

ASSEMBLY BILL NO. 513—COMMITTEE ON GOVERNMENT AFFAIRS

MARCH 23, 2007

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to general improvement districts. (BDR 25-1380)

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; allowing the board of trustees of a general improvement district to be created or reorganized as either a five-member or seven-member board under certain circumstances; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law authorizes each board of county commissioners to create general improvement districts within the county and to appoint five persons to serve as the first board of trustees of each district. (NRS 318.080) **Sections 1 and 2** of this bill authorize a board of county commissioners, in the alternative, to appoint seven persons to such a board of trustees, but provide additionally that no general improvement district which is created or reorganized on or after October 1, 2007, may have a board of trustees that consists of seven members unless the board of county commissioners of the county in which the district is located also consists of seven members. **Sections 3-5** of this bill amend provisions regarding general improvement districts to account for boards of trustees with either five or seven members.

Existing law authorizes qualified electors of a general improvement district to petition the board of county commissioners for the creation of election areas within the district, each area to be represented by one member of the board of trustees of the district. Under existing law, election areas within a general improvement district may be altered or abolished in the same manner in which they are created. (NRS 318.0952) **Section 6** of this bill clarifies that the petition process may be used to reorganize as well as to create election areas. **Section 6** requires the election areas specified in the petition to provide, to the extent practicable, proportional representation for the residents of each election area and requires each board of county commissioners, when determining whether the creation of the election areas is desirable, to consider whether the areas provide such proportional representation. **Section 6** also requires the petition to specify which two of the election areas will be represented by two members of the board of trustees instead of one, which



occurs when the board consists of seven members and there are five election areas, and provides for the election of trustees from areas that will be represented by two members of the board.

Existing law, under certain circumstances, allows the board of county commissioners of a county to serve ex officio as the board of trustees of a general improvement district. However, existing law prohibits such an arrangement if the district exercises other than certain enumerated powers. (NRS 318.0953) **Section 7** of this bill provides that, in a county of any size, the board of county commissioners of the county may serve ex officio as the board of trustees of a general improvement district organized on or after October 1, 2007, regardless of which basic powers the district exercises.

Under existing law, a general improvement district is authorized to borrow money and issue short-term indicia of debt upon the affirmative vote of four trustees. (NRS 318.280) **Section 8** of this bill changes the voting requirement to a majority plus one additional trustee, thus preserving the voting requirement for five-member boards, and similarly requiring seven-member boards to approve such actions by greater than a simple majority.

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

**Section 1.** Chapter 318 of NRS is hereby amended by adding thereto a new section to read as follows:

*If a district is created or reorganized on or after October 1, 2007, the board of trustees of the district must not consist of seven members unless the board of county commissioners of the county in which the district is located consists of seven members.*

**Sec. 2.** NRS 318.080 is hereby amended to read as follows:

318.080 1. After adopting an ordinance creating a district and before appointing the first board of trustees for the district, the board of county commissioners is, ex officio, the board of trustees for the district.

2. While acting as the board of trustees, the board of county commissioners shall establish:

- (a) Accounting practices and procedures for the district;
- (b) Auditing practices and procedures to be used by the district;
- (c) A budget for the district; and
- (d) Management standards for the district.

3. Except as otherwise provided in NRS 318.0953 and 318.09533, *and section 1 of this act*, after the board of county commissioners has performed the duties required by subsection 2, it shall appoint five *or seven* persons to serve as the first board of trustees of the district and shall specify therein the terms of office to the first Monday in January next following the respective election dates provided in NRS 318.095. Except as otherwise provided in subsection 5, these persons must be qualified electors of the district.



4. The members of the board of trustees shall qualify by filing with the county clerk their oaths of office and corporate surety bonds, at the expense of the district, the bonds to be in an amount not more than \$10,000 each, the form and exact amount thereof to be approved and determined, respectively, by the board of county commissioners, conditioned for the faithful performance of their duties as trustees. The board of county commissioners may from time to time, upon good cause shown, increase or decrease the amount of the bond.

5. The board of county commissioners may appoint as one of the ~~five~~ initial trustees as provided by subsection 1 the district attorney for the county or a deputy district attorney on his staff. Such appointee need not be a qualified elector of the district, but no such attorney is qualified for appointment to fill any vacancy on the board pursuant to NRS 318.090 or qualified as a candidate for election to the board at any biennial election pursuant to NRS 318.095 unless he is a qualified elector of the district.

