

Amendment No. 673

Senate Amendment to Senate Bill No. 455

(BDR S-273)

Proposed by: Senate Committee on Finance**Amends:** Summary: Yes 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.

TMC/BJE



Date: 5/11/2007

S.B. No. 455—Increases revenue bonding authority of the Nevada System of Higher Education. (BDR S-273)



SENATE BILL NO. 455—COMMITTEE ON FINANCE

(ON BEHALF OF THE NEVADA SYSTEM OF HIGHER EDUCATION)

MARCH 26, 2007

Referred to Committee on Finance

SUMMARY—~~[Increases revenue bonding authority of]~~ **Revises provisions governing the issuance of revenue bonds and other obligations by the Nevada System of Higher Education. (BDR ~~[S-273]~~ 34-273)**

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 the Nevada System of Higher Education; authorizing the Board of Regents of the University of Nevada to **delegate certain of its authority with respect to the issuance of certain obligations; authorizing the Board of Regents to** issue revenue bonds to finance the construction of student housing and parking facilities at Nevada State College; increasing the total authorized amount of revenue bonds that the Board of Regents may issue for certain projects and facilities within the System; expanding the authorized scope of certain such projects; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, the Board of Regents of the University of Nevada is authorized to delegate to the Chancellor of the Nevada System of Higher Education or the Vice Chancellor for Finance of the System its authority to sign a contract for the purchase of securities issued under the University Securities Law or to accept a binding bid for such securities. (NRS 396.8455) Section 1 of this bill provides a similar authorization for other obligations issued by the System which are not subject to the University Securities Law.

Under existing law, the Board of Regents of the University of Nevada is authorized to borrow money to finance construction of campus facilities by issuing revenue bonds and other securities. (NRS 396.845) This debt is not a general obligation of the State and is not repaid by legislative appropriations. (NRS 396.839, 396.843) Instead, the Board of Regents pledges to retire the debt using revenue earned from certain fees paid by students and from various campus operations, such as dormitories and food service. (NRS 396.828, 396.829, 396.839, 396.8395) **Sections ~~[1-9]~~ 1.5-9** of this bill authorize the Board of Regents to issue revenue bonds in a total principal amount not exceeding \$15 million to finance student housing at Nevada State College and in a total principal amount not exceeding \$5 million to finance parking facilities at Nevada State College.

Under existing law, the Board of Regents of the University of Nevada, pursuant to section 5 of chapter 501, Statutes of Nevada 1991, as last amended by chapter 297, Statutes of Nevada 2005, at page 1029, is authorized to issue \$276,855,000 of revenue bonds for facilities

at the University of Nevada, Reno, and \$339,055,000 of revenue bonds for facilities at the University of Nevada, Las Vegas. **Section 10** of this bill increases the amount of such bonding authority for facilities at the Reno campus to ~~(\$321,695,000)~~ **\$312,695,000** and for facilities at the Las Vegas campus to \$422,155,000.

Under existing law, the Board of Regents of the University of Nevada, pursuant to section 5 of chapter 297, Statutes of Nevada 2005, at page 1028, is authorized to issue \$20,000,000 of revenue bonds for parking facilities at the Community College of Southern Nevada and \$10,000,000 of revenue bonds for a residence hall at Western Nevada Community College. **Section 12** of this bill increases the amount of such bonding authority for the Southern Nevada campus to ~~(\$50,000,000)~~ **\$45,000,000** and for the Western Nevada campus to \$20,000,000. **Section 11** of this bill expands the authorized uses of the revenue bonds at the Southern Nevada campus to include facilities other than parking facilities.

