

ASSEMBLY BILL NO. 462—ASSEMBLYMEN KIRKPATRICK,  
CONKLIN, ATKINSON AND PIERCE

MARCH 19, 2007

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to the sale or lease of real property by governmental entities. (BDR 26-901)

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 real property; excepting certain sales or leases of real property by governmental entities from requirements that the entities conduct appraisals of the real property before the sale or lease of the real property and that the entities sell or lease the real property by auction; authorizing a governmental entity to hold a public hearing in lieu of having a second appraisal conducted before the sale or lease of real property; requiring persons requesting to purchase real property from governmental entities by auction to deposit a certain amount of money to pay the costs incurred by the entity in acting upon the application; providing that a political subdivision may convey real property to the State without charge under certain circumstances; revising provisions governing certain rentals or leases at county airports; making various other changes relating to the sale and lease of real property by governmental entities; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

- 1 Existing law requires the State Land Registrar, the board of county
- 2 commissioners of each county, and the governing body of each incorporated city to
- 3 obtain two independent appraisals of any real property when selling or leasing the
- 4 property and to sell or lease the property upon sealed bids followed by oral offers.
- 5 (NRS 244.2795, 244.281, 244.283, 268.059, 268.062, 321.007, 321.335) **Sections**
- 6 **1, 3, 4, 6 and 7** of this bill amend that requirement to require that the State Land
- 7 Registrar, each board of county commissioners and each city governing body, when



selling or leasing real property: (1) obtain two independent appraisals of the property; or (2) obtain one independent appraisal of the property and hold a public hearing on the matter of the fair market value of the property. **Sections 1-4 and 6-8** of this bill except property sold or leased to a public utility for a public purpose and property sold or leased to the State or another governmental entity from the requirement for an appraisal and to be sold or leased upon sealed bids followed by oral offers. **Sections 1 and 2** of this bill except property leased pursuant to a contract entered into pursuant to chapter 333 of NRS from those requirements.

Existing law provides for the board of county commissioners of each county and the governing body of each incorporated city to sell real property by auction. (NRS 244.282, 268.062) **Sections 5 and 8** of this bill require a person requesting to purchase real property from a county or city by auction to deposit with the board of commissioners or governing body an amount of money sufficient to pay the costs of the board of commissioners or governing body in acting upon the request.

Existing law authorizes the State to lease state land to certain nonprofit organizations or educational institutions for a reduced charge. (NRS 322.065) **Sections 2.5 and 5.5** of this bill provide similar authority to the boards of county commissioners of counties and to the governing bodies of cities.

Existing law provides that a political subdivision may convey real property to another political subdivision or an Indian tribe without charge if the property is to be used for a public purpose. (NRS 277.053) **Section 9.3** of this bill provides that a political subdivision may also convey real property to the State or an agency of the State without charge if the property is to be used for a public purpose.

Under existing law, the sale or lease of any portion of the property of a municipal airport is required to be made by public auction. (NRS 496.080) **Section 9.7** of this bill provides that, in a county whose population is less than 50,000 (currently counties other than Clark and Washoe Counties, and Carson City), leases of property at a county airport are not subject to requirements relating to appraisal and public auction. **Section 10** of this bill exempts a board of county commissioners of a county whose population is 50,000 or more (currently Clark and Washoe Counties and Carson City) from the requirement of conducting a public auction for the rental or lease of space for the parking or storage of aircraft at an airport owned by the county but requires that such a rental or lease be made for fair market value, as determined by an independent appraisal.

**Sections 1, 3, 4 and 6-9** of this bill provide additionally that if land or real property is sold or leased in violation of the provisions thereof, the sale or lease is void and any change to an ordinance or law governing the zoning or use of that land or real property is void if the change occurs within the 5-year period after the void sale or lease.

---

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

**Section 1.** NRS 321.007 is hereby amended to read as follows:  
321.007 1. Except as otherwise provided in subsection 5,  
NRS 322.063, 322.065 or 322.075, except as otherwise required by  
federal law , *except for land that is sold or leased to a public utility,  
as defined in NRS 704.020, to be used for a public purpose, except  
for land that is sold or leased to a state or local governmental  
entity, except for a lease which is part of a contract entered into  
pursuant to chapter 333 of NRS* and except for land that is sold or



1 leased pursuant to an agreement entered into pursuant to NRS  
2 277.080 to 277.170, inclusive, when offering any land for sale or  
3 lease, the State Land Registrar shall:

4 (a) ~~[Obtain]~~ *Except as otherwise provided in this paragraph,*  
5 *obtain* two independent appraisals of the land before selling or  
6 leasing it. *If the Interim Finance Committee grants its approval*  
7 *after discussion of the fair market value of the land, one*  
8 *independent appraisal of the land is sufficient before selling or*  
9 *leasing it.* The *appraisal or* appraisals, *as applicable,* must have  
10 been prepared not more than 6 months before the date on which the  
11 land is offered for sale or lease.

12 (b) Notwithstanding the provisions of chapter 333 of NRS,  
13 select the *one independent appraiser or* two independent appraisers  
14 *, as applicable,* from the list of appraisers established pursuant to  
15 subsection 2.

16 (c) Verify the qualifications of each appraiser selected pursuant  
17 to paragraph (b). The determination of the State Land Registrar as to  
18 the qualifications of an appraiser is conclusive.

19 2. The State Land Registrar shall adopt regulations for the  
20 procedures for creating or amending a list of appraisers qualified to  
21 conduct appraisals of land offered for sale or lease by the State Land  
22 Registrar. The list must:

23 (a) Contain the names of all persons qualified to act as a general  
24 appraiser in the same county as the land that may be appraised; and

25 (b) Be organized at random and rotated from time to time.

