THE SEVENTY-NINTH DAY

CARSON CITY (Tuesday), April 21, 2009

Assembly called to order at 10:59 a.m.

Madam Speaker presiding.

Roll called.

All present except Assemblywoman Parnell, who was excused.

Prayer by the Chaplain, Pastor Monte Fast.

An hour before the gavel brings this legislative body to action, this room begins to come to life. Armloads of printed material begin the process. Every detail is attended to. Chairs are straightened. Wilted flowers are carried out. Fresh floral displays are carefully positioned at their intended desks. Guests are escorted to their hosts' desks. The balcony fills and empties as school children see for the first time the place that certainly will affect their lives. Yesterday, with the earlier convening, people were literally trotting up and down the aisles, each with assigned tasks that would make the work of the elected Assemblypersons efficient.

Then the Front Desk crew began to do their tasks. Much care is given to the exact order in which the day will unfold. Numbers change and the Speaker's desk is organized several times. Computers are programmed and rehearsed. The Clerk of this Assembly reviews everything four or five times. Then members of the Assembly begin to ask for the final reorganization of the day.

Finally, the time deadline met, the room is alive, waiting for the actions which will occur and the gavel bangs three times.

It is appropriate to be appreciative of this awakening hour of the work by a dedicated and talented staff.

AMEN.

Pledge of allegiance to the Flag.

Assemblyman Conklin moved that further reading of the Journal be dispensed with, and the Speaker and Chief Clerk be authorized to make the necessary corrections and additions.

Motion carried.

REPORTS OF COMMITTEES

Madam Speaker:

Your Committee on Government Affairs, to which was referred Assembly Bills Nos. 220, 451, 467, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

Also, your Committee on Government Affairs, to which was rereferred Assembly Bill No. 60, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

MARILYN K. KIRKPATRICK, Chair

MOTIONS, RESOLUTIONS AND NOTICES

Assemblyman Oceguera moved that Assembly Bills Nos. 60, 220, 451, 467, just reported out of committee, be placed on the appropriate reading file. Motion carried.

Assemblyman Oceguera moved that the reading of the histories on all bills and resolutions be dispensed with for this legislative day.

Motion carried.

NOTICE OF EXEMPTION

April 20, 2009

The Fiscal Analysis Division, pursuant to Joint Standing Rule 14.6, has determined the exemption of: Senate Bill No. 381.

GARY GHIGGERI
Fiscal Analysis Division

NOTICE OF WAIVER

A Waiver requested by Assemblywoman Buckley.

For: Assembly Joint Resolution No. 1.

To Waive:

Subsection 1 of Joint Standing Rule No. 14.3 (out of final committee of house of origin by 68th day).

Subsection 2 of Joint Standing Rule No. 14.3 (out of house of origin by 79th day).

Subsection 3 of Joint Standing Rule No. 14.3 (out of final committee of 2nd house by 103rd day).

Subsection 4 of Joint Standing Rule No. 14.3 (out of 2nd house by 110th day).

Has been granted effective: Friday, April 17, 2009.

STEVEN A. HORSFORD Senate Majority Leader BARBARA BUCKLEY
Speaker of the Assembly

A Waiver requested by Senator Horsford.

For: Senate Joint Resolution No. 3 of the 74th Session.

To Waive:

Subsection 1 of Joint Standing Rule No. 14.3 (out of final committee of house of origin by 68th day).

Subsection 2 of Joint Standing Rule No. 14.3 (out of house of origin by 79th day).

Subsection 3 of Joint Standing Rule No. 14.3 (out of final committee of 2nd house by 103rd day).

Subsection 4 of Joint Standing Rule No. 14.3 (out of 2nd house by 110th day). Has been granted effective: Friday, April 17, 2009.

STEVEN A. HORSFORD Senate Majority Leader

BARBARA BUCKLEY

Speaker of the Assembly

MESSAGES FROM THE SENATE

SENATE CHAMBER, Carson City, April 20, 2009

To the Honorable the Assembly:

I have the honor to inform your honorable body that the Senate on this day passed, as amended, Senate Bills Nos. 6, 8, 47, 72, 89, 103, 127, 151, 195, 227, 243, 245, 251, 265, 268, 293, 295, 319, 332, 335, 350, 351, 355, 376, 379, 396.

SHERRY L. RODRIGUEZ
Assistant Secretary of the Senate

INTRODUCTION, FIRST READING AND REFERENCE

Senate Bill No. 6.

Assemblyman Oceguera moved that the bill be referred to the Committee on Commerce and Labor.

Senate Bill No. 8.

Assemblyman Oceguera moved that the bill be referred to the Committee on Commerce and Labor.

Motion carried.

Senate Bill No. 47.

Assemblyman Oceguera moved that the bill be referred to the Committee on Government Affairs.

Motion carried.

Senate Bill No. 72.

Assemblyman Oceguera moved that the bill be referred to the Committee on Commerce and Labor.

Motion carried.

Senate Bill No. 89.

Assemblyman Oceguera moved that the bill be referred to the Committee on Commerce and Labor.

Motion carried.

Senate Bill No. 103.

Assemblyman Oceguera moved that the bill be referred to the Committee on Government Affairs.

Motion carried.

Senate Bill No. 127.

Assemblyman Oceguera moved that the bill be referred to the Committee on Commerce and Labor.

Motion carried.

Senate Bill No. 151.

Assemblyman Oceguera moved that the bill be referred to the Committee on Commerce and Labor.

Motion carried.

Senate Bill No. 195.

Assemblyman Oceguera moved that the bill be referred to the Committee on Commerce and Labor.

Motion carried.

Senate Bill No. 227.

Assemblyman Oceguera moved that the bill be referred to the Committee on Commerce and Labor.

Motion carried.

Senate Bill No. 243.

Assemblyman Oceguera moved that the bill be referred to the Committee on Transportation.

Senate Bill No. 245.

Assemblyman Oceguera moved that the bill be referred to the Committee on Transportation.

Motion carried.

Senate Bill No. 251.

Assemblyman Oceguera moved that the bill be referred to the Committee on Transportation.

Motion carried.

Senate Bill No. 265.

Assemblyman Oceguera moved that the bill be referred to the Committee on Commerce and Labor.

Motion carried.

Senate Bill No. 268.

Assemblyman Oceguera moved that the bill be referred to the Committee on Commerce and Labor.

Motion carried.

Senate Bill No. 293.

Assemblyman Oceguera moved that the bill be referred to the Committee on Health and Human Services.

Motion carried.

Senate Bill No. 295.

Assemblyman Oceguera moved that the bill be referred to the Committee on Commerce and Labor.

Motion carried.

Senate Bill No. 319.

Assemblyman Oceguera moved that the bill be referred to the Committee on Health and Human Services.

Motion carried.

Senate Bill No. 332.

Assemblyman Oceguera moved that the bill be referred to the Committee on Transportation.

Motion carried.

Senate Bill No. 335.

Assemblyman Oceguera moved that the bill be referred to the Committee on Commerce and Labor.

Motion carried.

Senate Bill No. 350.

Assemblyman Oceguera moved that the bill be referred to the Committee on Judiciary.

Senate Bill No. 351.

Assemblyman Oceguera moved that the bill be referred to the Committee on Judiciary.