6. The board of county commissioners of the county vested with jurisdiction pursuant to NRS 318.050 may remove any trustee serving on an appointed or elected board of trustees for cause shown, on petition, hearing and notice thereof by publication and by mail addressed to the trustee.

**Sec. 3.** NRS 318.090 is hereby amended to read as follows:

318.090 Except as otherwise provided in NRS 318.0953 and 318.09533:

1. The board shall, by resolution, designate the place where the office or principal place of the district is to be located, which must be within the corporate limits of the district, and which may be changed by resolution of the board. Copies of all those resolutions must be filed with the county clerk or clerks of the county or counties wherein the district is located within 5 days after their adoption. The official records and files of the district must be kept at that office and must be open to public inspection as provided in NRS 239.010.

2. The board of trustees shall meet regularly at least once each year, and at such other times at the office or principal place of the district as provided in the bylaws.

3. Special meetings may be held on notice to each member of the board as often as, and at such places within the district as, the needs of the district require.

4. ~~Three~~ *A majority of the* members of the board ~~constitute~~ *constitutes* a quorum at any meeting.

5. A vacancy on the board must be filled by a qualified elector of the district chosen by the remaining members of the board, the appointee to act until a successor in office qualifies as provided in



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1 NRS 318.080 on or after the first Monday in January next following  
2 the next biennial election, held in accordance with NRS 318.095, at  
3 which election the vacancy must be filled by election if the term of  
4 office extends beyond that first Monday in January. Nominations of  
5 qualified electors of the district as candidates to fill unexpired terms  
6 of 2 years may be made the same as nominations for regular terms  
7 of 4 years, as provided in NRS 318.095. If the board fails, neglects  
8 or refuses to fill any vacancy within 30 days after the vacancy  
9 occurs, the board of county commissioners shall fill that vacancy.

10 6. Each term of office of 4 years terminates on the first  
11 Monday in January next following the general election at which a  
12 successor in office is elected, as provided in NRS 318.095. The  
13 successor's term of office commences then or as soon thereafter as  
14 the successor qualifies as provided in NRS 318.080, subject to the  
15 provisions in this chapter for initial appointments to a board, for  
16 appointments to fill vacancies of unexpired terms, and for the  
17 reorganizations of districts under this chapter which were organized  
18 under other chapters of NRS.

19 **Sec. 4.** NRS 318.095 is hereby amended to read as follows:

20 318.095 Except as otherwise provided in NRS 318.0953:

21 1. There must be held simultaneously with the first general  
22 election in the county after the creation of the district and  
23 simultaneously with every general election thereafter an election to  
24 be known as the biennial election of the district. The election must  
25 be conducted under the supervision of the county clerk or registrar  
26 of voters. A district shall reimburse the county clerk or registrar of  
27 voters for the costs he incurred in conducting the election for the  
28 district.

29 2. The office of trustee is a nonpartisan office. The general  
30 election laws of this State govern the candidacy, nominations and  
31 election of a member of the board. The names of the candidates for  
32 trustee of a district may be placed on the ballot for the primary or  
33 general election.

34 3. ~~{A+}~~ *If a board of trustees consists of five members, at* the  
35 first biennial election in any district organized or reorganized and  
36 operating under this chapter, and each fourth year thereafter, there  
37 must be elected by the qualified electors of the district two qualified  
38 electors as members of the board *of trustees* to serve for terms of 4  
39 years. At the second biennial election and each fourth year  
40 thereafter, there must be so elected three qualified electors as  
41 members of the board *of trustees* to serve for terms of 4 years.

42 4. *If a board of trustees consists of seven members, at the first*  
43 *biennial election in any district organized or reorganized and*  
44 *operating under this chapter, and each fourth year thereafter,*  
45 *there must be elected by the qualified electors of the district three*



1 *qualified electors as members of the board of trustees to serve for*  
2 *terms of 4 years. At the second biennial election and each fourth*  
3 *year thereafter, there must be so elected four qualified electors as*  
4 *members of the board of trustees to serve for terms of 4 years.*

5 5. The secretary of the district shall give notice of election by  
6 publication, and shall arrange such other details in connection  
7 therewith as the county clerk or registrar of voters may direct.

8 ~~5.1~~ 6. Any new member of the board must qualify in the same  
9 manner as members of the first board qualify.

