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AN ACT relating to bonds; increasing the maximum amount of bonds issued by a school district that may be guaranteed with money from the State Permanent School Fund; extending the deadline for the issuance of certain general obligation bonds to protect, preserve and obtain the benefits of the property and natural resources of this State; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, the State Treasurer may approve using money in the State Permanent School Fund to guarantee up to \$25,000,000 in bonds issued by a school district. (NRS 387.516) **Section 1** of this bill increases the maximum allowable amount of outstanding bonds of a school district that may be guaranteed under this provision to \$40,000,000.

The Legislature submitted to the voters of this State at the general election held on November 5, 2002, a proposal to issue general obligation bonds of the State to protect, preserve and obtain the benefits of the property and natural resources of this State in an amount not to exceed \$200,000,000. (Chapter 6, Statutes of Nevada 2001, 17th Special Session, p. 104) The proposal was approved by the voters at the general election. NRS 349.078 prohibits the issuance of bonds more than 6 years after an election that is required to authorize their issuance. **Section 2** of this bill extends the period for issuance of those bonds until December 31, 2011.

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

Section 1. NRS 387.516 is hereby amended to read as follows:

387.516 1. The board of trustees of a school district may apply to the State Treasurer for a guarantee agreement whereby money in the State Permanent School Fund is used to guarantee the payment of the debt service on bonds that the school district will issue. The amount of the guarantee for bonds of each school district outstanding at any one time must not exceed ~~[\$25,000,000.]~~ **\$40,000,000.**

2. The application must be on a form prescribed by the State Treasurer. The State Treasurer shall develop the form in consultation with the Executive Director.

3. Medium-term obligations entered into pursuant to the provisions of NRS 350.087 to 350.095, inclusive, are not eligible for guarantee pursuant to NRS 387.513 to 387.528, inclusive.

4. Upon receipt of an application for a guarantee agreement from a school district, the State Treasurer shall provide a copy of the application and any supporting documentation to the Executive



Director. As soon as practicable after receipt of a copy of an application, the Executive Director shall investigate the ability of the school district to make timely payments on the debt service of the bonds for which the guarantee is requested. The Executive Director shall submit a written report of his investigation to the State Board of Finance indicating his opinion as to whether the school district has the ability to make timely payments on the debt service of the bonds.

Sec. 2. Notwithstanding the provisions of NRS 349.078, the State Board of Finance may continue to issue general obligation bonds of the State to protect, preserve and obtain the benefits of the property and natural resources of this State pursuant to chapter 6, Statutes of Nevada 2001, 17th Special Session, under the terms and conditions of that act until December 31, 2011. The provisions of that act apply to all such issuances of bonds, including, without limitation, to the manner of their issuance and the authorized uses of the proceeds of the bonds.

Sec. 3. This act becomes effective on July 1, 2007.