26 3. An appraiser chosen pursuant to subsection 1 must provide a  
27 disclosure statement which includes, without limitation, all sources  
28 of income of the appraiser that may constitute a conflict of interest  
29 and any relationship of the appraiser with the owner of the land or  
30 the owner of an adjoining property.

31 4. An appraiser shall not perform an appraisal on any land  
32 offered for sale or lease by the State Land Registrar if the appraiser  
33 or a person related to the appraiser within the first degree of  
34 consanguinity or affinity has an interest in the land or an adjoining  
35 property.

36 5. If a lease of land is for residential property and the term of  
37 the lease is 1 year or less, the State Land Registrar shall obtain an  
38 analysis of the market value of similar rental properties prepared by  
39 a licensed real estate broker or salesman when offering such a  
40 property for lease.

41 *6. If land is sold or leased in violation of the provisions of this*  
42 *section:*

43 (a) *The sale or lease is void; and*



*(b) Any change to an ordinance or law governing the zoning or use of the land is void if the change takes place within 5 years after the date of the void sale or lease.*

**Sec. 2.** NRS 321.335 is hereby amended to read as follows:

321.335 1. Except as otherwise provided in NRS 321.125, 321.510, 322.063, 322.065 or 322.075, except as otherwise required by federal law , *except for land that is sold or leased to a public utility, as defined in NRS 704.020, to be used for a public purpose, except for land that is sold or leased to a state or local governmental entity, except for a lease which is part of a contract entered into pursuant to chapter 333 of NRS* and except for an agreement entered into pursuant to the provisions of NRS 277.080 to 277.170, inclusive, or a lease of residential property with a term of 1 year or less, after April 1, 1957, all sales or leases of any lands that the Division is required to hold pursuant to NRS 321.001, including lands subject to contracts of sale that have been forfeited, are governed by the provisions of this section.

2. Whenever the State Land Registrar deems it to be in the best interests of the State of Nevada that any lands owned by the State and not used or set apart for public purposes be sold or leased, he may, with the approval of the State Board of Examiners and the Interim Finance Committee, cause those lands to be sold or leased upon sealed bids, or oral offer after the opening of sealed bids for cash or pursuant to a contract of sale or lease, at a price not less than the highest appraised value for the lands plus the costs of appraisal and publication of notice of sale or lease.

3. Before offering any land for sale or lease, the State Land Registrar shall ~~cause it to be appraised by competent appraisers selected pursuant to~~ *comply with the provisions of* NRS 321.007.

4. After ~~[receipt of the report of the appraisers,]~~ *complying with the provisions of NRS 321.007*, the State Land Registrar shall cause a notice of sale or lease to be published once a week for 4 consecutive weeks in a newspaper of general circulation published in the county where the land to be sold or leased is situated, and in such other newspapers as he deems appropriate. If there is no newspaper published in the county where the land to be sold or leased is situated, the notice must be so published in a newspaper published in this State having a general circulation in the county where the land is situated.

5. The notice must contain:

- (a) A description of the land to be sold or leased;
- (b) A statement of the terms of sale or lease;
- (c) A statement that the land will be sold pursuant to subsection



\* A B 4 6 2 R 2 \*

(d) The place where the sealed bids will be accepted, the first and last days on which the sealed bids will be accepted, and the time when and place where the sealed bids will be opened and oral offers submitted pursuant to subsection 6 will be accepted.

6. At the time and place fixed in the notice published pursuant to subsection 4, all sealed bids which have been received must, in public session, be opened, examined and declared by the State Land Registrar. Of the proposals submitted which conform to all terms and conditions specified in the notice published pursuant to subsection 4 and which are made by responsible bidders, the bid which is the highest must be finally accepted, unless a higher oral offer is accepted or the State Land Registrar rejects all bids and offers. Before finally accepting any written bid, the State Land Registrar shall call for oral offers. If, upon the call for oral offers, any responsible person offers to buy or lease the land upon the terms and conditions specified in the notice, for a price exceeding by at least 5 percent the highest written bid, then the highest oral offer which is made by a responsible person must be finally accepted.

7. The State Land Registrar may reject any bid or oral offer to purchase or lease submitted pursuant to subsection 6, if he deems the bid or offer to be:

(a) Contrary to the public interest.

(b) For a lesser amount than is reasonable for the land involved.

(c) On lands which it may be more beneficial for the State to reserve.

(d) On lands which are requested by the State of Nevada or any department, agency or institution thereof.

8. Upon acceptance of any bid or oral offer and payment to the State Land Registrar in accordance with the terms of sale specified in the notice of sale, the State Land Registrar shall convey title by quitclaim or cause a patent to be issued as provided in NRS 321.320 and 321.330.

9. Upon acceptance of any bid or oral offer and payment to the State Land Registrar in accordance with the terms of lease specified in the notice of lease, the State Land Registrar shall enter into a lease agreement with the person submitting the accepted bid or oral offer pursuant to the terms of lease specified in the notice of lease.

10. The State Land Registrar may require any person requesting that state land be sold pursuant to the provisions of this section to deposit a sufficient amount of money to pay the costs to be incurred by the State Land Registrar in acting upon the application, including the costs of publication and the expenses of appraisal. This deposit must be refunded whenever the person making the deposit is not the successful bidder. The costs of acting



\* A B 4 6 2 R 2 \*

upon the application, including the costs of publication and the expenses of appraisal, must be borne by the successful bidder.

11. If land that is offered for sale or lease pursuant to this section is not sold or leased at the initial offering of the contract for the sale or lease of the land, the State Land Registrar may offer the land for sale or lease a second time pursuant to this section. If there is a material change relating to the title, zoning or an ordinance governing the use of the land, the State Land Registrar must, *as applicable* obtain a new appraisal *or new appraisals* of the land pursuant to the provisions of NRS 321.007 before offering the land for sale or lease a second time. If land that is offered for sale or lease pursuant to this section is not sold or leased at the second offering of the contract for the sale or lease of the land, the State Land Registrar may list the land for sale or lease at the appraised value with a licensed real estate broker, provided that the broker or a person related to the broker within the first degree of consanguinity or affinity does not have an interest in the land or an adjoining property.