10 **Sec. 5.** NRS 318.0951 is hereby amended to read as follows:

11 318.0951 Except as otherwise provided in NRS 318.0952 or  
12 318.0953:

13 1. Each trustee elected at any biennial election must be chosen  
14 by a plurality of the qualified electors of the district voting on the  
15 candidates for the vacancies to be filled.

16 2. If there are two regular terms which end on the first Monday  
17 in January next following the biennial election, the two qualified  
18 electors receiving the highest and next highest number of votes must  
19 be elected. If there are three regular terms so ending, the three  
20 qualified electors receiving the highest, next highest and third  
21 highest number of votes must be elected. *If there are four regular*  
22 *terms so ending, the four qualified electors receiving the highest,*  
23 *next highest, third highest and fourth highest number of votes*  
24 *must be elected.*

25 3. If there is a vacancy in an unexpired regular term to be filled  
26 at the biennial election, as provided in subsection 5 of NRS 318.090,  
27 the candidate who receives the highest number of votes, after there  
28 are chosen the successful candidates to fill the vacancies in expired  
29 regular terms as provided in subsection 2, must be elected.

30 **Sec. 6.** NRS 318.0952 is hereby amended to read as follows:

31 318.0952 Except as otherwise provided in NRS 318.0953 ~~§~~  
32 *and section 1 of this act:*

33 1. Trustees may be elected in the alternate manner provided in  
34 this section from election areas within the district.

35 2. Within 30 days before May 1 of any year in which a general  
36 election is to be held in the State, 10 percent or more of the qualified  
37 electors of the district voting at the next preceding biennial election  
38 of the district may file a written petition with the board of county  
39 commissioners of the county vested with jurisdiction under NRS  
40 318.050 praying for the creation *or reorganization* of election areas  
41 within the district in the manner provided in this section. The  
42 petition must specify with particularity ~~the~~ *either* five *or seven*  
43 *election* areas proposed to be created ~~§~~ *or into which the district is*  
44 *proposed to be reorganized.* The description of the proposed  
45 election areas need not be given by metes and bounds or by legal



subdivisions, but must be sufficient to enable a person to ascertain what territory is proposed to be included within a particular area. *To the extent practicable, the five or seven election areas so specified must provide for the proportional representation of the residents of each election area. If the board consists of seven members and the petition specifies five areas proposed to be created or into which the district is proposed to be reorganized, the petition must designate two areas that each will be represented by two trustees.*

The signatures to the petition need not all be appended to one paper, but each signer must add to his name his place of residence, giving the street and number whenever practicable. One of the signers of each paper shall take an oath, before a person competent to administer oaths, that each signature to the paper appended is the genuine signature of the person whose name it purports to be.

3. Immediately after the receipt of the petition, the board of county commissioners shall fix a date for a public hearing to be held during the month of May, and shall give notice thereof by publication at least once in a newspaper published in the county ~~or~~ or, if no such newspaper is published therein, then in a newspaper published in the State of Nevada and having a general circulation in the county. The costs of publication of that notice are a proper charge against the district fund.

4. If, as a result of the public hearing, the board of county commissioners finds that the creation *or reorganization* of election areas within the district is desirable, the board of county commissioners shall, by resolution regularly adopted before June 1, divide the district into the areas specified in the petition, designate them by number and define their boundaries. *In determining whether the creation or reorganization of the election areas specified in the petition is desirable, the board of county commissioners shall consider whether the election areas specified provide for the proportional representation of the residents of each election area.* The territory comprising each election area must be contiguous. ~~{One}~~

5. *Trustees must be elected from each election area as follows:*

(a) *If the board consists of five members and five election areas are designated, or if the board consists of seven members and seven election areas are designated, one* trustee must be elected from each election area by a majority of the qualified electors voting on the candidates for any vacancy for that area, as provided in subsection ~~{7.1}~~ 8; and

(b) *If the board consists of seven members and five election areas are designated:*



(1) From each of the two election areas designated pursuant to subsection 2 as being represented by two trustees, the two qualified electors receiving the highest and next highest number of votes from the qualified electors voting on the candidates for any vacancy for that area, as provided in subsection 8, must be elected; and

(2) From each of the three election areas not designated as being represented by two trustees, one trustee must be elected by a majority of the qualified electors voting on the candidates for any vacancy for that area, as provided in subsection 8.

~~[5-]~~ 6. Before June 1 and immediately following the adoption of the resolution creating *or reorganizing* election areas within a district, the clerk of the board of county commissioners shall transmit a certified copy of the resolution to the secretary of the district.

