

SENATE BILL NO. 222—SENATOR HARDY

MARCH 13, 2009

Referred to Committee on Government Affairs

SUMMARY—Makes various changes to provisions relating to state financial administration. (BDR 31-902)

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 state financial administration; requiring state agencies to advertise for proposals before entering into certain lease-purchase and installment-purchase agreements; making various other changes to provisions relating to lease-purchase and installment-purchase agreements; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes state agencies to enter into lease-purchase and installment-purchase agreements to acquire real property, an interest in real property or an improvement to real property. (NRS 353.500-353.630) **Section 2** of this bill requires a state agency to advertise for proposals before it enters into a lease-purchase or installment-purchase agreement for the purpose of acquiring an existing building that is, or constructing a new building that will be, located on property which is not owned by the State. **Section 3** of this bill specifies the requirements for such an advertisement. **Section 2** also provides that, if a state agency wishes to enter into a lease-purchase or installment-purchase agreement requiring the construction of a building on property which is owned by the State, the agency must contract with a design-build team for the design and construction of the building.

Existing law provides the requirements for lease-purchase and installment-purchase agreements whose terms extend beyond the biennium in which the agreements are executed. Any such agreement must prohibit certificates of participation unless the State Board of Finance waives the prohibition. (NRS 353.550) **Section 5** of this bill provides that if the Board waives the prohibition, the agreement does not have to include: (1) the rate of interest to be paid under the agreement; (2) the dates on which and prices at which the prepayments may be made under the agreement; (3) the amount to be received from the sale of the agreement or interests therein; and (4) the principal amount to be paid under the agreement and the amount of principal to be repaid in any particular year.



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Existing law provides that if a lease-purchase or installment-purchase agreement involves an improvement to property owned by the State, the State Land Registrar may enter into a lease of the property to which the improvement will be made if the lease has a term of 35 years or less and provides for rental payments that approximate the fair market rental of the property before the improvement is made. (NRS 353.600) **Section 8** of this bill exempts any such lease from certain provisions in existing law governing the lease of state land that require certain appraisals and the acceptance of sealed bids followed by oral offers. (NRS 321.007, 321.335, 322.060)

Existing law authorizes the issuance and prescribes the terms of evidence of certain installment-purchase agreements. (NRS 350.091) **Section 18** of this bill provides that certain installment-purchase agreements involving the construction, alteration, repair or remodeling of an improvement need not contain certain details and certain leases thereunder need not comply with certain statutes, but prevailing wage requirements (NRS 338.013-338.090) apply to the construction, alteration, repair or remodeling.

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

Section 1. Chapter 353 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.

Sec. 2. *Before a state agency enters into an agreement:*

1. If, pursuant to the terms of the agreement:

(a) The state agency will acquire an existing building that is located on property which is not owned by the State; or

(b) The state agency will construct a building that will be located on property which is not owned by the State,

↪ the state agency shall advertise for proposals in the manner set forth in section 3 of this act.

2. If, pursuant to the terms of the agreement, the state agency will construct a building that will be located on property which is owned by the State, the state agency shall contract with a design-build team for the design and construction of the building in accordance with NRS 338.1711 to 338.1727, inclusive, regardless of the estimated cost of the building.

Sec. 3. *1. A state agency that is required to advertise for proposals pursuant to section 2 of this act shall advertise for proposals in a newspaper qualified pursuant to chapter 238 of NRS that is published in the county in which the building is or will be located. If no qualified newspaper is published in the county, the required advertisement must be published in a qualified newspaper that is printed in the State of Nevada and has a general circulation in the county.*

2. A request for proposals published pursuant to subsection 1 must include, without limitation:



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1 (a) *A description of the building, including, without limitation,*
2 *its size and location;*

3 (b) *An estimate of the cost of the building;*

4 (c) *If the proposal is for the construction of a building:*

5 (1) *The date on which it is anticipated that the state agency*
6 *will begin construction of the building;*

7 (2) *The date by which proposals must be submitted to the*
8 *state agency; and*

9 (3) *A statement setting forth that the contractor who will*
10 *construct the building must be licensed pursuant to chapter 624 of*
11 *NRS; and*

12 (d) *Any other information that the state agency determines to*
13 *be necessary.*

14 3. *Nothing in this section shall be construed to require a state*
15 *agency to enter into an agreement with any person who submits a*
16 *proposal to the state agency.*

17 **Sec. 4.** NRS 353.500 is hereby amended to read as follows:

18 353.500 As used in NRS 353.500 to 353.630, inclusive, *and*
19 *sections 2 and 3 of this act*, unless the context otherwise requires,
20 the words and terms defined in NRS 353.510 to 353.540, inclusive,
21 have the meanings ascribed to them in those sections.