**Sec. 2.5.** Chapter 244 of NRS is hereby amended by adding thereto a new section to read as follows:

*1. The board of county commissioners of a county may lease real property to a nonprofit organization that:*

*(a) Is recognized as exempt under section 501(c)(3) of the Internal Revenue Code;*

*(b) Is affiliated by contract or other written agreement with the county; and*

*(c) Provides to residents of the county or to other persons a service that the county would otherwise be required to expend money to provide,*

*↪ under such terms and for such consideration as the board determines reasonable based upon the costs and benefits to the county and the recommendation of any county officers who may be involved in approving the lease.*

*2. To lease real property pursuant to this section, the board of county commissioners must approve the lease and establish the recommended amount of rent to be received for the real property. The board shall render a decision on an application to lease real property pursuant to this section within 60 days after it receives the application.*

*3. In determining the amount of rent for the lease of real property pursuant to this section, consideration must be given to:*

*(a) The amount the lessee is able to pay;*

*(b) Whether the real property will be used by the lessee to perform a service of value to members of the general public;*



\* A B 4 6 2 R 2 \*

1 (c) *Whether the service to be performed on the real property*  
2 *will be of assistance to any agency of the county; and*

3 (d) *The expenses, if any, that the county is likely to incur to*  
4 *lease real property pursuant to this section in comparison to other*  
5 *potential uses of the real property.*

6 4. *The board of county commissioners may waive any fee for*  
7 *the consideration of an application submitted pursuant to this*  
8 *section.*

9 **Sec. 3.** NRS 244.2795 is hereby amended to read as follows:

10 244.2795 1. Except as otherwise provided in NRS 244.189,  
11 244.276, 244.279, 244.2825, 244.284, 244.287, 244.290 , *section*  
12 *2.5 of this act [and] , NRS 278.479 to 278.4965, inclusive, and*  
13 *subsection 3 of NRS 496.080*, except as otherwise required by  
14 federal law, except as otherwise required pursuant to a cooperative  
15 agreement entered into pursuant to NRS 277.050 or 277.053 or an  
16 interlocal agreement in existence on or before October 1, 2004,  
17 except if the board of county commissioners is entering into a joint  
18 development agreement for real property owned by the county to  
19 which the board of county commissioners is a party, except for a  
20 lease of residential property with a term of 1 year or less , *except for*  
21 *the sale or lease of real property to a public utility, as defined in*  
22 *NRS 704.020, to be used for a public purpose, except for the sale*  
23 *or lease of real property to the State or another governmental*  
24 *entity* and except for the sale or lease of real property larger than 1  
25 acre which is approved by the voters at a primary or general election  
26 or special election, the board of county commissioners shall, when  
27 offering any real property for sale or lease:

28 (a) ~~[Obtain]~~ *Except as otherwise provided in this paragraph,*  
29 *obtain* two independent appraisals of the real property before selling  
30 or leasing it. *If the board of county commissioners holds a public*  
31 *hearing on the matter of the fair market value of the real property,*  
32 *one independent appraisal of the real property is sufficient before*  
33 *selling or leasing it.* The *appraisal or* appraisals , *as applicable,*  
34 must have been prepared not more than 6 months before the date on  
35 which the real property is offered for sale or lease.

36 (b) Select the *one independent appraiser or* two independent  
37 appraisers , *as applicable,* from the list of appraisers established  
38 pursuant to subsection 2.

39 (c) Verify the qualifications of each appraiser selected pursuant  
40 to paragraph (b). The determination of the board of county  
41 commissioners as to the qualifications of the appraiser is conclusive.

42 2. The board of county commissioners shall adopt by ordinance  
43 the procedures for creating or amending a list of appraisers qualified  
44 to conduct appraisals of real property offered for sale or lease by the  
45 board. The list must:



(a) Contain the names of all persons qualified to act as a general appraiser in the same county as the real property that may be appraised; and

(b) Be organized at random and rotated from time to time.

3. An appraiser chosen pursuant to subsection 1 must provide a disclosure statement which includes, without limitation, all sources of income that may constitute a conflict of interest and any relationship with the real property owner or the owner of an adjoining real property.

4. An appraiser shall not perform an appraisal on any real property for sale or lease by the board of county commissioners if the appraiser or a person related to the appraiser within the first degree of consanguinity or affinity has an interest in the real property or an adjoining property.

*5. If real property is sold or leased in violation of the provisions of this section:*

*(a) The sale or lease is void; and*

*(b) Any change to an ordinance or law governing the zoning or use of the real property is void if the change takes place within 5 years after the date of the void sale or lease.*

**Sec. 4.** NRS 244.281 is hereby amended to read as follows:

244.281 Except as otherwise provided in this section and NRS 244.189, 244.276, 244.279, 244.2815, 244.2825, 244.284, 244.287, 244.290, *section 2.5 of this act , NRS 278.479 to 278.4965, inclusive, and subsection 3 of NRS 496.080,* except as otherwise required by federal law, except as otherwise required pursuant to a cooperative agreement entered into pursuant to NRS 277.050 or 277.053 or an interlocal agreement in existence on or before October 1, 2004, except if the board of county commissioners is entering into a joint development agreement for real property owned by the county to which the board of county commissioners is a party, except for a lease of residential property with a term of 1 year or less , *except for the sale or lease of real property to a public utility, as defined in NRS 704.020, to be used for a public purpose* and except for the sale or lease of real property larger than 1 acre which is approved by the voters at a primary or general election or special election:

1. When a board of county commissioners has determined by resolution that the sale or lease of any real property owned by the county will be for purposes other than to establish, align, realign, change, vacate or otherwise adjust any street, alley, avenue or other thoroughfare, or portion thereof, or flood control facility within the county and will be in the best interest of the county, it may:

(a) Sell the property in the manner prescribed for the sale of real property in NRS 244.282.



