or notes pursuant to this section must be made in accordance with:

(a) NRS 315.140 to 315.780, inclusive, if the bonds or notes are issued by:

(1) An authority, as that term is defined in NRS 315.170; or

(2) An entity established pursuant to an agreement described in subsection 1 on behalf of such an authority; or

(b) NRS 315.9986 to 315.99874, inclusive, if the bonds or notes are issued by:

(1) The Nevada Rural Housing Authority created pursuant to NRS 315.977; or

(2) An entity established pursuant to an agreement described in subsection 1 on behalf of the Nevada Rural Housing Authority.

Sec. 2. This act becomes effective on July 1, 2007.