22 **Sec. 5.** NRS 353.550 is hereby amended to read as follows:

23 353.550 1. A state agency may propose a project to acquire
24 real property, an interest in real property or an improvement to real
25 property through an agreement which has a term, including the
26 terms of any options for renewal, that extends beyond the biennium
27 in which the agreement is executed if the agreement:

28 (a) Provides that all obligations of the State of Nevada and the
29 state agency are extinguished by the failure of the Legislature to
30 appropriate money for the ensuing fiscal year for payments due
31 pursuant to the agreement;

32 (b) Does not encumber any property of the State of Nevada or
33 the state agency except for the property that is the subject of the
34 agreement;

35 (c) Provides that property of the State of Nevada and the state
36 agency, except for the property that is the subject of the agreement,
37 must not be forfeited if:

38 (1) The Legislature fails to appropriate money for payments
39 due pursuant to the agreement; or

40 (2) The State of Nevada or the state agency breaches the
41 agreement;

42 (d) Prohibits certificates of participation in the agreement; and

43 (e) For the biennium in which it is executed, does not require
44 payments that are greater than the amount authorized for such
45 payments pursuant to the applicable budget of the state agency.



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2. The provisions of paragraph (d) of subsection 1 may be waived by the Board, upon the recommendation of the State Treasurer, if the Board determines that waiving those provisions:

(a) Is in the best interests of this State; and

(b) Complies with federal securities laws.

3. Before an agreement proposed pursuant to subsection 1 may become effective:

(a) The proposed project must be approved by the Legislature by concurrent resolution or statute or as part of the budget of the state agency, or by the Interim Finance Committee when the Legislature is not in regular session;

(b) The agency must submit the proposed agreement to the Chief, the State Treasurer and the State Land Registrar for their review and transmittal to the Board;

(c) The Board must approve the proposed agreement; and

(d) The Governor must execute the agreement.

4. If the provisions of paragraph (d) of subsection 1 are waived as provided in subsection 2, the agreement proposed pursuant to subsection 1 and the proposed agreement submitted pursuant to paragraph (b) of subsection 3 and approved pursuant to paragraph (c) of subsection 3 need not contain the following details if the Board, before the execution of the agreement by the Governor pursuant to paragraph (d) of subsection 3, delegates to the State Treasurer or his designee the authority to make a binding agreement, subject to paragraphs (a), (b), (c) and (e) of subsection 1:

(a) The rate of interest to be paid under the agreement;

(b) The dates on which and prices at which the prepayments may be made under the agreement;

(c) The amount to be received from the sale of the agreement or interests therein; and

(d) The principal amount to be paid under the agreement and the amount of principal to be repaid in any particular year.

5. All terms of the agreement other than:

(a) The rate of interest to be paid under the agreement;

(b) The dates and prices for the prepayments of amounts under the agreement;

(c) The amount to be received from the sale of the agreement or interests therein; and

(d) The principal amount to be paid under the agreement and the amount of principal to be repaid in any particular year,

↪ must be approved by the Board before the agreement is executed by the Governor.

6. The final rate of interest, dates and prices of prepayments, price for the sale of the agreement or interests therein, principal



1 *amount and requirements for the principal amounts to be repaid*
2 *in any year are not required to be approved by the Board if each of*
3 *those terms complies with the requirements specified by the Board*
4 *before the agreement is executed by the Governor.*

5 **Sec. 6.** NRS 353.580 is hereby amended to read as follows:

6 353.580 ~~[An]~~ *Except as otherwise provided in sections 2 and*
7 *3 of this act, an* agreement entered into pursuant to NRS 353.500 to
8 353.630, inclusive, *and sections 2 and 3 of this act* is not subject to
9 any requirement of competitive bidding or other restriction imposed
10 on the procedure for the awarding of contracts.