\* A B 4 6 2 R 2 \*



(b) Lease the property in the manner prescribed for the lease of real property in NRS 244.283.

2. Before the board of county commissioners may sell or lease any real property as provided in subsection 1, it shall:

(a) Post copies of the resolution described in subsection 1 in three public places in the county; and

(b) Cause to be published at least once a week for 3 successive weeks, in a newspaper qualified under chapter 238 of NRS that is published in the county in which the real property is located, a notice setting forth:

(1) A description of the real property proposed to be sold or leased in such a manner as to identify it;

(2) The minimum price, if applicable, of the real property proposed to be sold or leased; and

(3) The places at which the resolution described in subsection 1 has been posted pursuant to paragraph (a), and any other places at which copies of that resolution may be obtained.

➤ If no qualified newspaper is published within the county in which the real property is located, the required notice must be published in some qualified newspaper printed in the State of Nevada and having a general circulation within that county.

3. ~~[[~~ *Except as otherwise provided in this subsection, if the board of county commissioners by its resolution further finds that the property to be sold or leased is worth more than \$1,000, the board shall appoint two or more disinterested, competent real estate appraisers pursuant to NRS 244.2795 to appraise the property. ~~and, except~~ If the board of county commissioners holds a public hearing on the matter of the fair market value of the property, one disinterested, competent appraisal of the property is sufficient before selling or leasing it. Except* for property acquired pursuant to NRS 371.047, *the board of county commissioners* shall not sell or lease it for less than the highest appraised value.

4. If the property is appraised at \$1,000 or more, the board of county commissioners may:

(a) Lease the property; or

(b) Sell the property either for cash or for not less than 25 percent cash down and upon deferred payments over a period of not more than 10 years, secured by a mortgage or deed of trust, bearing such interest and upon such further terms as the board of county commissioners may specify.

5. A board of county commissioners may sell or lease any real property owned by the county without complying with the provisions of NRS 244.282 or 244.283 to:



(a) A person who owns real property located adjacent to the real property to be sold or leased if the board has determined by resolution that:

(1) The real property is a:

(I) Remnant that was separated from its original parcel due to the construction of a street, alley, avenue or other thoroughfare, or portion thereof, flood control facility or other public facility;

(II) Parcel that, as a result of its size, is too small to establish an economically viable use by anyone other than the person who owns real property adjacent to the real property for sale or lease; or

(III) Parcel which is subject to a deed restriction prohibiting the use of the real property by anyone other than the person who owns real property adjacent to the real property for sale or lease; and

(2) The sale will be in the best interest of the county.

(b) ~~[Another]~~ *The State or another* governmental entity if:

(1) The sale or lease restricts the use of the real property to a public use; and

(2) The board adopts a resolution finding that the sale or lease will be in the best interest of the county.

6. A board of county commissioners that disposes of real property pursuant to subsection 4 is not required to offer to reconvey the real property to the person from whom the real property was received or acquired by donation or dedication.

7. If real property that is offered for sale or lease pursuant to this section is not sold or leased at the initial offering of the contract for the sale or lease of the real property, the board of county commissioners may offer the real property for sale or lease a second time pursuant to this section. If there is a material change relating to the title, zoning or an ordinance governing the use of the real property, the board of county commissioners must obtain a new appraisal of the real property pursuant to the provisions of NRS 244.2795 before offering the real property for sale or lease a second time. If real property that is offered for sale or lease pursuant to this section is not sold or leased at the second offering of the contract for the sale or lease of the real property, the board of county commissioners may list the real property for sale or lease at the appraised value with a licensed real estate broker, provided that the broker or a person related to the broker within the first degree of consanguinity or affinity does not have an interest in the real property or an adjoining property.

8. *If real property is sold or leased in violation of the provisions of this section:*



1     (a) *The sale or lease is void; and*  
2     (b) *Any change to an ordinance or law governing the zoning*  
3     *or use of the real property is void if the change takes place within*  
4     *5 years after the date of the void sale or lease.*

5     9. As used in this section, "flood control facility" has the  
6 meaning ascribed to it in NRS 244.276.

7     **Sec. 5.** NRS 244.282 is hereby amended to read as follows:

8     244.282 1. Except as otherwise provided in NRS 244.279,  
9 before ordering the sale at auction of any real property the board  
10 shall, in open meeting by a majority vote of the members, adopt a  
11 resolution declaring its intention to sell the property at auction. The  
12 resolution must:

13     (a) Describe the property proposed to be sold in such a manner  
14 as to identify it.

15     (b) Specify the minimum price and the terms upon which it will  
16 be sold.

17     (c) Fix a time, not less than 3 weeks thereafter, for a public  
18 meeting of the board to be held at its regular place of meeting, at  
19 which sealed bids will be received and considered.

20     2. Notice of the adoption of the resolution and of the time and  
21 place of holding the meeting must be given by:

22     (a) Posting copies of the resolution in three public places in the  
23 county not less than 15 days before the date of the meeting; and

24     (b) Causing to be published at least once a week for 3 successive  
25 weeks before the meeting, in a newspaper qualified under chapter  
26 238 of NRS that is published in the county in which the real  
27 property is located, a notice setting forth:

28         (1) A description of the real property proposed to be sold at  
29 auction in such a manner as to identify it;

30         (2) The minimum price of the real property proposed to be  
31 sold at auction; and

32         (3) The places at which the resolution described in  
33 subsection 1 has been posted pursuant to paragraph (a), and any  
34 other places at which copies of that resolution may be obtained.

35     ➤ If no qualified newspaper is published within the county in which  
36 the real property is located, the required notice must be published in  
37 some qualified newspaper printed in the State of Nevada and having  
38 a general circulation within that county.