~~[6-]~~ 7. Upon the creation *or reorganization* of election areas within a district, the terms of office of all trustees then in office expire on the first Monday of January thereafter next following a biennial election. At the biennial election held following the creation *or reorganization* of election areas within a district, district trustees to represent the odd-numbered election areas must be elected for terms of 4 years and district trustees to represent the even-numbered election areas must be elected for terms of 2 years. Thereafter, at each biennial election, the offices of trustees must be filled for terms of 4 years in the order in which the terms of office expire.

~~[7-]~~ 8. Candidates for election as a trustee representing any election area must be elected only by those qualified electors of the district residing in that area. No qualified elector may vote in more than one election area at any one time.

~~[8-]~~ 9. A candidate for the office of trustee of a district in which election areas have been created must be a qualified elector of the district and must be a resident of the election area which he seeks to represent.

~~[9-]~~ 10. Election areas may be altered or abolished in the same manner as provided in this section for the creation *or reorganization* of election areas and the election of trustees therefor.

**Sec. 7.** NRS 318.0953 is hereby amended to read as follows:

318.0953 1. In every county whose population is 400,000 or more, the board of county commissioners is, and in counties whose population is less than 400,000 the board of county commissioners may be, ex officio, the board of trustees of each district organized or reorganized pursuant to this chapter and authorized to exercise the basic power of furnishing facilities for sewerage as provided in NRS 318.140, without regard to whether the district is also authorized to





furnish facilities for storm drainage, but excluding any district which is authorized, in addition to those basic powers, to exercise any one or more other basic powers designated in this chapter, except as provided in subsections 2 ~~[and 4.]~~, 4 and 5.

2. The board of county commissioners of any county may be, at its option, ex officio, the board of trustees of any district organized or reorganized pursuant to this chapter and authorized to exercise the basic power of furnishing facilities for water as provided in NRS 318.144, or, furnishing both facilities for water and facilities for sewerage as provided in NRS 318.144 and 318.140, respectively, without regard to whether the district is also authorized to furnish facilities for storm drainage, but excluding any district which:

(a) Is authorized, in addition to its basic powers, to exercise any one or more other basic powers designated in this chapter ~~[ ]~~ , *except as provided in subsection 4.*

(b) Is organized or reorganized pursuant to this chapter, the boundaries of which include all or a portion of any incorporated city or all or a portion of a district for water created by special law.

3. In every county whose population is less than 100,000, the board of county commissioners may be, ex officio, the board of trustees of each district organized or reorganized pursuant to this chapter and authorized to exercise the basic power of furnishing emergency medical services as provided in NRS 318.1185, which district may overlap the territory of any district authorized to exercise any one or more other basic powers designated in this chapter.

4. *The board of county commissioners of any county may be, at its option, ex officio, the board of trustees of any district organized on or after October 1, 2007, and authorized to exercise one or more of the basic powers designated in this chapter.*

5. A board of county commissioners may exercise the options provided in subsections 1 ~~[, 2 and 3]~~ to 4, inclusive, by providing in the ordinance creating the district or in an ordinance thereafter adopted at any time that the board is, ex officio, the board of trustees of the district. The board of county commissioners shall, in the former case, be the board of trustees of the district when the ordinance creating the district becomes effective, or in the latter case, become the board of the district 30 days after the effective date of the ordinance adopted after the creation of the district. In the latter case within the 30-day period the county clerk shall promptly cause a copy of the ordinance to be:

(a) Filed in his office;

(b) Transmitted to the secretary of the district; and



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(c) Filed in the Office of the Secretary of State without the payment of any fee and otherwise in the same manner as articles of incorporation are required to be filed under chapter 78 of NRS.

**Sec. 8.** NRS 318.280 is hereby amended to read as follows:

318.280 1. A district, upon the affirmative vote of ~~four~~ *a majority of the* trustees, *plus one additional trustee*, is authorized to borrow money without an election in anticipation of the collection of taxes or other revenues, ~~and~~ but excluding special assessments, ~~and~~ and to issue short-term notes, warrants and interim debentures to evidence the amount so borrowed.

2. Such short-term notes, warrants and interim debentures:

(a) Shall be payable from the fund for which the money was borrowed.

(b) Shall mature before the close of the fiscal year in which the money is so borrowed, except for interim debentures.

(c) Shall not be extended or funded except in compliance with the Local Government Securities Law.