Motion carried.

Senate Bill No. 355.

Assemblyman Oceguera moved that the bill be referred to the Committee on Commerce and Labor.

Motion carried.

Senate Bill No. 376.

Assemblyman Oceguera moved that the bill be referred to the Committee on Government Affairs.

Motion carried.

Senate Bill No. 379.

Assemblyman Oceguera moved that the bill be referred to the Committee on Education.

Motion carried.

Senate Bill No. 396.

Assemblyman Oceguera moved that the bill be referred to the Committee on Government Affairs.

Motion carried.

MOTIONS, RESOLUTIONS AND NOTICES

Assemblyman Oceguera moved that Assembly Bill No. 162 be taken from its position on the General File and placed at the top of the General File.

Motion carried.

Assemblyman Atkinson moved that Assembly Bill No. 297 be taken from the Chief Clerk's desk and placed on the General File.

Motion carried.

Assemblyman Anderson moved that Assembly Bill No. 471 be taken from the Chief Clerk's desk and placed on the Second Reading File.

Motion carried.

Assemblywoman Kirkpatrick moved that Assembly Bill No. 483 be taken from the Chief Clerk's desk and placed on the General File.

Motion carried.

Assemblywoman Koivisto moved that Assembly Bill No. 413 be taken from the Chief Clerk's desk and placed on the General File.

Motion carried.

GENERAL FILE AND THIRD READING

Assembly Bill No. 162.

Bill read third time.

Remarks by Assemblymen Ohrenschall, Settelmeyer, and Leslie.

Assemblyman Oceguera requested that the following remarks be entered in the Journal.

ASSEMBLYMAN OHRENSCHALL:

Thank you very much, Madam Speaker. Today autism has a voice. It is your voice, right here in this Chamber. Assembly Bill 162 requires health insurance plans to provide coverage for autism. Autism spectrum disorders affect 1 in 150 children. Early detection and treatment allow children the chance to lead normal lives. This bill alleviates the financial ruin that can befall families struggling to raise their children diagnosed with autism. By bringing more applied behavior analysis treatment to our state, this will lower the cost of treatment and encourage early intervention. The state will save the costs of future institutional care if these children receive the treatment that they need.

This bill represents a consensus between dedicated parents fighting for their kids' future and representatives of the insurance industry, who have all worked hard and agreed to the compromise that this bill, in its amended form, represents. Children with autism have substantial medical needs, and families have had to struggle to get the applied behavior analysis treatment that has been proven, time and time again, to make such a difference in their lives. I ask for your support on this bipartisan measure. It is not often that divergent interests can speak with one voice. Today autism speaks and it's our voice, here in this Chamber. Thank you, Madam Speaker.

ASSEMBLYMAN SETTELMEYER:

Thank you, Madam Speaker. In committee there was a lot of compelling testimony, and I agree and do believe we need to do something to help out the people whose children have autism. I disagreed with the amendment, though. I felt that the state should not be treating its employees any differently. Their children with autism count, as well, and I objected. I voted "no" in committee based on that. The state has a responsibility to its employees. We should be taking care of them. We should be helping out their children who have autism. For that reason, I voted "no" but I will be voting "yes" on the bill today.

ASSEMBLYWOMAN LESLIE:

Thank you, Madam Speaker. I rise in support of this bill. I think the question is whether, if we cannot help all of the kids, we should help some of the kids. The bill that you have before you today helps more than a few children. It's the start. We need to cover autism for the state employees' children, for our residents who are on Medicaid. Every child should have access to this treatment, which is absolutely necessary to ensure the quality of their lives and their families' lives. So even though we can't cover everybody, I urge your support of this bill because it is covering a lot of somebodies today. Thank you.

Roll call on Assembly Bill No. 162:

YEAS—39.

NAYS—Goedhart, Gustavson—2.

EXCUSED—Parnell.

Assembly Bill No. 162 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 22.

Bill read third time.

Roll call on Assembly Bill No. 22:

YEAS—41.

NAYS-None.

EXCUSED-Parnell.

Assembly Bill No. 22 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 24.

Bill read third time.

Roll call on Assembly Bill No. 24:

YEAS—27.

NAYS—Carpenter, Christensen, Cobb, Gansert, Goedhart, Goicoechea, Grady, Gustavson, Hambrick, Hardy, McArthur, Settelmeyer, Stewart, Woodbury—14.

EXCUSED—Parnell.

Assembly Bill No. 24 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 54.

Bill read third time.

Remarks by Assemblyman Bobzien.

Roll call on Assembly Bill No. 54:

YEAS-38.

NAYS-Cobb. Goedhart, McArthur-3.

EXCUSED—Parnell.

Assembly Bill No. 54 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 119.

Bill read third time.

Remarks by Assemblymen Leslie, Settelmeyer, and Bobzien.

Assemblyman Oceguera requested that the following remarks be entered in the Journal.

ASSEMBLYWOMAN LESLIE:

Thank you, Madam Speaker. This bill incorporates into statute the language of Washoe County Question 3 relating to balancing land use plans for the identified sustainable water resources. Question 3 was passed by the voters of Washoe County at the 2008 General Election and requires the amendment of the regional plan adopted by the Truckee Meadows Regional Planning Agency. The bill also clarifies that the authority and duties of the state engineer are not affected.

As the floor statement says, WC3 was approved by the voters at the last election with a vote of 73 percent in favor. A lot of voters approached me saying they really wanted to have the question codified into state law to be sure that in the future as local elected officials come and go, there is absolutely no confusion about the role of the voters to balance water and sustainable development in Washoe County. I urge your support.

ASSEMBLYMAN SETTELMEYER:

Thank you, Madam Speaker. I rise in opposition of Assembly Bill 119. It is my feeling that this should have been done in an open meeting process inside Washoe County and then brought to us to codify. I feel it is wrong not to have an open meeting process because we really don't know the vote of the people, and it may be substantially different than what was voted on. I urge you to vote no.

ASSEMBLYMAN BOBZIEN:

Thank you, Madam Speaker. I rise in support of Assembly Bill 119. I think it is important to note with this legislation that a lot of hard work was put in working with the experts in planning and all of the local governments that are involved, and I think through that process this bill is an acceptable articulation of what the voters supported, as my colleague from Reno mentioned earlier. I do think this is a good way to go, thank you.

ASSEMBLYWOMAN LESLIE:

Thank you, Madam Speaker, for a second time. I just wanted you to know, for the record, that the City of Reno, City of Sparks, Washoe County, and the Truckee Meadows Regional Planning Agency all support the bill, thank you.

Roll call on Assembly Bill No. 119:

YEAS—27.

NAYS—Carpenter, Christensen, Cobb, Gansert, Goedhart, Goicoechea, Grady, Gustavson, Hambrick, Hardy, McArthur, Settelmeyer, Stewart, Woodbury—14.

EXCUSED—Parnell.

Assembly Bill No. 119 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

MOTIONS. RESOLUTIONS AND NOTICES

Assemblywoman Smith moved that Assembly Bill No. 223 be taken from its position on the General File and placed at the bottom of the General File.

Motion carried.

Assemblywoman Koivisto moved that Assembly Bill No. 256 be taken from the General File and placed on the Chief Clerk's desk.