39     3. At the time and place fixed in the resolution for the meeting  
40 of the board, all sealed bids which have been received must, in  
41 public session, be opened, examined and declared by the board. Of  
42 the proposals submitted which conform to all terms and conditions  
43 specified in the resolution of intention to sell and which are made by  
44 responsible bidders, the bid which is the highest must be finally



\* A B 4 6 2 R 2 \*

1 accepted, unless a higher oral bid is accepted or the board rejects all  
2 bids.

3 4. Before accepting any written bid, the board shall call for oral  
4 bids. If, upon the call for oral bidding, any responsible person offers  
5 to buy the property upon the terms and conditions specified in the  
6 resolution, for a price exceeding by at least 5 percent the highest  
7 written bid, then the highest oral bid which is made by a responsible  
8 person must be finally accepted.

9 5. The final acceptance by the board may be made either at the  
10 same session or at any adjourned session of the same meeting held  
11 within the 10 days next following.

12 6. The board may, either at the same session or at any  
13 adjourned session of the same meeting held within the 10 days next  
14 following, if it deems the action to be for the best public interest,  
15 reject any and all bids, either written or oral, and withdraw the  
16 property from sale.

17 7. Any resolution of acceptance of any bid made by the board  
18 must authorize and direct the chairman to execute a deed and to  
19 deliver it upon performance and compliance by the purchaser with  
20 all the terms or conditions of his contract which are to be performed  
21 concurrently therewith.

22 8. All money received from sales of real property must be  
23 deposited forthwith with the county treasurer to be credited to the  
24 county general fund.

25 *9. The board may require any person requesting that real*  
26 *property be sold pursuant to the provisions of this section to*  
27 *deposit a sufficient amount of money to pay the costs to be*  
28 *incurred by the board in acting upon the application, including*  
29 *the costs of publication and the expenses of appraisal. This deposit*  
30 *must be refunded whenever the person making the deposit is not*  
31 *the successful bidder. The costs of acting upon the application,*  
32 *including the costs of publication and the expenses of appraisal,*  
33 *must be borne by the successful bidder.*

34 *10. If real property is sold in violation of the provisions of*  
35 *this section:*

36 *(a) The sale is void; and*

37 *(b) Any change to an ordinance or law governing the zoning or*  
38 *use of the real property is void if the change takes place within 5*  
39 *years after the date of the void sale.*

40 **Sec. 5.5.** Chapter 268 of NRS is hereby amended by adding  
41 thereto a new section to read as follows:

42 *1. The governing body may lease real property to a nonprofit*  
43 *organization that:*

44 *(a) Is recognized as exempt under section 501(c)(3) of the*  
45 *Internal Revenue Code;*



\* A B 4 6 2 R 2 \*

1       (b) *Is affiliated by contract or other written agreement with the*  
2 *city; and*

3       (c) *Provides to residents of the city or to other persons a service*  
4 *that the city would otherwise be required to expend money to*  
5 *provide,*

6       ↳ *under such terms and for such consideration as the governing*  
7 *body determines reasonable based upon the costs and benefits to*  
8 *the city and the recommendation of any city officers who may be*  
9 *involved in approving the lease.*

10       2. *To lease real property pursuant to this section, the*  
11 *governing body must approve the lease and establish the*  
12 *recommended amount of rent to be received for the real property.*  
13 *The governing body shall render a decision on an application to*  
14 *lease real property pursuant to this section within 60 days after it*  
15 *receives the application.*

16       3. *In determining the amount of rent for the lease of real*  
17 *property pursuant to this section, consideration must be given to:*

18       (a) *The amount the lessee is able to pay;*

19       (b) *Whether the real property will be used by the lessee to*  
20 *perform a service of value to members of the general public;*

21       (c) *Whether the service to be performed on the real property*  
22 *will be of assistance to any agency of the city; and*

23       (d) *The expenses, if any, that the city is likely to incur to lease*  
24 *real property pursuant to this section in comparison to other*  
25 *potential uses of the real property.*

26       4. *The governing body may waive any fee for the*  
27 *consideration of an application submitted pursuant to this section.*

28       **Sec. 6.** NRS 268.059 is hereby amended to read as follows:

29       268.059 1. Except as otherwise provided in NRS 268.048 to  
30 268.058, inclusive, *section 5.5 of this act* and *NRS 278.479 to*  
31 *278.4965, inclusive, except as otherwise required by federal law,*  
32 *except as otherwise required pursuant to a cooperative agreement*  
33 *entered into pursuant to NRS 277.050 or 277.053 or an interlocal*  
34 *agreement in existence on October 1, 2004, except if the governing*  
35 *body is entering into a joint development agreement for real*  
36 *property owned by the city to which the governing body is a party,*  
37 *except for a lease of residential property with a term of 1 year or*  
38 *less, except for the sale or lease of real property to a public utility,*  
39 *as defined in NRS 704.020, to be used for a public purpose, except*  
40 *for the sale or lease of real property to the State or another*  
41 *governmental entity* and except for the sale or lease of real property  
42 larger than 1 acre which is approved by the voters at a primary or  
43 general election, primary or general city election or special election,  
44 the governing body shall, when offering any real property for sale or  
45 lease:



\* A B 4 6 2 R 2 \*

(a) ~~[Obtain]~~ *Except as otherwise provided in this paragraph, obtain* two independent appraisals of the real property before selling or leasing it. *If the governing body holds a public hearing on the matter of the fair market value of the real property, one independent appraisal of the real property is sufficient before selling or leasing it.* The appraisal or appraisals, as applicable, must be based on the zoning of the real property as set forth in the master plan for the city and must have been prepared not more than 6 months before the date on which real property is offered for sale or lease.

(b) Select the *one independent appraiser or* two independent appraisers, as applicable, from the list of appraisers established pursuant to subsection 2.