11 **Sec. 7.** NRS 353.590 is hereby amended to read as follows:

12 353.590 If an agreement pursuant to NRS 353.500 to 353.630,
13 inclusive, *and sections 2 and 3 of this act* involves the construction,
14 alteration, repair or remodeling of an improvement:

15 1. Except as otherwise provided in this section, the
16 construction, alteration, repair or remodeling of the improvement
17 may be conducted as specified in the agreement without complying
18 with the provisions of:

19 (a) ~~[Any]~~ *Except as otherwise provided in sections 2 and 3 of*
20 *this act, any* law requiring competitive bidding; or

21 (b) Chapter 341 of NRS.

22 2. The provisions of NRS 338.013 to 338.090, inclusive, apply
23 to the construction, alteration, repair or remodeling of the
24 improvement.

25 3. The provisions of:

26 (a) Subsection 9 of NRS 341.100; and

27 (b) NRS 341.105,

28 ➔ apply to the construction, alteration, repair or remodeling of the
29 improvement.

30 **Sec. 8.** NRS 353.600 is hereby amended to read as follows:

31 353.600 1. Except as otherwise provided in this section, if an
32 agreement pursuant to NRS 353.500 to 353.630, inclusive, *and*
33 *sections 2 and 3 of this act* involves an improvement to property
34 owned by the State of Nevada or the state agency, the State Land
35 Registrar, in consultation with the State Treasurer and in
36 conjunction with the agreement, upon approval of the State Board of
37 Examiners may enter into a lease of the property to which the
38 improvement will be made if the lease:

39 (a) Has a term of 35 years or less; and

40 (b) Provides for rental payments that approximate the fair
41 market rental of the property before the improvement is made, as
42 determined by the State Land Registrar in consultation with the
43 State Treasurer at the time the lease is entered into, which must be
44 paid if the agreement terminates before the expiration of the lease



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1 because the Legislature fails to appropriate money for payments due
2 pursuant to the agreement.

3 2. A lease entered into pursuant to this section may provide for
4 nominal rental payments to be paid pursuant to the lease before the
5 agreement terminates.

6 3. Before the State Land Registrar may enter into a lease
7 pursuant to this section:

8 (a) The State Land Registrar must submit the proposed lease to
9 the Chief and the State Treasurer for their review and transmittal to
10 the Board; and

11 (b) The Board must approve the lease.

12 *4. Any lease of state land under this section is exempt from*
13 *the requirements of NRS 321.007 and 321.335.*

14 **Sec. 9.** NRS 244.2795 is hereby amended to read as follows:

15 244.2795 1. Except as otherwise provided in NRS 244.189,
16 244.276, 244.279, 244.2825, 244.2835, 244.284, 244.287, 244.290,
17 278.479 to 278.4965, inclusive, *350.091* and subsection 3 of NRS
18 496.080, except as otherwise required by federal law, except as
19 otherwise required pursuant to a cooperative agreement entered into
20 pursuant to NRS 277.050 or 277.053 or an interlocal agreement in
21 existence on or before October 1, 2004, except if the board of
22 county commissioners is entering into a joint development
23 agreement for real property owned by the county to which the board
24 of county commissioners is a party, except for a lease of residential
25 property with a term of 1 year or less, except for the sale or lease of
26 real property to a public utility, as defined in NRS 704.020, to be
27 used for a public purpose, except for the sale or lease of real
28 property to the State or another governmental entity and except for
29 the sale or lease of real property larger than 1 acre which is
30 approved by the voters at a primary or general election or special
31 election, the board of county commissioners shall, when offering
32 any real property for sale or lease:

33 (a) Except as otherwise provided in this paragraph, obtain two
34 independent appraisals of the real property before selling or leasing
35 it. If the board of county commissioners holds a public hearing on
36 the matter of the fair market value of the real property, one
37 independent appraisal of the real property is sufficient before selling
38 or leasing it. The appraisal or appraisals, as applicable, must have
39 been prepared not more than 6 months before the date on which the
40 real property is offered for sale or lease.