Motion carried.

GENERAL FILE AND THIRD READING

Assembly Bill No. 236.

Bill read third time.

Remarks by Assemblyman Grady.

Roll call on Assembly Bill No. 236:

YEAS—33.

NAYS—Christensen, Cobb, Gansert, Goedhart, Gustavson, Hambrick, McArthur, Stewart—8. EXCUSED—Parnell.

Assembly Bill No. 236 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 320.

Bill read third time.

Roll call on Assembly Bill No. 320:

YEAS—41.

NAYS-None.

EXCUSED-Parnell.

Assembly Bill No. 320 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 333.

Bill read third time.

Remarks by Assemblyman Denis.

Roll call on Assembly Bill No. 333:

YEAS—41.

NAYS-None.

EXCUSED—Parnell.

Assembly Bill No. 333 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

MOTIONS, RESOLUTIONS AND NOTICES

Assemblyman Conklin moved that Assembly Bill No. 355 be taken from the General File and rereferred to the Committee on Ways and Means.

Motion carried.

GENERAL FILE AND THIRD READING

Assembly Bill No. 360.

Bill read third time.

Remarks by Assemblyman Goicoechea.

Roll call on Assembly Bill No. 360:

YEAS—40.

NAYS—Carpenter.

EXCUSED—Parnell.

Assembly Bill No. 360 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 370.

Bill read third time.

Remarks by Assemblyman Carpenter.

Roll call on Assembly Bill No. 370:

YEAS—41.

NAYS-None.

EXCUSED—Parnell.

Assembly Bill No. 370 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

MOTIONS, RESOLUTIONS AND NOTICES

Assemblywoman Kirkpatrick moved that Assembly Bill No. 395 be taken from the General File and rereferred to the Committee on Ways and Means.

Motion carried.

Assemblywoman Kirkpatrick moved that Assembly Bill No. 442 be taken from its position on the General File and placed at the bottom of the General File.

GENERAL FILE AND THIRD READING

Assembly Bill No. 496.

Bill read third time.

Remarks by Assemblyman Anderson.

Roll call on Assembly Bill No. 496:

YEAS—41.

NAYS—None.

EXCUSED—Parnell.

Assembly Bill No. 496 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 500.

Bill read third time.

Remarks by Assemblymen McArthur and Anderson.

Madam Speaker requested the privilege of the Chair for the purpose of making remarks.

MOTIONS, RESOLUTIONS AND NOTICES

Assemblyman Anderson moved that Assembly Bill No. 500 be taken from the General File and placed on the Chief Clerk's desk.

Motion carried.

Assemblyman Oceguera moved that Senate Bills Nos. 65 and 109; Senate Joint Resolution No. 9 of the 74th Session be taken from the General File and placed on the General File for the next legislative day.

Motion carried.

Assemblywoman Kirkpatrick moved that Assembly Bill No. 87 be taken from the Chief Clerk's desk and placed on the General File.

Motion carried.

Assemblywoman McClain moved that Assembly Bill No. 267 be taken from the Chief Clerk's desk and placed on the General File.

Motion carried.

Assemblyman Arberry moved that Assembly Bill No. 283 be taken from the Chief Clerk's desk and rereferred to the Committee on Ways and Means.

Motion carried.

Assemblyman Arberry moved that Assembly Bill No. 385 be taken from the Chief Clerk's desk and rereferred to the Committee on Ways and Means.

Motion carried.

Assemblywoman Kirkpatrick moved that Assembly Bill No. 397 be taken from the Chief Clerk's desk and placed on the General File.

GENERAL FILE AND THIRD READING

Assembly Bill No. 297.

Bill read third time.

Remarks by Assemblywoman Dondero Loop.

Potential conflict of interest by Assemblyman Manendo.

Roll call on Assembly Bill No. 297:

YEAS—31.

NAYS—Carpenter, Christensen, Goedhart, Goicoechea, Grady, Koivisto, Leslie, McClain, Settelmeyer, Woodbury—10.

EXCUSED—Parnell.

Assembly Bill No. 297 having received a constitutional majority, Madam Speaker declared it passed.

Bill ordered transmitted to the Senate.

Assembly Bill No. 413.

Bill read third time.

Remarks by Assemblymen Claborn, Cobb, Carpenter, Anderson, Gansert and Pierce.

Assemblyman Oceguera requested that the following remarks be entered in the Journal.

ASSEMBLYMAN CLABORN:

Thank you, Madam Speaker. Assembly Bill 413 guarantees that the presidential candidate receiving the most votes in all of the 50 states will be elected. With the adoption of this piece of legislation, Nevada can join a nationwide movement supporting a direct national popular vote for the presidency. Legislation identical to this bill has passed in 26 legislative chambers across the country in 16 states. On Wednesday night, this exact bill was approved by the Washington State House and is headed to the governor. The President is the only office in the United States in which a candidate can receive the most votes and still lose. Making the change to a direct national popular vote is long overdue, and there is overwhelming support by the public. This has been confirmed by many polls. The Gallup organization has been polling about a national popular vote for more than 60 years and found that it is routinely supported by 70 percent or more. A statewide poll in December showed 72 percent support in Nevada alone. Simply put, the public believes that the candidate with the most votes should win the election. This legislation makes that a dream come true, and I urge your support on this very important bill.

ASSEMBLYMAN COBB:

Thank you, Madam Speaker. I rise in opposition to Assembly Bill 413. The testimony we heard in opposition on this bill was that generally the states that want to be opposed to this type of a measure are small states, swing states, and legislators that do not want to disenfranchise their constituents. In my opinion, Nevada meets all three of those tests. I think that we should not be ceding our right to vote for a particular presidential candidate to other states who decide for us, especially if our constituents go against that will. I think we should continue to allow our constituents to pick who our presidential candidates should be. Therefore, I will be voting against the bill. Thank you.

ASSEMBLYMAN CARPENTER:

Thank you, Madam Speaker. I must rise in opposition to Assembly Bill 413. If this measure passes some day—and hopefully it won't—there is no use for states like Nevada to even vote, because New York, Florida, Texas, and California are going to elect the President of the United States. I think the system that we have now that was put in by our Founding Fathers has checks and balances that we should retain. Thank you.

ASSEMBLYMAN ANDERSON:

Thank you, Madam Speaker. I rise in support of the legislation. I am always troubled by the Electoral College, and while I am not particularly happy by this particular way of solving it, I do believe it brings focus to the issue. The very first Founding Fathers dealt with this very problem in the election of the second President of the United States, John Adams, who ran against Thomas Jefferson. We ended up with the very delicate nature of the President being from one political point of view and a Vice President from a different point of view. Now, there may be others who say that continues on to this very day, in terms of their political points of view, but because of the Jefferson-Adams election, we ended up with an amendment to the *Constitution* so that we would not have that problem again.

The selection of the Electoral College—this select group of people, who were never supposed to meet together because no one would trust them—left us with this very delicate balance. We saw it again at the end of the American Civil War with the Hayes-Tilden election. As a result, we had the removal of military troops from the South and the end of Reconstruction and other problems, because of Oregon, a western state, a small state, whose electoral votes were in the balance. Of course, we saw it most recently in the Gore-Bush election where the Supreme Court of the United States overstepped its bounds in terms of making the determination of how ballots were going to be counted, not the House of Representatives as it was laid out.

