

Amendment No. 385

Assembly Amendment to Assembly Bill No. 462

(BDR 26-901)

Proposed by: Assembly Committee on Government Affairs**Amends:** Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

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"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) *green bold italic underlining* is new language proposed in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill that is proposed to be retained in this amendment; and (6) *green bold* is newly added transitory language.

MSM



Date: 4/22/2007

A.B. No. 462—Revises provisions relating to the sale or lease of real property by governmental entities. (BDR 26-901)



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.

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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 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; ~~requiring governmental entities~~ **authorizing a governmental entity** to hold a public ~~hearings to review certain appraisals of~~ **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; 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:

Existing law requires the State Land Registrar, the board of county commissioners of each county, and the governing body of each incorporated city to obtain two independent appraisals of any real property when selling or leasing the property and to sell or lease the property upon sealed bids followed by oral offers. (NRS 244.2795, 244.281, 244.283, 268.059, 268.062, 321.007, 321.335) **Sections 1, 3, 4, ~~and~~ 6 and 7** of this bill amend that requirement to require **that the State Land Registrar, each board of county commissioners and each city governing body ~~to~~, when selling or leasing real property: (1) obtain two independent appraisals of the property; or (2) obtain one independent appraisal of ~~real property when selling or leasing~~ the property ~~[. Sections 2-4, 6, 7 and 9 of this bill also require the State Land Registrar, each board of county commissioners and each city governing body to hold a public hearing to review those appraisals.]~~ 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.

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

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

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

(c) Verify the qualifications of *each* ~~[the]~~ appraiser selected pursuant to paragraph (b). The determination of the State Land Registrar as to the qualifications of an appraiser is conclusive.

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

(a) Contain the names of all persons qualified to act as a general appraiser in the same county as the land 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 owner of the land or the owner of an adjoining property.

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

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

6. If land 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 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~~ ~~to~~

~~(a) Cause it to be appraised by a competent [appraisers] [appraiser selected pursuant to]~~ comply with the provisions of NRS 321.007. ~~[-] and~~

~~(b) Within 30 days after receipt of the report of the appraisal, hold a public hearing to review the appraisal in the county where the land to be sold or leased is situated.]~~

4. After ~~[receipt of the report of the] [appraisers,] [appraiser and after holding the public hearing pursuant to subsection 3,]~~ complying with the provisions of NRS 321.007, the State Land Registrar shall cause a notice of sale or

1 lease to be published once a week for 4 consecutive weeks in a newspaper of
2 general circulation published in the county where the land to be sold or leased is
3 situated, and in such other newspapers as he deems appropriate. If there is no
4 newspaper published in the county where the land to be sold or leased is situated,
5 the notice must be so published in a newspaper published in this State having a
6 general circulation in the county where the land is situated.

7 5. The notice must contain:

8 (a) A description of the land to be sold or leased;

9 (b) A statement of the terms of sale or lease;

10 (c) A statement that the land will be sold pursuant to subsection 6; and

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

15 6. At the time and place fixed in the notice published pursuant to subsection
16 4, all sealed bids which have been received must, in public session, be opened,
17 examined and declared by the State Land Registrar. Of the proposals submitted
18 which conform to all terms and conditions specified in the notice published
19 pursuant to subsection 4 and which are made by responsible bidders, the bid which
20 is the highest must be finally accepted, unless a higher oral offer is accepted or the
21 State Land Registrar rejects all bids and offers. Before finally accepting any written
22 bid, the State Land Registrar shall call for oral offers. If, upon the call for oral
23 offers, any responsible person offers to buy or lease the land upon the terms and
24 conditions specified in the notice, for a price exceeding by at least 5 percent the
25 highest written bid, then the highest oral offer which is made by a responsible
26 person must be finally accepted.

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

29 (a) Contrary to the public interest.

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

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

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

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

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

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

50 11. If land that is offered for sale or lease pursuant to this section is not sold
51 or leased at the initial offering of the contract for the sale or lease of the land, the
52 State Land Registrar may offer the land for sale or lease a second time pursuant to
53 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;

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

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

4. The board may waive any fee for the consideration of an application submitted pursuant to this section.

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

244.2795 1. Except as otherwise provided in NRS 244.189, 244.276, 244.279, 244.2825, 244.284, 244.287, 244.290, ,section 2.5 of this act and 278.479 to 278.4965, inclusive, 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, except for the sale or lease of real property to the State or another governmental entity 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, the board of county commissioners shall, when offering any real property for sale or lease:

(a) ~~Obtain~~ Except as otherwise provided in this paragraph, obtain two independent appraisals ~~an independent appraisal~~ of the real property before selling or leasing it. If the board of county commissioners 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~~ ~~appraisal~~, as applicable, must have been prepared not more than 6 months before the date on which the real property is offered for sale or lease.