(c) Verify the qualifications of each appraiser selected pursuant to paragraph (b). The determination of the governing body as to the qualifications of the appraiser is conclusive.

2. The governing body shall adopt by ordinance the procedures for creating or amending a list of appraisers qualified to conduct appraisals of real property offered for sale or lease by the governing body. The list must:

(a) Contain the names of all persons qualified to act as a general appraiser in the same county as the real property that may be appraised; and

(b) Be organized at random and rotated from time to time.

3. An appraiser chosen pursuant to subsection 1 must provide a disclosure statement which includes, without limitation, all sources of income of the appraiser that may constitute a conflict of interest and any relationship of the appraiser with the property owner or the owner of an adjoining property.

4. An appraiser shall not perform an appraisal on any real property offered for sale or lease by the governing body if the appraiser or a person related to the appraiser within the first degree of consanguinity or affinity has an interest in the real property or an adjoining property.

*5. If real property is sold or leased in violation of the provisions of this section:*

*(a) The sale or lease is void; and*

*(b) Any change to an ordinance or law governing the zoning or use of the real property is void if the change takes place within 5 years after the date of the void sale or lease.*

**Sec. 7.** NRS 268.061 is hereby amended to read as follows:

268.061 Except as otherwise provided in this section and NRS 268.063, 268.048 to 268.058, inclusive, *section 5.5 of this act* and *NRS* 278.479 to 278.4965, inclusive, except as otherwise provided by federal law, except as otherwise required pursuant to a



\* A B 4 6 2 R 2 \*

1 cooperative agreement entered into pursuant to NRS 277.050 or  
2 277.053 or an interlocal agreement in existence on October 1, 2004,  
3 except if the governing body is entering into a joint development  
4 agreement for real property owned by the city to which the  
5 governing body is a party, except for a lease of residential property  
6 with a term of 1 year or less , *except for the sale or lease of real*  
7 *property to a public utility, as defined in NRS 704.020, to be used*  
8 *for a public purpose* and except for the sale or lease of real property  
9 larger than 1 acre which is approved by the voters at a primary or  
10 general election, primary or general city election or special election:

11 1. If a governing body has determined by resolution that  
12 the sale or lease of any real property owned by the city will be in the  
13 best interest of the city, it may sell or lease the real property in the  
14 manner prescribed for the sale or lease of real property in  
15 NRS 268.062.

16 2. Before the governing body may sell or lease any real  
17 property as provided in subsection 1, it shall:

18 (a) Post copies of the resolution described in subsection 1 in  
19 three public places in the city; and

20 (b) Cause to be published at least once a week for 3 successive  
21 weeks, in a newspaper qualified under chapter 238 of NRS that is  
22 published in the county in which the real property is located, a  
23 notice setting forth:

24 (1) A description of the real property proposed to be sold or  
25 leased in such a manner as to identify it;

26 (2) The minimum price, if applicable, of the real property  
27 proposed to be sold or leased; and

28 (3) The places at which the resolution described in  
29 subsection 1 has been posted pursuant to paragraph (a), and any  
30 other places at which copies of that resolution may be obtained.

31 ➤ If no qualified newspaper is published within the county in which  
32 the real property is located, the required notice must be published in  
33 some qualified newspaper printed in the State of Nevada and having  
34 a general circulation within that county.

35 3. If the governing body by its resolution finds additionally that  
36 the real property to be sold is worth more than \$1,000, the ~~board~~  
37 *governing body shall , as applicable,* conduct an appraisal *or*  
38 *appraisals* pursuant to NRS 268.059 to determine the value of the  
39 real property . ~~and, except~~ *Except* for real property acquired  
40 pursuant to NRS 371.047, *the governing body* shall not sell or lease  
41 it for less than the highest appraised value.

42 4. If the real property is appraised at \$1,000 or more, the  
43 governing body may:

44 (a) Lease the real property; or

45 (b) Sell the real property for:





- 1 (1) Cash; or
- 2 (2) Not less than 25 percent cash down and upon deferred
- 3 payments over a period of not more than 10 years, secured by a
- 4 mortgage or deed of trust bearing such interest and upon such
- 5 further terms as the governing body may specify.

6 5. A governing body may sell or lease any real property owned  
7 by the city without complying with the provisions of this section  
8 and NRS 268.059 and 268.062 to:

9 (a) A person who owns real property located adjacent to the real  
10 property to be sold or leased if the governing body has determined  
11 by resolution that:

12 (1) The real property is a:

13 (I) Remnant that was separated from its original parcel  
14 due to the construction of a street, alley, avenue or other  
15 thoroughfare, or portion thereof, flood control facility or other  
16 public facility;

17 (II) Parcel that, as a result of its size, is too small to  
18 establish an economically viable use by anyone other than the  
19 person who owns real property adjacent to the real property offered  
20 for sale or lease; or

21 (III) Parcel which is subject to a deed restriction  
22 prohibiting the use of the real property by anyone other than the  
23 person who owns real property adjacent to the real property offered  
24 for sale or lease; and

25 (2) The sale or lease will be in the best interest of the city.

26 (b) ~~Another~~ *The State or another* governmental entity if:

27 (1) The sale or lease restricts the use of the real property to a  
28 public use; and

29 (2) The governing body adopts a resolution finding that the  
30 sale or lease will be in the best interest of the city.

31 6. A governing body that disposes of real property pursuant to  
32 subsection 5 is not required to offer to reconvey the real property to  
33 the person from whom the real property was received or acquired by  
34 donation or dedication.