This is a flawed system. The Electoral College is not working and has not worked for some time. I think this is an important piece of legislation that must go forward because we must send a clear message to Congress to fix it so the public can be heard. We are no longer riding around on horses. It is time for us to get into the electronic age and allow the people to vote for the President of the United States.

ASSEMBLYWOMAN GANSERT:

I rise in opposition to Assembly Bill 413. Simply put, I want my vote to count. We are in a very small state, here in Nevada, and I believe what the Assemblyman from Elko said is true. California, Texas, Florida, and so forth will be choosing the President for us. I understand the point the Assemblyman from Sparks made, but I think now that we have the President and the Vice President running together, we don't have the conflict as we did way back when. I think it is very important that all our voices be heard, and I think this last election proved that our votes were important because we had so many visits from the different candidates from both parties. I appreciated their coming to Nevada and speaking to us and making us part of this process. Thank you.

ASSEMBLYWOMAN PIERCE:

Thank you, Madam Speaker. I think there is a misunderstanding and I misunderstood this, also. The fact is that everyone that lives in New York, California, and Pennsylvania does not vote for one political party. So the fact is that this system, if we pass Assembly Bill 413, will actually require that candidates campaign in all 50 states, all of the time. We got lucky this time. But the chances of it happening again are not all that good. Like I said, under this, we will always be a part of the campaign trail, so I urge support of Assembly Bill 413.

Assemblymen Oceguera, Conklin, and Leslie moved the previous question.

The question being the passage of Assembly Bill No. 413.

Roll call on Assembly Bill No. 413:

YEAS—27.

NAYS—Carpenter, Christensen, Cobb, Gansert, Goedhart, Goicoechea, Grady, Gustavson, Hambrick, Hardy, McArthur, Settelmeyer, Stewart, Woodbury—14.

EXCUSED—Parnell.

Assembly Bill No. 413 having received a constitutional majority, Madam Speaker declared it passed.

Bill ordered transmitted to the Senate.

Assembly Bill No. 483.

Bill read third time.

The following amendment was proposed by Assemblywoman Kirkpatrick: Amendment No. 542.

AN ACT relating to public works; revising the provisions governing the terms of certain contracts between public bodies and certain design professionals; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law establishes mandatory, optional and prohibited provisions in a contract for the provision of services in connection with a public work entered into between a public body and a design professional who is not a member of a design-build team. (NRS 338.155) This bill [relieves] clarifies the extent of the obligation of a design professional [of any contractual duty] to defend , indemnify and hold harmless a public body against liabilities, damages, losses, claims, actions or proceedings [to the extent they] that are caused by the negligence, errors, omissions, recklessness or intentional misconduct of the design professional or his employees or agents in the performance of the contract. [if the professional liability insurer of the design professional refuses to defend the public body. This bill specifically provides that any provision in such a contract that conflicts with the requirements and prohibitions concerning such contracts is void.]

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

Section 1. NRS 338.155 is hereby amended to read as follows:

338.155 If a public body enters into a contract with a design professional who is not a member of a design-build team, for the provision of services in connection with a public work, the contract:

- 1. Must set forth:
- (a) The specific period within which the public body must pay the design professional.
- (b) The specific period and manner in which the public body may dispute a payment or portion thereof that the design professional alleges is due.
- (c) The terms of any penalty that will be imposed upon the public body if the public body fails to pay the design professional within the specific period set forth in the contract pursuant to paragraph (a).
- (d) That the prevailing party in an action to enforce the contract is entitled to reasonable attorney's fees and costs.
- 2. May set forth the terms of any discount that the public body will receive if the public body pays the design professional within the specific period set forth in the contract pursuant to paragraph (a) of subsection 1.
- 3. May set forth the terms by which the design professional agrees to name the public body, at the cost of the public body, as an additional insured in an insurance policy held by the design professional, if the policy allows such an addition.

- 4. [Except as otherwise provided in subsection 5, must] *Must* not require the design professional to defend, indemnify or hold harmless the public body or the employees, officers or agents of that public body from any liability, damage, loss, claim, action or proceeding caused by the negligence, errors, omissions, recklessness or intentional misconduct of the employees, officers or agents of the public body.
- 5. Except as otherwise provided in this subsection, may require the design professional to defend, indemnify and hold harmless the public body, and the employees, officers and agents of the public body from any liabilities, damages, losses, claims, actions or proceedings, including, without limitation, reasonable attorneys' fees, to the extent that such liabilities, damages, losses, claims, actions or proceedings are caused by the negligence, errors, omissions, recklessness or intentional misconduct of the design professional or the employees or agents of the design professional in the performance of the contract. If the insurer by which the design professional is insured against professional liability does not so defend the public body and the employees, officers and agents of the public body and f, the design professional is relieved of any duty to so defend the public body and the employees, officers and agents of the public body. If the design professional is adjudicated to be liable by a trier of fact, the trier of fact shall award reasonable attorney's fees to be paid to the public body by the design professional in an amount which is proportionate to the liability of the design professional.

6. [Any provision of a contract that conflicts with this section is void.

7.] As used in this [subsection,] section, "agents" means those persons who are directly involved in and acting on behalf of the public body or the design professional, as applicable, in furtherance of the contract or the public work to which the contract pertains.

Sec. 2. This act becomes effective on July 1, 2009.

Assemblywoman Kirkpatrick moved the adoption of the amendment. Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

MOTIONS, RESOLUTIONS AND NOTICES

Assemblywoman Smith moved that Assembly Bill No. 223 be taken from the General File and rereferred to the Committee on Ways and Means.

Motion carried.

GENERAL FILE AND THIRD READING

Assembly Bill No. 442.

Bill read third time.

The following amendment was proposed by Assemblywoman Kirkpatrick: Amendment No. 554.

AN ACT relating to lobbying; requiring an entity of the Executive, Legislative or Judicial Department of State Government, and local governments, to prepare certain reports concerning lobbying activities; establishing certain requirements for contracts for lobbying services; requiring the Board of Regents of the University of Nevada to approve certain contracts for lobbying services; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Section 1 of this bill requires an agency, board, bureau, commission, department, division, institution, officer or employee of the Executive Department, the Legislative Department or the Judicial Department of State Government that [compensates or reimburses] enters into a contract with a person to act as a lobbyist, makes an expenditure in connection with lobbying activities that must be reported pursuant to existing law or expends any money in connection with federal lobbying activities to periodically prepare reports concerning [all] such lobbying activities undertaken by or on behalf of the entity. Section 2 of this bill extends the same requirements to local governments.

Section 6 of this bill provides that contracts for lobbying services must: (1) specify whether the lobbying services are for state or federal lobbying activities, or both; (2) require the lobbyist to disclose the identities of his other clients and the existence of any actual or potential conflicts of interest [1:1] as well as whether the lobbyist will also engage in services to promote a campaign during the period of the contract; and (3) provide for the adjudication of disputes concerning actual conflicts of interest.

Section 7 of this bill requires the Board of Regents of the University of Nevada to approve any contract for lobbying services for the Nevada System of Higher Education or any component thereof.