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

Section 1. Chapter 396 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Before the sale or delivery by the System of an obligation to repay money in any form, other than an obligation issued under the University Securities Law, the Board of Regents may delegate to the Chancellor of the System or the Vice Chancellor for Finance of the System the authority to sign a contract for the sale or exchange of the obligation or to accept a binding bid for the obligation subject to the requirements specified by the Board of Regents concerning:

(a) The rate or rates of interest on the obligation;
(b) The dates on which and the prices at which the obligation may be prepaid before maturity;
(c) The price at which the obligation will be sold or the property for which the obligation will be exchanged;
(d) The principal amount of the obligation and the amount of principal and interest due on any specific dates; and
(e) Covenants to protect the owner of the obligation and the System that the Chancellor or the Vice Chancellor for Finance determines are necessary or desirable to obtain favorable terms for the System. A determination made pursuant to this paragraph, absent fraud or gross abuse of discretion, is conclusive.

2. All terms of the obligation other than:
(a) The rate or rates of interest;
(b) The dates and prices for the prepayment of the obligation;
(c) The price for the sale of the obligation or property for which it will be exchanged;
(d) The principal amount of the obligation;
(e) The requirements for the payment of principal and interest on specific dates; and
(f) Covenants to protect the owner of the obligation and the System that the Chancellor or the Vice Chancellor for Finance determines are necessary or desirable to obtain favorable terms for the System as provided in paragraph (e) of subsection 1,

must be approved by the Board of Regents before the obligation is delivered.
3. The final rate or rates of interest, dates and prices of prepayments, price for the sale of the obligation or property for which it is exchanged, principal

amount, requirements for payment of principal and interest on specific dates, and covenants as described in paragraph (e) of subsection 1, are not required to be approved by the Board of Regents if each of those terms complies with the requirements specified by the Board of Regents before the contract for the purchase or delivery of the obligation is signed or the bid for the obligation is accepted.

4. The proceeds of any money borrowed pursuant to this section may be invested as provided in NRS 396.861 and 396.8615.

~~Section 1.5~~ **Sec. 1.5.** 1. Except as otherwise provided in sections 2 to 9, inclusive, of this act, terms used or referred to in sections ~~1.5~~ 1.5 to 9, inclusive, of this act have the meanings ascribed to them in the University Securities Law.

2. As used in sections ~~1.5~~ 1.5 to 9, inclusive, of this act, unless the context otherwise requires, the terms defined in sections 2, 3 and 4 of this act have the meanings ascribed to them in those sections.

Sec. 2. “Net pledged revenues” means all the pledged revenues, without any deduction of any operation and maintenance expenses, except as otherwise provided in the definition of “pledged revenues.”

Sec. 3. 1. “Pledged revenues” means, in connection with securities issued pursuant to sections ~~1.5~~ 1.5 to 9, inclusive, of this act to finance in part the project designated in section 4 of this act:

(a) The gross revenues derived from or otherwise pertaining to the operation of any one, all or any combination of facilities enumerated in NRS 396.828 and situated on the campus of Nevada State College, including, without limitation, the project, which revenues the Board, by the resolution authorizing the securities issued pursuant to sections ~~1.5~~ 1.5 to 9, inclusive, of this act, determines to pledge for the payment of the securities, after the deduction of the expenses of operation and maintenance of those facilities pertaining to those pledged revenues; and

(b) The gross revenues derived from the imposition and collection of the fees designated in NRS 396.8395, payable by the students attending Nevada State College, subject to the limitation provided in subsection 5 of NRS 396.840.

2. “Pledged revenues” includes, in connection with students attending Nevada State College, any fees of students authorized by law after the effective date of this act, all grants, conditional or unconditional, from the Federal Government for the payment of any securities requirements, if any, and net revenues, if any, to be derived from the operations of income-producing facilities of Nevada State College, the Board or from other available sources, and to which fees, grants and revenues, the pledge and lien provided for the payment of the securities authorized in sections ~~1.5~~ 1.5 to 9, inclusive, of this act and any other securities payable therefrom are extended after the effective date of this act.

3. “Pledged revenues” indicates a source of revenues and does not necessarily indicate all or any portion of such revenues in the absence of further qualification.

Sec. 4. 1. “Project” means the construction, acquisition, rehabilitation or improvement, or any combination thereof, of:

(a) Student housing at Nevada State College; and

(b) Parking facilities at Nevada State College.