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

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

2. The board of county commissioners 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 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. ~~Within 30 days after receipt of the report of the appraisal conducted pursuant to subsection 1, the board of county commissioners shall hold a public hearing to review the appraisal.~~ 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, and 278.479 to 278.4965, inclusive, 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 1. When a board of county commissioners has determined by resolution that
2 the sale or lease of any real property owned by the county will be for purposes other
3 than to establish, align, realign, change, vacate or otherwise adjust any street, alley,
4 avenue or other thoroughfare, or portion thereof, or flood control facility within the
5 county and will be in the best interest of the county, it may:

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

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

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

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

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

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

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

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

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

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

37 4. ~~Within 30 days after receipt of the appraisal conducted pursuant to~~
38 ~~subsection 3, the board of county commissioners shall hold a public hearing to~~
39 ~~review the appraisal.~~

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

42 (a) Lease the property; or

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

47 5. ~~6.~~ A board of county commissioners may sell or lease any real property
48 owned by the county without complying with the provisions of NRS 244.282 or
49 244.283 to:

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

52 (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. ~~7.7~~ A board of county commissioners that disposes of real property pursuant to subsection 4 ~~4.1~~ 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. ~~7.1~~ 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. ~~8.1~~ *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.

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

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

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

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

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

(c) Fix a time, not less than 3 weeks thereafter, for a public meeting of the board 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:

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

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

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

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

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

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

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

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

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

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

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

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

41 *9. The board may require any person requesting that real property be sold*
42 *pursuant to the provisions of this section to deposit a sufficient amount of money*
43 *to pay the costs to be incurred by the board in acting upon the application,*
44 *including the costs of publication and the expenses of appraisal. This deposit*
45 *must be refunded whenever the person making the deposit is not the successful*
46 *bidder. The costs of acting upon the application, including the costs of*
47 *publication and the expenses of appraisal, must be borne by the successful*
48 *bidder.*

49 10. If real property is sold in violation of the provisions of this section:

50 (a) The sale is void; and

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

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

3 1. The governing body may lease real property to a nonprofit organization
4 that:

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

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

8 (c) Provides to residents of the city or to other persons a service that the city
9 would otherwise be required to expend money to provide.

10 Under such terms and for such consideration as the governing body determines
11 reasonable based upon the costs and benefits to the city and the recommendation
12 of any city officers who may be involved in approving the lease.

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

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

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

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

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

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

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

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

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

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

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

(c) Verify the qualifications of each appraiser ~~(the 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. ~~Within 30 days after the receipt of the report of the appraisal conducted pursuant to subsection 1, the governing body shall hold a public hearing to review the appraisal.~~ 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 278.479 to 278.4965, inclusive, except as otherwise provided 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, primary or general city election or special election:

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

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

4. ~~Within 30 days after receipt of the report of the appraisal conducted pursuant to subsection 3, the governing body shall hold a public hearing to review the appraisal.~~

~~5.~~ If the real property is appraised at \$1,000 or more, the governing body may:

(a) Lease the real property; or

(b) Sell the real property for:

(1) Cash; or

(2) 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 governing body may specify.

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

(a) A person who owns real property located adjacent to the real property to be sold or leased if the governing body 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 offered 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 offered for sale or lease; and

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

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

6. ~~7.~~ A governing body that disposes of real property pursuant to subsection 5 ~~6~~ 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.

1 ~~7. ~~8.7~~~~ If real property that is offered for sale or lease pursuant to this section
2 is not sold or leased at the initial offering of the contract for the sale or lease of the
3 real property, the governing body may offer the real property for sale or lease a
4 second time pursuant to this section. If there is a material change relating to the
5 title, zoning or an ordinance governing the use of the real property, the governing
6 body must obtain a new appraisal of the real property pursuant to the provisions of
7 NRS 268.059 before offering the real property for sale or lease a second time. If
8 real property that is offered for sale or lease pursuant to this section is not sold or
9 leased at the second offering of the contract for the sale or lease of the real
10 property, the governing body may list the real property for sale or lease at the
11 appraised value with a licensed real estate broker, provided that the broker or a
12 person related to the broker within the first degree of consanguinity or affinity does
13 not have an interest in the real property or an adjoining property.

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

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

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

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

21 268.062 1. Except as otherwise provided in this section and NRS 268.063,
22 268.048 to 268.058, inclusive, section 5.5 of this act and 278.479 to 278.4965,
23 inclusive, except as otherwise required by federal law, except as otherwise required
24 pursuant to a cooperative agreement entered into pursuant to NRS 277.050 or
25 277.053 or an interlocal agreement in existence on October 1, 2004, except if the
26 governing body is entering into a joint development agreement for real property
27 owned by the city to which the governing body is a party, except for a lease of
28 residential property with a term of 1 year or less, except for the sale or lease of
29 real property to a public utility, as defined in NRS 704.020, to be used for a public
30 purpose and except for the sale or lease of real property larger than 1 acre which is
31 approved by the voters at a primary or general election, the governing body shall, in
32 open meeting by a majority vote of the members and before ordering the sale or
33 lease at auction of any real property, adopt a resolution declaring its intention to sell
34 or lease the property at auction. The resolution must:

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

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

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

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

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

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

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

51 (2) The minimum price of the real property proposed to be sold or leased at
52 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 application, including the costs of publication and the expenses of appraisal, must be borne by the successful bidder.

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

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

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

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

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

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

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

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

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

3. ~~Within 30 days after receipt of the report of the appraisal conducted pursuant to subsection 2, the governing body shall hold a public hearing to review the appraisal. If real property is sold, leased or otherwise disposed of in violation of the provisions of this section:~~

(a) The sale, lease or other disposal 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, lease or other disposal.

4. As used in this section:

(a) "Economic development" means:

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

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

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

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

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

to create and retain opportunities for employment for the 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. This act becomes effective on July 1, 2007.