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 a new section to read as follows:

- 1. An entity of State Government that: [directly or indirectly:]
- (a) [Compensates or reimburses] Enters into a contract with a person [for acting] to act as a lobbyist;
- (b) Makes an expenditure in connection with lobbying activities that must be reported pursuant to NRS 218.926; or
- (c) Expends any money in connection with any federal lobbying activity,

 ⇒ shall, at least quarterly, prepare a report concerning {all} such lobbying activity undertaken by or on behalf of the entity. During a regular session of the Legislature, the entity shall prepare the report at least monthly.
 - 2. The entity of State Government shall:
- (a) Present each report to its governing body, if any, at a regular or special meeting of the governing body that is open to the public; and

- (b) On or before January 15 of each year, submit a copy of each report to the Director of the Legislative Counsel Bureau for transmittal to the Legislature.
 - 3. As used in this section:
- (a) "Entity of State Government" includes, without limitation, an agency, board, bureau, commission, department, division, institution, officer or employee of the Executive Department, including, without limitation, the Nevada System of Higher Education and the Public Employees' Retirement System, the Legislative Department or the Judicial Department of State Government.
 - (b) "Expenditure" has the meaning ascribed to it in NRS 218.906.
- (c) "Federal lobbying activity" means any activity that is intended to influence or attempts to influence an officer or employee of any agency of the Federal Government, a member of Congress, an officer or employee of Congress or an employee of a member of Congress in connection with an existing or proposed federal action or program.
 - (d) "Lobbyist" has the meaning ascribed to it in NRS 218.912.
- Sec. 2. Chapter 354 of NRS is hereby amended by adding thereto a new section to read as follows:
 - 1. An entity of local government that: {directly: or indirectly:}
- (a) [Compensates or reimburses] Enters into a contract with a person [for acting] to act as a lobbyist;
- (b) Makes an expenditure in connection with lobbying activities that must be reported pursuant to NRS 218.926; or
- (c) Expends any money in connection with any federal lobbying activity,

 ⇒ shall, at least quarterly, prepare a report concerning [all] such lobbying activity undertaken by or on behalf of the entity. During a regular session of the Legislature, the entity shall prepare the report at least monthly.
 - 2. The entity of local government shall:
- (a) Present each report to its governing body, if any, at a regular or special meeting of the governing body that is open to the public; and
- (b) On or before January 15 of each year, submit a copy of each report to the Director of the Legislative Counsel Bureau for transmittal to the Legislature.
 - 3. As used in this section:
- (a) "Entity of local government" includes, without limitation, an agency, board, bureau, commission, department, division, institution, officer or employee of a local government.
 - (b) "Expenditure" has the meaning ascribed to it in NRS 218.906.
- (c) "Federal lobbying activity" has the meaning ascribed to it in section 1 of this act.
 - (d) "Lobbyist" has the meaning ascribed to it in NRS 218.912.
- (e) "Local government" means any political subdivision of this State, including, without limitation, any county, city, town, board, airport authority, regional transportation commission, fire protection district,

irrigation district, school district or other special district that performs a governmental function.

- Sec. 3. (Deleted by amendment.)
- Sec. 4. (Deleted by amendment.)
- Sec. 5. (Deleted by amendment.)
- Sec. 6. Chapter 334 of NRS is hereby amended by adding thereto a new section to read as follows:
- 1. A contract entered into between a governmental entity and a lobbyist for the provision of lobbying services must:
- (a) Specify whether the lobbying services will include state lobbying activities, federal lobbying activities, or both state and federal lobbying activities.
- (b) Require the lobbyist to disclose to the governmental entity the identity of each client represented by the lobbyist and the existence of any actual or potential conflicts of interest that may arise from his representation of those clients; {and}
- (c) Require the lobbyist to disclose to the governmental entity whether he will provide any services to promote any campaign for compensation during the period to which the contract applies, including, without limitation, services to promote the campaign of a state or local governmental officer; and
- (d) Provide for the adjudication of any dispute between the governmental entity and the lobbyist should an actual conflict of interest arise.
- 2. <u>Any contract described in subsection 1 must be made available by the governmental entity for public inspection.</u>
 - 3. As used in this section:
- (a) "Entity of local government" has the meaning ascribed to it in section 2 of this act.
- (b) "Entity of State Government" has the meaning ascribed to it in section 1 of this act.
- (c) "Federal lobbying activity" has the meaning ascribed to it in section 1 of this act.
- [(b)] (d) "Governmental entity" means an entity of local government and an entity of State Government.
- (e) "Lobbyist" has the meaning ascribed to it in NRS 218.912 and includes a person who engages in federal lobbying activity.
- Sec. 7. Chapter 396 of NRS is hereby amended by adding thereto a new section to read as follows:
- 1. A contract for lobbying services for the System, or a facility, branch or institution thereof, must be approved by the Board of Regents at a regular or special meeting.
- 2. The Board of Regents must, before it approves a contract for lobbying services, consider and disclose during the meeting the total

amount of money committed for all contracts for lobbying services entered into by the System, or a facility, branch or institution thereof.

3. As used in this section, "contract for lobbying services" means a contract that is subject to the provisions of section 6 of this act.

Sec. 8. This act becomes effective on July 1, 2009.

Assemblywoman Kirkpatrick moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

Assembly Bill No. 87.

Bill read third time.

MOTIONS, RESOLUTIONS AND NOTICES

Assemblywoman Kirkpatrick moved that Assembly Bill No. 87 be taken from the General File and placed on the Chief Clerk's desk.

Motion carried.

GENERAL FILE AND THIRD READING

Assembly Bill No. 267.

Bill read third time.

Roll call on Assembly Bill No. 267:

YEAS-31.

NAYS—Christensen, Cobb, Gansert, Goedhart, Gustavson, Hambrick, McArthur, Settelmeyer, Stewart, Woodbury—10.

EXCUSED—Parnell.

Assembly Bill No. 267 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 397.

Bill read third time.

Roll call on Assembly Bill No. 397:

YEAS—41.

NAYS—None.

EXCUSED—Parnell.

Assembly Bill No. 397 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

SECOND READING AND AMENDMENT

Assembly Bill No. 471.

Bill read second time.

The following amendment was proposed by the Committee on Judiciary:

Amendment No. 343.