2. The term includes any land, equipment and furnishings required therefor, and other appurtenances relating thereto.

Sec. 5. 1. The Board, on behalf and in the name of the University, is authorized by sections ~~1.5~~ 1.5 to 9, inclusive, of this act, as supplemented by the provisions of the University Securities Law:

(a) To finance the project by the issuance of bonds and other securities of the University in a total principal amount not exceeding \$15,000,000 for student housing at Nevada State College and in a total principal amount not exceeding

\$5,000,000 for parking facilities at Nevada State College, except that if the Board sells any of the bonds or other securities at a discount, the total principal amount of the bonds and other securities the Board is authorized to issue increases by an amount equal to the amount of the discount at which the bonds or other securities are sold.

(b) To issue the bonds and other securities in connection with the project in one series or more at any time or from time to time, but not later than 15 years after the effective date of this act, as the Board determines, and consisting of special obligations of the University payable from the net pledged revenues authorized by sections ~~HH~~ 1.5 to 9, inclusive, of this act and which may subsequently be payable from other net pledged revenues, secured by a pledge thereof and a lien thereon, subject to existing contractual limitations, and subject to the limitations in paragraph (a).

(c) To employ legal, fiscal and other expert services and to defray the costs thereof with any money available therefor, including, without limitation, proceeds of securities authorized by sections ~~HH~~ 1.5 to 9, inclusive, of this act.

(d) To exercise the incidental powers provided in the University Securities Law in connection with the powers authorized by sections ~~HH~~ 1.5 to 9, inclusive, of this act, except as otherwise expressly provided in those sections.

2. Sections ~~HH~~ 1.5 to 9, inclusive, of this act do not prevent the Board from funding, refunding or reissuing any securities of the University or the Board at any time as provided in the University Securities Law.

Sec. 6. Bonds and other securities authorized by sections ~~HH~~ 1.5 to 9, inclusive, of this act are subject to no limitations upon their rate of interest or the rate of discount at which they may be sold, including the limitations set forth in subsection 2 of NRS 396.850 and in paragraph (d) of subsection 1 of NRS 396.852, except that the rate of interest on any of those bonds or other securities must not exceed by more than 5 percent the Index of Revenue Bonds most recently published before bids are received or a negotiated offer is accepted.

Sec. 7. The powers conferred by sections ~~HH~~ 1.5 to 9, inclusive, of this act are in addition to and supplemental to, and the limitations imposed by sections ~~HH~~ 1.5 to 9, inclusive, of this act do not affect, the powers conferred by any other law, general or special. Securities may be issued under sections ~~HH~~ 1.5 to 9, inclusive, of this act without regard to the procedure required by any other such law except as otherwise provided in this act or in the University Securities Law. Insofar as the provisions of sections ~~HH~~ 1.5 to 9, inclusive, of this act are inconsistent with the provisions of any other law, general or special, the provisions of sections ~~HH~~ 1.5 to 9, inclusive, of this act control.

Sec. 8. The Legislature intends that sections ~~HH~~ 1.5 to 9, inclusive, of this act, being necessary to secure and preserve the public health, safety, convenience and welfare, be liberally construed to effect their purposes.

Sec. 9. If any provision of sections ~~HH~~ 1.5 to 9, inclusive, of this act or the application thereof to any person, thing or circumstance is held invalid, that invalidity does not affect the provisions or application of sections ~~HH~~ 1.5 to 9, inclusive, of this act that can be given effect without the invalid provisions or application, and to this end the provisions of sections ~~HH~~ 1.5 to 9, inclusive, of this act are declared to be severable.

