

## Amendment No. 3

Senate Amendment to Senate Bill No. 74 (BDR S-699)

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

| 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 dashed underlining** is newly added transitory language.

DLJ/BJE



Date: 4/1/2009

S.B. No. 74—Makes various changes relating to assistance to finance housing.  
(BDR S-699)



## SENATE BILL NO. 74—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE HOUSING DIVISION)

PREFILED DECEMBER 15, 2008

Referred to Committee on Government Affairs

SUMMARY—Makes various changes relating to assistance to finance housing.  
(BDR S-699)

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 assistance to finance housing; removing the prospective expiration of certain provisions relating to the use of various financial techniques by the Housing Division of the Department of Business and Industry; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

In 2001 and 2003, the Legislature temporarily authorized the Housing Division of the Department of Business and Industry to utilize various techniques, including, without limitation, entering into certain agreements to hedge its interest rate risk, issuing certain letters of credit, acquiring real estate and making both insured and uninsured loans, in carrying out its mission of encouraging and providing for the development of affordable housing in this State. (NRS 319.140, 319.167, 319.190, 319.200, 319.210) This bill repeals the prospective expiration of those provisions, which are currently set to expire by limitation on July 1, 2009.

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

**Section 1.** Section 8 of chapter 418, Statutes of Nevada 2001, as amended by chapter 383, Statutes of Nevada 2003, at page 2194, is hereby amended to read as follows:

Sec. 8. This act becomes effective on July 1, 2001. ~~It and expires by limitation on July 1, 2009.~~

**Sec. 2.** Section 8 of chapter 383, Statutes of Nevada 2003, at page 2194, is hereby amended to read as follows:

Sec. 8. ~~It~~ This section and sections 1, 3, 5, 6 and 7 of this act become effective on July 1, 2003.

~~2. Sections 1 and 3 of this act expire by limitation on June 30, 2009.~~

~~3. Sections 2 and 4 of this act become effective on July 1, 2009.~~

1        **Sec. 2.5. Sections 2 and 4 of chapter 383, Statutes of Nevada 2003, at**  
2        **page 2192, are hereby repealed.**

3        **Sec. 3.** This act becomes effective upon passage and approval.

---

---

### **TEXT OF REPEALED SECTIONS**

---

---

#### **Section 2 of chapter 383, Statutes of Nevada 2003:**

Sec. 2. NRS 319.140 is hereby amended to read as follows:

319.140 1. The Division shall administer the provisions of this chapter. The Administrator may adopt, amend or rescind regulations, consistent with the provisions of this chapter, appropriate to carry out its purposes.

2. The Administrator may make copies of all proceedings and other records and documents of the Division and issue certificates under the seal of the Division to the effect that the copies are true copies, and all persons dealing with the Division may rely upon such certificates.

3. The Division may ~~employ~~ :

(a) *Employ* or contract for the services of attorneys, accountants, financial experts and any other advisers, employees, consultants and agents as the Administrator may determine to be necessary ~~to~~ ; and

(b) *Develop or purchase, lease or otherwise acquire one or more information systems that the Division determines are necessary or convenient for the exercise of its powers and duties pursuant to this chapter and acquire any consulting, support or other service for such information systems.*

4. Before September 1 of each even-numbered year, the Division shall submit a report of its activities for the biennium ending June 30 of that year to the Governor, State Treasurer and the Legislature. Each such report ~~shall~~ **must** set forth a complete operating and financial statement of the Division during such biennium. The Division shall cause an audit of its books and accounts to be made at least once in each fiscal year by a certified public accountant. The certified public accountant may audit the Division's books and accounts for consecutive audit periods as requested by the Division.

#### **Section 4 of chapter 383, Statutes of Nevada 2003:**

Sec. 4. NRS 319.190 is hereby amended to read as follows:

319.190 1. The Division may make, undertake commitments to make and participate with lending institutions in the making of mortgage loans ~~to~~ **and may** make temporary loans and advances in anticipation of mortgage loans ~~to, and issue letters of credit pursuant to subsection 2)~~ to finance the acquisition, construction or rehabilitation of residential housing, including , **without limitation**, multifamily housing. Any loan made by the Division pursuant to this section must be insured or guaranteed unless it is financed by an issue of obligations of the Division that are insured or secured by surety bonds, letters of credit not issued by the Division, guaranties or other means of assuring repayment of those obligations. Such loans may be made ~~for letters of credit issued~~ only after a determination by the Administrator that mortgage loans ~~for letters of credit~~ are not otherwise

available from private lenders upon reasonable equivalent terms and conditions.

2. The Division may issue a letter of credit *to finance the acquisition, construction or rehabilitation of residential housing, including, without limitation, multifamily housing*, only if ~~{sufficient}~~:

(a) *At the time a letter of credit is issued, the Division has a credit rating within one of the three highest rating categories of a nationally recognized rating agency;*

(b) *Sufficient* reserves in the funds established by the Division are deposited in a separate account to be used to pay any liabilities that may be incurred by issuing the letter of credit ~~{}~~;

(c) The aggregate amount of outstanding letters of credit issued by the Division ~~{must}~~ *and the proposed letter of credit does* not exceed \$5,000,000 ~~{}~~; and

(d) *The Administrator has determined that a letter of credit is not otherwise available from a private lender upon reasonable equivalent terms and conditions.*