SUMMARY—Revises provisions relating to the [award of deficiency judgments after a] sale of real property. (BDR 3-1138)

AN ACT relating to real property; **providing that a deficiency in payment on a mortgage, deed of trust or other encumbrance may be cured under certain circumstances before foreclosure;** providing that a court shall not award a deficiency judgment on the foreclosure of a mortgage or a deed of trust under certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides that a trustee may exercise a power of sale on the deed of trust for a breach of obligation on the deed of trust, including a deficiency in performance or payment. Existing law also provides that the trustee may pursue a power of sale and declare the entire unpaid balance due if acceleration is permitted by the obligation secured by the deed of trust. Existing law further provides that a deficiency may be cured by performance or payment, including incidental costs, within 15 days or 35 days after notice of the default, depending on the date the trust agreement came into effect, and acceleration must not occur if the deficiency is so cured. (NRS 107.080)

Section 3 of this bill provides that if the deficiency is for payment, the deficiency may be cured by payment of the sum in default, excluding acceleration but including any incidental costs, at any time before the sale. Section 3 also provides that if a notice of default has been recorded and the deficiency has been cured two or more times under the same deed of trust, the trustee may refuse a payment to cure the deficiency and exercise the power of sale. Section 1 of this bill provides a similar right to cure a deficiency in payment on a mortgage or other encumbrance before a judicial foreclosure sale. (NRS 40.430)

Under existing law, a judgment creditor or a beneficiary of a deed of trust may obtain, after a hearing, a deficiency judgment after a foreclosure sale or trustee's sale if it appears from the sheriff's return or the recital of consideration in the trustee's deed that there is a deficiency of the proceeds of the sale and a balance remaining due the judgment creditor or beneficiary of the deed of trust. (NRS 40.455)

[This] Section 2 of this bill provides that a court may not award a deficiency judgment to a judgment creditor or a beneficiary of a deed of trust if: (1) the real property is a single-family dwelling and the debtor or grantor was the owner of the property; (2) the debtor or grantor used the loan to purchase the property; (3) the debtor or grantor [did not occupy the property before obtaining the loan but] occupied the property continuously after obtaining the loan; and (4) the debtor or grantor did not refinance the loan.

Section 5 of this bill provides that the amendatory provisions of this bill apply only prospectively to obligations secured by a mortgage, deed of trust or other encumbrance upon real property on or after the effective date of this bill.

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

Section 1. NRS 40.430 is hereby amended to read as follows:

- 40.430 1. Except in cases where a person proceeds under subsection 2 of NRS 40.495 or subsection 1 of NRS 40.512, there may be but one action for the recovery of any debt, or for the enforcement of any right secured by a mortgage or other lien upon real estate. That action must be in accordance with the provisions of NRS 40.430 to 40.459, inclusive. In that action, the judgment must be rendered for the amount found due the plaintiff, and the court, by its decree or judgment, may direct a sale of the encumbered property, or such part thereof as is necessary, and apply the proceeds of the sale as provided in NRS 40.462.
- 2. This section must be construed to permit a secured creditor to realize upon the collateral for a debt or other obligation agreed upon by the debtor and creditor when the debt or other obligation was incurred.
- 3. Except as otherwise provided in this subsection, at any time before the sale directed by the court, if the deficiency resulting in the action for the recovery of the debt has arisen by failure to make a payment required by the mortgage or other lien, the deficiency may be made good by payment of the deficient sum, other than the entire unpaid balance that would not be due if no deficiency had occurred, and by payment of any costs, fees and expenses incident to making the deficiency good. If a deficiency is made good pursuant to this subsection, the sale may not occur. If, under the same mortgage or other lien on real estate, an action to recover the debt has been filed and the deficiency has been made good pursuant to this subsection two or more times, for a subsequent deficiency the secured creditor may elect to refuse a payment to make good the deficiency and proceed with an action to recover the debt pursuant to this section.
- <u>4.</u> A sale directed by the court pursuant to subsection 1 must be conducted in the same manner as the sale of real property upon execution, by the sheriff of the county in which the encumbered land is situated, and if the encumbered land is situated in two or more counties, the court shall direct the sheriff of one of the counties to conduct the sale with like proceedings and effect as if the whole of the encumbered land were situated in that county.
- [4.] 5. As used in this section, an "action" does not include any act or proceeding:
- (a) To appoint a receiver for, or obtain possession of, any real or personal collateral for the debt or as provided in NRS 32.015.
- (b) To enforce a security interest in, or the assignment of, any rents, issues, profits or other income of any real or personal property.
- (c) To enforce a mortgage or other lien upon any real or personal collateral located outside of the State which does not, except as required under the laws of that jurisdiction, result in a personal judgment against the debtor.

- (d) For the recovery of damages arising from the commission of a tort, including a recovery under NRS 40.750, or the recovery of any declaratory or equitable relief.
 - (e) For the exercise of a power of sale pursuant to NRS 107.080.
- (f) For the exercise of any right or remedy authorized by chapter 104 of NRS or by the Uniform Commercial Code as enacted in any other state.
- (g) For the exercise of any right to set off, or to enforce a pledge in, a deposit account pursuant to a written agreement or pledge.
 - (h) To draw under a letter of credit.
- (i) To enforce an agreement with a surety or guarantor if enforcement of the mortgage or other lien has been automatically stayed pursuant to 11 U.S.C. § 362 or pursuant to an order of a federal bankruptcy court under any other provision of the United States Bankruptcy Code for not less than 120 days following the mailing of notice to the surety or guarantor pursuant to subsection 1 of NRS 107.095.
- (j) To collect any debt, or enforce any right, secured by a mortgage or other lien on real property if the property has been sold to a person other than the creditor to satisfy, in whole or in part, a debt or other right secured by a senior mortgage or other senior lien on the property.
- (k) Relating to any proceeding in bankruptcy, including the filing of a proof of claim, seeking relief from an automatic stay and any other action to determine the amount or validity of a debt.
- (1) For filing a claim pursuant to chapter 147 of NRS or to enforce such a claim which has been disallowed.
- (m) Which does not include the collection of the debt or realization of the collateral securing the debt.
 - (n) Pursuant to NRS 40.507 or 40.508.

the beneficiary of the deed of trust, respectively.

- (o) Which is exempted from the provisions of this section by specific statute.
- (p) To recover costs of suit, costs and expenses of sale, attorneys' fees and other incidental relief in connection with any action authorized by this subsection.
- [Section 1:] Sec. 2. NRS 40.455 is hereby amended to read as follows: 40.455 1. [Upon] Except as otherwise provided in subsection 3, upon application of the judgment creditor or the beneficiary of the deed of trust within 6 months after the date of the foreclosure sale or the trustee's sale held pursuant to NRS 107.080, respectively, and after the required hearing, the court shall award a deficiency judgment to the judgment creditor or the beneficiary of the deed of trust if it appears from the sheriff's return or the recital of consideration in the trustee's deed that there is a deficiency of the proceeds of the sale and a balance remaining due to the judgment creditor or
- 2. If the indebtedness is secured by more than one parcel of real property, more than one interest in the real property or more than one mortgage or deed of trust, the 6-month period begins to run after the date of the foreclosure sale

or trustee's sale of the last parcel or other interest in the real property securing the indebtedness, but in no event may the application be filed more than 2 years after the initial foreclosure sale or trustee's sale.

- 3. The court may not award a deficiency judgment to the judgment creditor or the beneficiary of the deed of trust, even if there is a deficiency of the proceeds of the sale and a balance remaining due the judgment creditor or beneficiary of the deed of trust, if:
- (a) The real property is a single-family dwelling and the debtor or grantor was the owner of the real property at the time of the foreclosure sale or trustee's sale;
- (b) The debtor or grantor used the amount for which the real property was secured by the mortgage or deed of trust to purchase the real property;
- (c) [The debtor or grantor did not occupy the real property before securing the mortgage or deed of trust;
- (d)] The debtor or grantor continuously occupied the real property as his principal residence after securing the mortgage or deed of trust; and
- $\frac{f(e)}{f(e)}$ The debtor or grantor did not refinance the mortgage or deed of trust after securing it.