35 7. If real property that is offered for sale or lease pursuant to  
36 this section is not sold or leased at the initial offering of the contract  
37 for the sale or lease of the real property, the governing body may  
38 offer the real property for sale or lease a second time pursuant to this  
39 section. If there is a material change relating to the title, zoning or  
40 an ordinance governing the use of the real property, the governing  
41 body must obtain a new appraisal of the real property pursuant to  
42 the provisions of NRS 268.059 before offering the real property for  
43 sale or lease a second time. If real property that is offered for sale or  
44 lease pursuant to this section is not sold or leased at the second  
45 offering of the contract for the sale or lease of the real property, the



\* A B 4 6 2 R 2 \*



governing body may list the real property for sale or lease at the appraised value with a licensed real estate broker, provided that the broker or a person related to the broker within the first degree of consanguinity or affinity does not have an interest in the real property or an adjoining property.

***8. If real property is sold or leased in violation of the provisions of this section:***

***(a) The sale or lease is void; and***

***(b) Any change to an ordinance or law governing the zoning or use of the real property is void if the change takes place within 5 years after the date of the void sale or lease.***

**Sec. 8.** NRS 268.062 is hereby amended to read as follows:

268.062 1. Except as otherwise provided in this section and NRS 268.063, 268.048 to 268.058, inclusive, ***section 5.5 of this act [and], NRS 278.479 to 278.4965, inclusive, and subsection 3 of NRS 496.080,*** except as otherwise required by federal law, except as otherwise required pursuant to a cooperative agreement entered into pursuant to NRS 277.050 or 277.053 or an interlocal agreement in existence on October 1, 2004, except if the governing body is entering into a joint development agreement for real property owned by the city to which the governing body is a party, except for a lease of residential property with a term of 1 year or less, ***except for the sale or lease of real property to a public utility, as defined in NRS 704.020, to be used for a public purpose*** and except for the sale or lease of real property larger than 1 acre which is approved by the voters at a primary or general election, the governing body shall, in open meeting by a majority vote of the members and before ordering the sale or lease at auction of any real property, adopt a resolution declaring its intention to sell or lease the property at auction. The resolution must:

(a) Describe the property proposed to be sold or leased in such a manner as to identify it;

(b) Specify the minimum price and the terms upon which the property will be sold or leased; and

(c) Fix a time, not less than 3 weeks thereafter, for a public meeting of the governing body to be held at its regular place of meeting, at which sealed bids will be received and considered.

2. Notice of the adoption of the resolution and of the time and place of holding the meeting must be given by:

(a) Posting copies of the resolution in three public places in the county not less than 15 days before the date of the meeting; and

(b) Causing to be published at least once a week for 3 successive weeks before the meeting, in a newspaper qualified under chapter 238 of NRS that is published in the county in which the real property is located, a notice setting forth:



\* A B 4 6 2 R 2 \*

(1) A description of the real property proposed to be sold or leased at auction in such a manner as to identify it;

(2) The minimum price of the real property proposed to be sold or leased at auction; and

(3) The places at which the resolution described in subsection 1 has been posted pursuant to paragraph (a), and any other places at which copies of that resolution may be obtained.

➤ If no qualified newspaper is published within the county in which the real property is located, the required notice must be published in some qualified newspaper printed in the State of Nevada and having a general circulation within that county.

3. At the time and place fixed in the resolution for the meeting of the ~~board~~ governing body, all sealed bids which have been received must, in public session, be opened, examined and declared by the governing body. Of the proposals submitted which conform to all terms and conditions specified in the resolution of intention to sell or lease and which are made by responsible bidders, the bid which is the highest must be finally accepted, unless a higher oral bid is accepted or the governing body rejects all bids.

4. Before accepting any written bid, the governing body shall call for oral bids. If, upon the call for oral bidding, any responsible person offers to buy or lease the property upon the terms and conditions specified in the resolution, for a price exceeding by at least 5 percent the highest written bid, then the highest oral bid which is made by a responsible person must be finally accepted.

5. The final acceptance by the governing body may be made either at the same session or at any adjourned session of the same meeting held within the 21 days next following.

6. The governing body may, either at the same session or at any adjourned session of the same meeting held within the 21 days next following, if it deems the action to be for the best public interest, reject any and all bids, either written or oral, and withdraw the property from sale or lease.

7. Any resolution of acceptance of any bid made by the governing body must authorize and direct the chairman to execute a deed or lease and to deliver it upon performance and compliance by the purchaser or lessor with all the terms or conditions of his contract which are to be performed concurrently therewith.

*8. The governing body may require any person requesting that real property be sold pursuant to the provisions of this section to deposit a sufficient amount of money to pay the costs to be incurred by the governing body in acting upon the application, including the costs of publication and the expenses of appraisal. This deposit must be refunded whenever the person making the deposit is not the successful bidder. The costs of acting upon the*



\* A B 4 6 2 R 2 \*

1 *application, including the costs of publication and the expenses of*  
2 *appraisal, must be borne by the successful bidder.*

3 *9. If real property is sold or leased in violation of the*  
4 *provisions of this section:*

5 *(a) The sale or lease is void; and*

6 *(b) Any change to an ordinance or law governing the zoning*  
7 *or use of the real property is void if the change takes place within*  
8 *5 years after the date of the void sale or lease.*

9 **Sec. 9.** NRS 268.063 is hereby amended to read as follows:

10 268.063 1. A governing body may sell, lease or otherwise  
11 dispose of real property for the purposes of redevelopment or  
12 economic development:

13 (a) Without first offering the real property to the public; and

14 (b) For less than fair market value of the real property.

15 2. Before a governing body may sell, lease or otherwise  
16 dispose of real property pursuant to this section, the governing body  
17 must:

18 (a) ~~[Obtain]~~ *As applicable, obtain* an appraisal *or appraisals* of  
19 the property pursuant to NRS 268.059; and

20 (b) Adopt a resolution finding that it is in the best interests of  
21 the public to sell, lease or otherwise dispose of the property:

22 (1) Without offering the property to the public; and

23 (2) For less than fair market value of the real property.