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



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(c) Verify the qualifications of each 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. 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. 10. NRS 244.281 is hereby amended to read as follows:

244.281 1. Except as otherwise provided in this subsection and NRS 244.189, 244.276, 244.279, 244.2815, 244.2825, 244.2835, 244.284, 244.287, 244.290, 278.479 to 278.4965, inclusive, **350.091** and subsection 3 of NRS 496.080, 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:



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(a) When a board of county commissioners has determined by resolution that the sale or lease of any real property owned by the county will be for purposes other than to establish, align, realign, change, vacate or otherwise adjust any street, alley, avenue or other thoroughfare, or portion thereof, or flood control facility within the county and will be in the best interest of the county, it may:

(1) Sell the property in the manner prescribed for the sale of real property in NRS 244.282.

(2) Lease the property in the manner prescribed for the lease of real property in NRS 244.283.

(b) Before the board of county commissioners may sell or lease any real property as provided in paragraph (a), it shall:

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

(2) 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:

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

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

(III) The places at which the resolution described in paragraph (a) has been posted pursuant to subparagraph (1), 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.

(c) Except as otherwise provided in this paragraph, if the board of county commissioners by its resolution further finds that the property to be sold or leased is worth more than \$1,000, the board shall appoint two or more disinterested, competent real estate appraisers pursuant to NRS 244.2795 to appraise the property. If the board of county commissioners holds a public hearing on the matter of the fair market value of the property, one disinterested, competent appraisal of the property is sufficient before selling or leasing it. Except for property acquired pursuant to NRS 371.047, the board of county commissioners shall not sell or lease it for less than the highest appraised value.

(d) If the property is appraised at \$1,000 or more, the board of county commissioners may:

(1) Lease the property; or

(2) Sell the property either for cash or for not less than 25 percent cash down and upon deferred payments over a period of not



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1 more than 10 years, secured by a mortgage or deed of trust, bearing
2 such interest and upon such further terms as the board of county
3 commissioners may specify.

4 (e) A board of county commissioners may sell or lease any real
5 property owned by the county without complying with the
6 provisions of NRS 244.282 or 244.283 to:

7 (1) A person who owns real property located adjacent to the
8 real property to be sold or leased if the board has determined by
9 resolution that the sale will be in the best interest of the county and
10 the real property is a:

11 (I) Remnant that was separated from its original parcel
12 due to the construction of a street, alley, avenue or other
13 thoroughfare, or portion thereof, flood control facility or other
14 public facility;

15 (II) Parcel that, as a result of its size, is too small to
16 establish an economically viable use by anyone other than the
17 person who owns real property adjacent to the real property for sale
18 or lease; or

19 (III) Parcel which is subject to a deed restriction
20 prohibiting the use of the real property by anyone other than the
21 person who owns real property adjacent to the real property for sale
22 or lease.

23 (2) The State or another governmental entity if:

24 (I) The sale or lease restricts the use of the real property
25 to a public use; and

26 (II) The board adopts a resolution finding that the sale or
27 lease will be in the best interest of the county.

28 (f) A board of county commissioners that disposes of real
29 property pursuant to paragraph (d) is not required to offer to
30 reconvey the real property to the person from whom the real
31 property was received or acquired by donation or dedication.

32 (g) If real property that is offered for sale or lease pursuant to
33 this section is not sold or leased at the initial offering of the contract
34 for the sale or lease of the real property, the board of county
35 commissioners may offer the real property for sale or lease a second
36 time pursuant to this section. If there is a material change relating to
37 the title, zoning or an ordinance governing the use of the real
38 property, the board of county commissioners must obtain a new
39 appraisal of the real property pursuant to the provisions of NRS
40 244.2795 before offering the real property for sale or lease a second
41 time. If real property that is offered for sale or lease pursuant to this
42 section is not sold or leased at the second offering of the contract for
43 the sale or lease of the real property, the board of county
44 commissioners may list the real property for sale or lease at the
45 appraised value with a licensed real estate broker, provided that the



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1 broker or a person related to the broker within the first degree of
2 consanguinity or affinity does not have an interest in the real
3 property or an adjoining property.