Sec. 3. NRS 107.080 is hereby amended to read as follows:

- 107.080 1. Except as otherwise provided in NRS 107.085, if any transfer in trust of any estate in real property is made after March 29, 1927, to secure the performance of an obligation or the payment of any debt, a power of sale is hereby conferred upon the trustee to be exercised after a breach of the obligation for which the transfer is security.
 - 2. The power of sale must not be exercised, however, until:
 - (a) In the case of any trust agreement coming into force:
- (1) On or after July 1, 1949, and before July 1, 1957, the grantor, or his successor in interest, a beneficiary under a subordinate deed of trust or any other person who has a subordinate lien or encumbrance of record on the property, has for a period of 15 days, computed as prescribed in subsection 3, failed to make good the deficiency in performance [or] other than payment; or
- (2) On or after July 1, 1957, the grantor, or his successor in interest, a beneficiary under a subordinate deed of trust or any other person who has a subordinate lien or encumbrance of record on the property, has for a period of 35 days, computed as prescribed in subsection 3, failed to make good the deficiency in performance [orl other than payment;
- (b) The beneficiary, the successor in interest of the beneficiary or the trustee first executes and causes to be recorded in the office of the recorder of the county wherein the trust property, or some part thereof, is situated a notice of the breach and of his election to sell or cause to be sold the property to satisfy the obligation; and
 - (c) Not less than 3 months have elapsed after the recording of the notice.
- 3. The 15- or 35-day period provided in paragraph (a) of subsection 2 commences on the first day following the day upon which the notice of

default and election to sell is recorded in the office of the county recorder of the county in which the property is located and a copy of the notice of default and election to sell is mailed by registered or certified mail, return receipt requested and with postage prepaid to the grantor, and to the person who holds the title of record on the date the notice of default and election to sell is recorded, at their respective addresses, if known, otherwise to the address of the trust property.

- <u>4.</u> The notice of default and election to sell must describe the deficiency in performance or payment and may contain a notice of intent to declare the entire unpaid balance due if acceleration is permitted by the obligation secured by the deed of trust, but acceleration must not occur if [the]:
- (a) The deficiency in performance [or] other than payment is made good and any costs, fees and expenses incident to the preparation or recordation of the notice and incident to the making good of the deficiency in performance [or] other than payment are paid within the time specified in paragraph (a) of subsection 2 [...]; or
- (b) The deficiency in payment is made good and any costs, fees and expenses incident to the preparation or recordation of the notice and incident to the making good of the deficiency in payment are paid at any time before the sale as specified in the notice provided pursuant to subsection 6, unless the trustee elects to refuse payment pursuant to subsection 5.
- 5. Except as otherwise provided in this subsection, at any time before the sale, if the deficiency has arisen by failure to make payments required by the deed of trust, the deficiency may be made good by payment of the deficient sum, other than the entire unpaid balance that would not be due if no deficiency had occurred, and by payment of any costs, fees and expenses incident to the preparation or recordation of the notice of default and election to sell and incident to the making good of the deficiency. If a deficiency is made good pursuant to this subsection, the sale may not occur. If, under the same deed of trust, a notice of default and election to sell has been recorded and the deficiency has been made good pursuant to this subsection two or more times, for a subsequent deficiency the trustee may elect to refuse a payment to make good the deficiency and exercise the power of sale.
- [4-] 6. The trustee, or other person authorized to make the sale under the terms of the trust deed or transfer in trust, shall, after expiration of the 3-month period following the recording of the notice of breach and election to sell, and before the making of the sale, give notice of the time and place thereof by recording the notice of sale and by:
- (a) Providing the notice to each trustor and any other person entitled to notice pursuant to this section by personal service or by mailing the notice by registered or certified mail to the last known address of the trustor and any other person entitled to such notice pursuant to this section;

- (b) Posting a similar notice particularly describing the property, for 20 days successively, in three public places of the township or city where the property is situated and where the property is to be sold; and
- (c) Publishing a copy of the notice three times, once each week for 3 consecutive weeks, in a newspaper of general circulation in the county where the property is situated.
- [5.] 7. Every sale made under the provisions of this section and other sections of this chapter vests in the purchaser the title of the grantor and his successors in interest without equity or right of redemption. A sale made pursuant to this section may be declared void by any court of competent jurisdiction in the county where the sale took place if:
- (a) The trustee or other person authorized to make the sale does not substantially comply with the provisions of this section;
- (b) Except as otherwise provided in subsection [6,] [8,] an action is commenced in the county where the sale took place within 90 days after the date of the sale; and
- (c) A notice of lis pendens providing notice of the pendency of the action is recorded in the office of the county recorder of the county where the sale took place within 30 days after commencement of the action.
- [6.] 8. If proper notice is not provided pursuant to subsection 3, 4 or paragraph (a) of subsection [4] 6 to the grantor, to the person who holds the title of record on the date the notice of default and election to sell is recorded, to each trustor or to any other person entitled to such notice, the person who did not receive such proper notice may commence an action pursuant to subsection [5] 7 within 120 days after the date on which the person received actual notice of the sale.
- [7.] 9. The sale of a lease of a dwelling unit of a cooperative housing corporation vests in the purchaser title to the shares in the corporation which accompany the lease.

Sec. 4. NRS 107.084 is hereby amended to read as follows:

- 107.084 A person who willfully removes or defaces a notice posted pursuant to subsection [4] 6 of NRS 107.080, if done before the sale or, if the default is satisfied before the sale, before the satisfaction of the default, is liable in the amount of \$500 to any person aggrieved by the removal or defacing of the notice.
- Sec. 5. The amendatory provisions of this act apply only to an obligation secured by a mortgage, deed of trust or other encumbrance upon real property on or after October 1, 2009.

MOTIONS, RESOLUTIONS AND NOTICES

Assemblyman Anderson moved that Amendment No. 343 to Assembly Bill No. 471 be withdrawn.

SECOND READING AND AMENDMENT

Assembly Bill No. 471.

Bill read second time.

The following amendment was proposed by Assemblyman Conklin:

Amendment No. 548.

SUMMARY—Revises provisions relating to the [award of deficiency judgments after a] sale of real property. (BDR 3-1138)

AN ACT relating to real property; **providing that a deficiency in payment on a mortgage, deed of trust or other encumbrance may be cured under certain circumstances before foreclosure;** providing that a court shall not award a deficiency judgment on the foreclosure of a mortgage or a deed of trust under certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Section 1 of this bill provides a right to cure a deficiency in payment on a mortgage or other encumbrance before a judicial foreclosure sale at any time not later than 5 days before the date of sale.

Under existing law, a judgment creditor or a beneficiary of a deed of trust may obtain, after a hearing, a deficiency judgment after a foreclosure sale or trustee's sale if it appears from the sheriff's return or the recital of consideration in the trustee's deed that there is a deficiency of the proceeds of the sale and a balance remaining due the judgment creditor or beneficiary of the deed of trust. (NRS 40.455) [This] Section 2 of this bill provides that a court may not award a deficiency judgment to a judgment creditor or a beneficiary of a deed of trust if: (1) the real property is a single-family dwelling and the debtor or grantor was the owner of the property; (2) the debtor or grantor used the loan to purchase the property; (3) the debtor or grantor [did not occupy the property before obtaining the loan but] occupied the property continuously after obtaining the loan; and (4) the debtor or grantor did not refinance the loan.