Sec. 10. Section 5 of chapter 501, Statutes of Nevada 1991, as last amended by chapter 297, Statutes of Nevada 2005, at page 1029, is hereby amended to read as follows:

Sec. 5. 1. The board, on behalf and in the name of the university, is authorized by this act, as supplemented by the provisions of the University Securities Law:

(a) To finance the project by the issuance of bonds and other securities of the university in a total principal amount not exceeding ~~[\$276,855,000]~~ ~~[\$321,695,000]~~ \$312,695,000 for facilities at the University of Nevada, Reno, and in a total principal amount not exceeding ~~[\$339,055,000]~~ \$422,155,000 for facilities at the University of Nevada, Las Vegas, \$35,000,000 of which may be used for the construction, other acquisition and improvement of a dental school and other structures and clinics associated with the dental school;

(b) To issue such bonds and other securities in connection with the project in one series or more at any time or from time to time within 18 years after the effective date of this act, as the board may determine, and consisting of special obligations of the university payable from the net pledged revenues authorized by this act and possibly subsequently other net pledged revenues, secured by a pledge thereof and a lien thereon, subject to existing contractual limitations, and subject to the limitation in paragraph (a);

(c) To employ legal, fiscal and other expert services and to defray the costs thereof with any money available therefor, including, proceeds of securities authorized by this act; and

(d) To exercise the incidental powers provided in ~~this~~ the University Securities Law in connection with the powers authorized by this act, except as otherwise expressly provided in this act.

2. If the board determines to sell the bonds authorized by subsection 1 at a discount from their face amount, the principal amount of bonds which the board is authorized to issue provided in subsection 1 is increased by an amount equal to the discount at which the bonds are sold.

3. This act does not limit the board in funding, refunding or reissuing any securities of the university or the board at any time as provided in the University Securities Law.

Sec. 11. Section 4 of chapter 297, Statutes of Nevada 2005, at page 1028, is hereby amended to read as follows:

Sec. 4. 1. "Project" means the construction, acquisition, rehabilitation or improvement, or any combination thereof, of:

(a) ~~[Parking facilities]~~ ~~[Facilities]~~ Student service facilities, classrooms and parking at the Community College of Southern Nevada; and

(b) A residence hall at Western Nevada Community College.

2. The term includes any land, equipment and furnishings required therefor, and other appurtenances relating thereto.

Sec. 12. Section 5 of chapter 297, Statutes of Nevada 2005, at page 1028, is hereby amended to read as follows:

Sec. 5. 1. The Board, on behalf and in the name of the University, is authorized by sections 1 to 9, inclusive, of this act, as supplemented by the provisions of the University Securities Law:

(a) To finance the project by the issuance of bonds and other securities of the University in a total principal amount not exceeding ~~[\$20,000,000 for parking]~~ ~~[\$50,000,000]~~ \$45,000,000 for student service facilities, classrooms and parking at the Community College of Southern Nevada and in a total principal amount not exceeding ~~[\$10,000,000]~~ \$20,000,000 for a residence hall at Western Nevada Community College, except that if the Board sells any of the bonds or other securities at a discount, the total principal amount of the bonds and other securities the Board is authorized

1 to issue increases by an amount equal to the amount of the discount at
2 which the bonds or other securities are sold.

3 (b) To issue the bonds and other securities in connection with the
4 project in one series or more at any time or from time to time, but not later
5 than 15 years after the effective date of this act, as the Board determines,
6 and consisting of special obligations of the University payable from the net
7 pledged revenues authorized by sections 1 to 9, inclusive, of this act and
8 which may subsequently be payable from other net pledged revenues,
9 secured by a pledge thereof and a lien thereon, subject to existing
10 contractual limitations, and subject to the limitations in paragraph (a).

11 (c) To employ legal, fiscal and other expert services and to defray the
12 costs thereof with any money available therefor, including, without
13 limitation, proceeds of securities authorized by sections 1 to 9, inclusive, of
14 this act.

15 (d) To exercise the incidental powers provided in the University
16 Securities Law in connection with the powers authorized by sections 1 to 9,
17 inclusive, of this act , except as otherwise expressly provided in those
18 sections.

19 2. Sections 1 to 9, inclusive, of this act do not prevent the Board from
20 funding, refunding or reissuing any securities of the University or the Board
21 at any time as provided in the University Securities Law.

22 **Sec. 13.** This act becomes effective upon passage and approval.