4 2. If real property is sold or leased in violation of the
5 provisions of this section:

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

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

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

12 **Sec. 11.** NRS 266.267 is hereby amended to read as follows:

13 266.267 1. A city council shall not enter into a lease of real
14 property owned by the city for a term of 3 years or longer or enter
15 into a contract for the sale of real property until after the property
16 has been appraised pursuant to NRS 268.059. Except as otherwise
17 provided in this section, paragraph (a) of subsection 1 of NRS
18 268.050, **NRS 350.091** and subsection 3 of NRS 496.080:

19 (a) The sale or lease of real property must be made in the
20 manner required pursuant to NRS 268.059, 268.061 and 268.062;
21 and

22 (b) A lease or sale must be made at or above the highest
23 appraised value of the real property as determined pursuant to the
24 appraisal conducted pursuant to NRS 268.059.

25 2. The city council may sell or lease real property for less than
26 its appraised value to any person who maintains or intends to
27 maintain a business within the boundaries of the city which is
28 eligible pursuant to NRS 374.357 for an abatement from the sales
29 and use taxes imposed pursuant to chapter 374 of NRS.

30 **Sec. 12.** NRS 268.059 is hereby amended to read as follows:

31 268.059 1. Except as otherwise provided in NRS 268.048 to
32 268.058, inclusive, 278.479 to 278.4965, inclusive, **350.091** and
33 subsection 3 of NRS 496.080, except as otherwise required by
34 federal law, except as otherwise required pursuant to a cooperative
35 agreement entered into pursuant to NRS 277.050 or 277.053 or an
36 interlocal agreement in existence on October 1, 2004, except if the
37 governing body is entering into a joint development agreement for
38 real property owned by the city to which the governing body is a
39 party, except for a lease of residential property with a term of 1 year
40 or less, except for the sale or lease of real property to a public
41 utility, as defined in NRS 704.020, to be used for a public purpose,
42 except for the sale or lease of real property to the State or another
43 governmental entity and except for the sale or lease of real property
44 larger than 1 acre which is approved by the voters at a primary or
45 general election, primary or general city election or special election,



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1 the governing body shall, when offering any real property for sale or
2 lease:

3 (a) Except as otherwise provided in this paragraph, obtain two
4 independent appraisals of the real property before selling or leasing
5 it. If the governing body holds a public hearing on the matter of the
6 fair market value of the real property, one independent appraisal of
7 the real property is sufficient before selling or leasing it. The
8 appraisal or appraisals, as applicable, must be based on the zoning
9 of the real property as set forth in the master plan for the city and
10 must have been prepared not more than 6 months before the date on
11 which real property is offered for sale or lease.

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

15 (c) Verify the qualifications of each appraiser selected pursuant
16 to paragraph (b). The determination of the governing body as to the
17 qualifications of the appraiser is conclusive.

18 2. The governing body shall adopt by ordinance the procedures
19 for creating or amending a list of appraisers qualified to conduct
20 appraisals of real property offered for sale or lease by the governing
21 body. The list must:

22 (a) Contain the names of all persons qualified to act as a general
23 appraiser in the same county as the real property that may be
24 appraised; and

25 (b) Be organized at random and rotated from time to time.

26 3. An appraiser chosen pursuant to subsection 1 must provide a
27 disclosure statement which includes, without limitation, all sources
28 of income of the appraiser that may constitute a conflict of interest
29 and any relationship of the appraiser with the property owner or the
30 owner of an adjoining property.

31 4. An appraiser shall not perform an appraisal on any real
32 property offered for sale or lease by the governing body if the
33 appraiser or a person related to the appraiser within the first degree
34 of consanguinity or affinity has an interest in the real property or an
35 adjoining property.

36 5. If real property is sold or leased in violation of the
37 provisions of this section:

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

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

42 **Sec. 13.** NRS 268.061 is hereby amended to read as follows:

43 268.061 1. Except as otherwise provided in this subsection
44 and NRS 268.048 to 268.058, inclusive, 268.063, 278.479 to
45 278.4965, inclusive, **350.091** and subsection 3 of NRS 496.080,



1 except as otherwise provided by federal law, except as otherwise
2 required pursuant to a cooperative agreement entered into pursuant
3 to NRS 277.050 or 277.053 or an interlocal agreement in existence
4 on October 1, 2004, except if the governing body is entering into a
5 joint development agreement for real property owned by the city to
6 which the governing body is a party, except for a lease of residential
7 property with a term of 1 year or less, except for the sale or lease of
8 real property to a public utility, as defined in NRS 704.020, to be
9 used for a public purpose and except for the sale or lease of real
10 property larger than 1 acre which is approved by the voters at a
11 primary or general election, primary or general city election or
12 special election:

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

18 (b) Before the governing body may sell or lease any real
19 property as provided in paragraph (a), it shall:

20 (1) Post copies of the resolution described in paragraph (a) in
21 three public places in the city; and

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

26 (I) A description of the real property proposed to be sold
27 or leased in such a manner as to identify it;

28 (II) The minimum price, if applicable, of the real property
29 proposed to be sold or leased; and

30 (III) The places at which the resolution described in
31 paragraph (a) has been posted pursuant to subparagraph (1), and any
32 other places at which copies of that resolution may be obtained.

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

37 (c) If the governing body by its resolution finds additionally that
38 the real property to be sold is worth more than \$1,000, the
39 governing body shall, as applicable, conduct an appraisal or
40 appraisals pursuant to NRS 268.059 to determine the value of the
41 real property. Except for real property acquired pursuant to NRS
42 371.047, the governing body shall not sell or lease it for less than
43 the highest appraised value.

44 (d) If the real property is appraised at \$1,000 or more, the
45 governing body may:



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(1) Lease the real property; or

(2) Sell the real property for:

(I) Cash; or

(II) 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.

(e) 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:

(1) 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 the sale or lease will be in the best interest of the city and 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.

(2) The State or another governmental entity if:

(I) The sale or lease restricts the use of the real property to a public use; and

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

(f) A governing body that disposes of real property pursuant to paragraph (e) 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.

(g) 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 governing body 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 governing body must obtain a new appraisal of the real property pursuant to the provisions of NRS 268.059 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



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1 offering of the contract for the sale or lease of the real property, the
2 governing body may list the real property for sale or lease at
3 the appraised value with a licensed real estate broker, provided that
4 the broker or a person related to the broker within the first degree of
5 consanguinity or affinity does not have an interest in the real
6 property or an adjoining property.

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

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

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

13 **Sec. 14.** NRS 268.062 is hereby amended to read as follows:

14 268.062 1. Except as otherwise provided in this section and
15 NRS 268.048 to 268.058, inclusive, 268.063, 278.479 to 278.4965,
16 inclusive, **350.091** and subsection 3 of NRS 496.080, except as
17 otherwise required by federal law, except as otherwise required
18 pursuant to a cooperative agreement entered into pursuant to NRS
19 277.050 or 277.053 or an interlocal agreement in existence on
20 October 1, 2004, except if the governing body is entering into a joint
21 development agreement for real property owned by the city to which
22 the governing body is a party, except for a lease of residential
23 property with a term of 1 year or less, except for the sale or lease of
24 real property to a public utility, as defined in NRS 704.020, to be
25 used for a public purpose and except for the sale or lease of real
26 property larger than 1 acre which is approved by the voters at a
27 primary or general election, the governing body shall, in open
28 meeting by a majority vote of the members and before ordering the
29 sale or lease at auction of any real property, adopt a resolution
30 declaring its intention to sell or lease the property at auction. The
31 resolution must:

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

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

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

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

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

43 (b) Causing to be published at least once a week for 3 successive
44 weeks before the meeting, in a newspaper qualified under chapter



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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 at auction in such a manner as to identify it;

(2) The minimum price of the real property proposed to be sold or leased at 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 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



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1 be refunded whenever the person making the deposit is not the
2 successful bidder. The costs of acting upon the application,
3 including the costs of publication and the expenses of appraisal,
4 must be borne by the successful bidder.

5 9. If real property is sold or leased in violation of the
6 provisions of this section:

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

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

11 **Sec. 15.** NRS 321.007 is hereby amended to read as follows:

12 321.007 1. Except as otherwise provided in subsection 5,
13 NRS 322.063, 322.065 , ~~for~~ 322.075 ~~H~~ or 353.600, except as
14 otherwise required by federal law, except for land that is sold or
15 leased to a public utility, as defined in NRS 704.020, to be used for
16 a public purpose, except for land that is sold or leased to a state or
17 local governmental entity, except for a lease which is part of a
18 contract entered into pursuant to chapter 333 of NRS and except for
19 land that is sold or leased pursuant to an agreement entered into
20 pursuant to NRS 277.080 to 277.170, inclusive, when offering any
21 land for sale or lease, the State Land Registrar shall:

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

29 (b) Notwithstanding the provisions of chapter 333 of NRS,
30 select the one independent appraiser or two independent appraisers,
31 as applicable, from the list of appraisers established pursuant to
32 subsection 2.