24 *3. If real property is sold, leased or otherwise disposed of in*  
25 *violation of the provisions of this section:*

26 *(a) The sale, lease or other disposal is void; and*

27 *(b) Any change to an ordinance or law governing the zoning*  
28 *or use of the real property is void if the change takes place within*  
29 *5 years after the date of the void sale, lease or other disposal.*

30 **4.** As used in this section:

31 (a) "Economic development" means:

32 (1) The establishment of new commercial enterprises or  
33 facilities within the city;

34 (2) The support, retention or expansion of existing  
35 commercial enterprises or facilities within the city;

36 (3) The establishment, retention or expansion of public,  
37 quasi-public or other facilities or operations within the city;

38 (4) The establishment of residential housing needed to  
39 support the establishment of new commercial enterprises or  
40 facilities or the expansion of existing commercial enterprises or  
41 facilities; or

42 (5) Any combination of the activities described in  
43 subparagraphs (1) to (4), inclusive,

44 ➔ to create and retain opportunities for employment for the  
45 residents of the city.



(b) "Redevelopment" has the meaning ascribed to it in NRS 279.408.

**Sec. 9.3.** NRS 277.053 is hereby amended to read as follows:

277.053 A governing body of a political subdivision may convey real property to *the State, any agency of the State*, another political subdivision or an Indian tribe without charge if the property is to be used for a public purpose.

**Sec. 9.5.** NRS 371.047 is hereby amended to read as follows:

371.047 1. A county may use the proceeds of the tax imposed pursuant to NRS 371.045, or of bonds, notes or other obligations incurred to which the proceeds of those taxes are pledged to finance a project related to the construction of a highway with limited access, to:

(a) Purchase residential real property which shares a boundary with a highway with limited access or a project related to the construction of a highway with limited access, and which is adversely affected by the highway. Not more than 1 percent of the proceeds of the tax or of any bonds to which the proceeds of the tax are pledged may be used for this purpose.

(b) Pay for the cost of moving persons whose primary residences are condemned for a right-of-way for a highway with limited access and who qualify for such payments. The board of county commissioners shall, by ordinance, establish the qualifications for receiving payments for the cost of moving pursuant to this paragraph.

2. A county may, in accordance with NRS 244.265 to 244.296, inclusive, *and section 2.5 of this act*, dispose of any residential real property purchased pursuant to this section, and may reserve and except easements, rights or interests related thereto, including, but not limited to:

(a) Abutter's rights of light, view or air.

(b) Easements of access to and from abutting land.

(c) Covenants prohibiting the use of signs, structures or devices advertising activities not conducted, services not rendered or goods not produced or available on the real property.

3. Proceeds from the sale or lease of residential real property acquired pursuant to this section must be used for the purposes set forth in this section and in NRS 371.045.

4. For the purposes of this section, residential real property is adversely affected by a highway with limited access if the construction or proposed use of the highway:

(a) Constitutes a taking of all or any part of the property, or interest therein;

(b) Lowers the value of the property; or

(c) Constitutes a nuisance.



5. As used in this section:

(a) "Highway with limited access" means a divided highway for through traffic with full control of access and with grade separations at intersections.

(b) "Primary residence" means a dwelling, whether owned or rented by the occupant, which is the sole principal place of residence of that occupant.

(c) "Residential real property" means a lot or parcel of not more than 1.5 acres upon which a single-family or multifamily dwelling is located.

**Sec. 9.7.** NRS 495.040 is hereby amended to read as follows:

495.040 1. The boards of county commissioners of the respective counties of this state may lease real and personal property of their county for use and occupancy as airports, airport facilities or airport service, to whom and upon such conditions and terms as they deem proper, for a term or terms not exceeding 99 years.

2. Before entering into any agreement for the lease of property as set forth in subsection 1, the board of county commissioners shall publish notice of its intention in a newspaper of general circulation published within the county at least once a week for 21 days or three times during a period of 10 days. If there is not a newspaper of general circulation within the county, the board shall post a notice of its intention in a public place at least once a week for 30 days. The notice must specify that a regular meeting is to be held, at which meeting any interested person may appear. No such lease or agreement may be entered into by the board until after the notice has been given and a meeting held as provided in this subsection.

*3. The provisions of NRS 244.281 and 496.080 do not apply to any lease entered into pursuant to this section by a board of county commissioners in a county whose population is less than 50,000.*

**Sec. 10.** NRS 496.080 is hereby amended to read as follows:

496.080 1. Except as otherwise provided in subsection 2 or as may be limited by the terms and conditions of any grant, loan or agreement pursuant to NRS 496.180, every municipality may, by sale, lease or otherwise, dispose of any airport, air navigation facility, or other property, or portion thereof or interest therein, acquired pursuant to this chapter.

2. The disposal by sale, lease or otherwise must be:

(a) ~~made~~ *Except as otherwise provided in subsection 3, made* by public auction; and

(b) In accordance with the laws of this State, or provisions of the charter of the municipality, governing the disposition of other property of the municipality, except that in the case of disposal to another municipality or agency of the State or Federal Government



1 for aeronautical purposes incident thereto, the sale, lease or other  
2 disposal may be effected in such manner and upon such terms as the  
3 governing body of the municipality may deem in the best interest of  
4 the municipality, and except as otherwise provided in subsections 3,  
5 4 and 5 of NRS 496.090.

6 *3. A board of county commissioners of a county whose*  
7 *population is 50,000 or more may rent or lease to a person, or*  
8 *renew the rental or lease to a person of, a space for the parking or*  
9 *storage of aircraft, including, without limitation, a hangar, on the*  
10 *grounds of a municipal airport that is owned or operated by the*  
11 *county without conducting a public auction and at a price at least*  
12 *equal to the fair market rental or lease value of the space based on*  
13 *an independent appraisal conducted within 6 months before the*  
14 *rental or lease.*

15 **Sec. 11.** This act becomes effective on July 1, 2007.