33 (c) Verify the qualifications of each appraiser selected pursuant
34 to paragraph (b). The determination of the State Land Registrar as to
35 the qualifications of an appraiser is conclusive.

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

40 (a) Contain the names of all persons qualified to act as a general
41 appraiser in the same county as the land that may be appraised; and

42 (b) Be organized at random and rotated from time to time.

43 3. An appraiser chosen pursuant to subsection 1 must provide a
44 disclosure statement which includes, without limitation, all sources
45 of income of the appraiser that may constitute a conflict of interest



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1 and any relationship of the appraiser with the owner of the land or
2 the owner of an adjoining property.

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

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

13 6. If land is sold or leased in violation of the provisions of this
14 section:

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

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

19 **Sec. 16.** NRS 321.335 is hereby amended to read as follows:

20 321.335 1. Except as otherwise provided in NRS 321.125,
21 322.063, 322.065, ~~322.075~~ ~~or 353.600~~, except as otherwise
22 required by federal law, except for land that is sold or leased to a
23 public utility, as defined in NRS 704.020, to be used for a public
24 purpose, except for land that is sold or leased to a state or local
25 governmental entity, except for a lease which is part of a contract
26 entered into pursuant to chapter 333 of NRS and except for an
27 agreement entered into pursuant to the provisions of NRS 277.080
28 to 277.170, inclusive, or a lease of residential property with a term
29 of 1 year or less, after April 1, 1957, all sales or leases of any lands
30 that the Division is required to hold pursuant to NRS 321.001,
31 including lands subject to contracts of sale that have been forfeited,
32 are governed by the provisions of this section.

33 2. Whenever the State Land Registrar deems it to be in the best
34 interests of the State of Nevada that any lands owned by the State
35 and not used or set apart for public purposes be sold or leased, he
36 may, with the approval of the State Board of Examiners and the
37 Interim Finance Committee, cause those lands to be sold or leased
38 upon sealed bids, or oral offer after the opening of sealed bids for
39 cash or pursuant to a contract of sale or lease, at a price not less than
40 the highest appraised value for the lands plus the costs of appraisal
41 and publication of notice of sale or lease.

42 3. Before offering any land for sale or lease, the State Land
43 Registrar shall comply with the provisions of NRS 321.007.

44 4. After complying with the provisions of NRS 321.007, the
45 State Land Registrar shall cause a notice of sale or lease to be



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

5. The notice must contain:

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

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

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

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

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

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

(a) Contrary to the public interest.

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

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

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

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



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

10. The State Land Registrar may require any person requesting that state land 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 State Land Registrar 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.

11. If land 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 land, the State Land Registrar may offer the land 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 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. 17. NRS 322.060 is hereby amended to read as follows:

322.060 ~~[Subject]~~ *Except as otherwise provided in NRS 353.600, subject* to the provisions of NRS 321.335, leases or easements authorized pursuant to the provisions of NRS 322.050, and not made for the purpose of extracting oil, coal or gas or the utilization of geothermal resources from the lands leased, must be:

1. For such areas as may be required to accomplish the purpose for which the land is leased or the easement granted.

2. Except as otherwise provided in NRS 322.063, 322.065 and 322.067, for such term and consideration as the Administrator of the Division of State Lands of the State Department of Conservation and Natural Resources, as ex officio State Land Registrar, may determine reasonable based upon the fair market value of the land.



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3. Executed upon a form to be prepared by the Attorney General. The form must contain all of the covenants and agreements usual or necessary to such leases or easements.

Sec. 18. NRS 350.091 is hereby amended to read as follows:

350.091 1. Whenever the governing body of any local government is authorized to enter into a medium-term obligation or installment-purchase agreement as provided in NRS 280.266 or 350.089 that is intended to finance a capital project, the governing body shall update its plan for capital improvement in the same manner as is required for general obligation debt pursuant to NRS 350.013.

2. Whenever the governing body of any local government is authorized to enter into a medium-term obligation as provided in NRS 350.089, the governing body may issue, as evidence thereof, negotiable notes or medium-term negotiable bonds that, except as otherwise provided in subsection 5 of NRS 496.155:

(a) Must mature not later than 10 years after the date of issuance;

(b) Must bear interest at a rate or rates which do not exceed by more than 3 percent the Index of Twenty Bonds which was most recently published before the bids are received or a negotiated offer is accepted; and

(c) May, at the option of the local government, contain a provision which allows redemption of the notes or bonds before maturity, upon such terms as the governing body determines.

3. Whenever the governing body of any local government is authorized to enter into an installment-purchase agreement as provided in NRS 280.266 or 350.089, the governing body may issue, as evidence thereof, an installment-purchase agreement, lease or other evidence of a transaction described in NRS 350.800. An installment-purchase agreement, lease or other evidence of a transaction described in NRS 350.800 issued pursuant to this subsection:

(a) Must have a term that is 30 years or less;

(b) Must bear interest at a rate or rates that do not exceed by more than 3 percent the Index of Revenue Bonds which was most recently published before the local government enters into the installment-purchase agreement; and

(c) May, at the option of the local government, contain a provision that allows prepayment of the purchase price upon such terms as are provided in the agreement.

4. *A proposed installment-purchase agreement approved by the governing body need not contain the following details if the governing body, before the execution of the installment-purchase agreement, delegates to its chief administrative officer or*



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1 *chief financial officer, or both, the authority to make a binding*
2 *agreement, subject to paragraph (a) of subsection 1 of*
3 *NRS 350.800:*

4 *(a) The rate of interest to be paid under the installment-*
5 *purchase agreement;*

6 *(b) The dates on which and the prices at which the*
7 *prepayments may be made under the installment-purchase*
8 *agreement;*

9 *(c) The amount to be received from the sale of the installment-*
10 *purchase agreement or interests therein; and*

11 *(d) The principal amount to be paid under the installment-*
12 *purchase agreement and the amount of principal to be repaid in*
13 *any particular year.*

14 *5. All terms of the installment-purchase agreement other*
15 *than:*

16 *(a) The rate of interest;*

17 *(b) The dates and prices for the prepayments of amounts under*
18 *the installment-purchase agreement;*

19 *(c) The amount to be received from the sale of the installment-*
20 *purchase agreement or interests therein; and*

21 *(d) The principal amount to be paid under the installment-*
22 *purchase agreement and the amount of principal to be repaid in*
23 *any particular year,*

24 *↪ must be approved by the governing body before the installment-*
25 *purchase agreement is executed.*

26 *6. If an installment-purchase agreement involves a lease for a*
27 *term of 35 years or less of land of the municipality on which*
28 *improvements are to be located which will be, in whole or in part,*
29 *the subject of the installment-purchase agreement, then no*
30 *provisions of law, including, without limitation, NRS 244.2795,*
31 *244.281, 244.282, 244.283, 266.267, 268.059, 268.061 or 268.062,*
32 *that require an appraisal or public bidding before entering into or*
33 *executing that lease apply to the lease entered into under this*
34 *subsection.*

35 *7. If an installment-purchase agreement pursuant to this*
36 *section involves the construction, alteration, repair or remodeling*
37 *of an improvement, the provisions of NRS 338.013 to 338.090,*
38 *inclusive, apply to the construction, alteration, repair or*
39 *remodeling of the improvement.*

40 *8. If the term of the medium-term obligation or installment-*
41 *purchase agreement is more than 5 years, the weighted average term*
42 *of the medium-term obligation or installment-purchase agreement*
43 *may not exceed the estimated weighted average useful life of the*
44 *assets being financed with the medium-term obligation or*
45 *installment-purchase agreement.*



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- 1 ~~[5.]~~ For the purposes of *this* subsection , ~~[4.]~~ the Committee on
2 Local Government Finance may adopt regulations that provide
3 guidelines for the useful life of various types of assets and for
4 calculation of the weighted average useful life of assets.
5 **Sec. 19.** This act becomes effective on July 1, 2009.