Section 3 of this bill provides that the amendatory provisions of this bill apply only prospectively to obligations secured by a mortgage, deed of trust or other encumbrance upon real property on or after the effective date of this bill.

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

Section 1. NRS 40.430 is hereby amended to read as follows:

40.430 1. Except in cases where a person proceeds under subsection 2 of NRS 40.495 or subsection 1 of NRS 40.512, there may be but one action for the recovery of any debt, or for the enforcement of any right secured by a mortgage or other lien upon real estate. That action must be in accordance with the provisions of NRS 40.430 to 40.459, inclusive. In that action, the judgment must be rendered for the amount found due the plaintiff, and the

- court, by its decree or judgment, may direct a sale of the encumbered property, or such part thereof as is necessary, and apply the proceeds of the sale as provided in NRS 40.462.
- 2. This section must be construed to permit a secured creditor to realize upon the collateral for a debt or other obligation agreed upon by the debtor and creditor when the debt or other obligation was incurred.
- 3. At any time not later than 5 business days before the date of sale directed by the court, if the deficiency resulting in the action for the recovery of the debt has arisen by failure to make a payment required by the mortgage or other lien, the deficiency may be made good by payment of the deficient sum and by payment of any costs, fees and expenses incident to making the deficiency good. If a deficiency is made good pursuant to this subsection, the sale may not occur.
- 4. A sale directed by the court pursuant to subsection 1 must be conducted in the same manner as the sale of real property upon execution, by the sheriff of the county in which the encumbered land is situated, and if the encumbered land is situated in two or more counties, the court shall direct the sheriff of one of the counties to conduct the sale with like proceedings and effect as if the whole of the encumbered land were situated in that county.
- [4.] 5. As used in this section, an "action" does not include any act or proceeding:
- (a) To appoint a receiver for, or obtain possession of, any real or personal collateral for the debt or as provided in NRS 32.015.
- (b) To enforce a security interest in, or the assignment of, any rents, issues, profits or other income of any real or personal property.
- (c) To enforce a mortgage or other lien upon any real or personal collateral located outside of the State which does not, except as required under the laws of that jurisdiction, result in a personal judgment against the debtor.
- (d) For the recovery of damages arising from the commission of a tort, including a recovery under NRS 40.750, or the recovery of any declaratory or equitable relief.
 - (e) For the exercise of a power of sale pursuant to NRS 107.080.
- (f) For the exercise of any right or remedy authorized by chapter 104 of NRS or by the Uniform Commercial Code as enacted in any other state.
- (g) For the exercise of any right to set off, or to enforce a pledge in, a deposit account pursuant to a written agreement or pledge.
 - (h) To draw under a letter of credit.
- (i) To enforce an agreement with a surety or guarantor if enforcement of the mortgage or other lien has been automatically stayed pursuant to 11 U.S.C. § 362 or pursuant to an order of a federal bankruptcy court under any other provision of the United States Bankruptcy Code for not less than 120 days following the mailing of notice to the surety or guarantor pursuant to subsection 1 of NRS 107.095.

- (j) To collect any debt, or enforce any right, secured by a mortgage or other lien on real property if the property has been sold to a person other than the creditor to satisfy, in whole or in part, a debt or other right secured by a senior mortgage or other senior lien on the property.
- (k) Relating to any proceeding in bankruptcy, including the filing of a proof of claim, seeking relief from an automatic stay and any other action to determine the amount or validity of a debt.
- (1) For filing a claim pursuant to chapter 147 of NRS or to enforce such a claim which has been disallowed.
- (m) Which does not include the collection of the debt or realization of the collateral securing the debt.
 - (n) Pursuant to NRS 40.507 or 40.508.
- (o) Which is exempted from the provisions of this section by specific statute.
- (p) To recover costs of suit, costs and expenses of sale, attorneys' fees and other incidental relief in connection with any action authorized by this subsection.

[Section 1.] Sec. 2. NRS 40.455 is hereby amended to read as follows:

- 40.455 1. [Upon] Except as otherwise provided in subsection 3, upon application of the judgment creditor or the beneficiary of the deed of trust within 6 months after the date of the foreclosure sale or the trustee's sale held pursuant to NRS 107.080, respectively, and after the required hearing, the court shall award a deficiency judgment to the judgment creditor or the beneficiary of the deed of trust if it appears from the sheriff's return or the recital of consideration in the trustee's deed that there is a deficiency of the proceeds of the sale and a balance remaining due to the judgment creditor or the beneficiary of the deed of trust, respectively.
- 2. If the indebtedness is secured by more than one parcel of real property, more than one interest in the real property or more than one mortgage or deed of trust, the 6-month period begins to run after the date of the foreclosure sale or trustee's sale of the last parcel or other interest in the real property securing the indebtedness, but in no event may the application be filed more than 2 years after the initial foreclosure sale or trustee's sale.
- 3. The court may not award a deficiency judgment to the judgment creditor or the beneficiary of the deed of trust, even if there is a deficiency of the proceeds of the sale and a balance remaining due the judgment creditor or beneficiary of the deed of trust, if:
- (a) The real property is a single-family dwelling and the debtor or grantor was the owner of the real property at the time of the foreclosure sale or trustee's sale;
- (b) The debtor or grantor used the amount for which the real property was secured by the mortgage or deed of trust to purchase the real property;
- (c) [The debtor or grantor did not occupy the real property before securing the mortgage or deed of trust;

(d)] The debtor or grantor continuously occupied the real property as his principal residence after securing the mortgage or deed of trust; and

 $\frac{f(e)f}{f(e)f}$ (d) The debtor or grantor did not refinance the mortgage or deed of trust after securing it.

Sec. 3. The amendatory provisions of this act apply only to an obligation secured by a mortgage, deed of trust or other encumbrance upon real property on or after October 1, 2009.

Assemblyman Anderson moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Assembly Bill No. 60.

Bill read second time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 466.

AN ACT relating to public financial administration; eliminating certain requirements pertaining to the sale and liquidation of certain securities; authorizing the State Treasurer to deposit state money in out-of-state financial institutions under certain circumstances; <u>authorizing the state and local governments to issue tax credit bonds under certain circumstances</u>; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law designates the types of bonds, loans, financial instruments and other securities in which public money may lawfully be invested. Public money may be invested in some securities only if the securities are of a certain investment quality which is established by the investment rating given to the security by a nationally recognized securities rating service. (NRS 355.140, 355.170, 355.171) **Sections 1-3** of this bill eliminate the requirement that certain investment-rated securities which have been purchased with public money must be sold "as soon as possible" if their investment rating is subsequently reduced below the rating that was required for their purchase. **Sections 1 and 2** also provide that if a particular security purchased with public money complies with all applicable terms, conditions, limitations and restrictions at the time of its purchase, it is not required that the security be sold if it subsequently fails to comply with any such term, condition, limitation or restriction. (NRS 355.140, 355.170)

Sections 4 and 5 of this bill eliminate a restriction on the authority of the State Treasurer to deposit state money in out-of-state financial institutions and allow him to use such institutions whenever the State Board of Finance gives its approval.

Sections 7-14 of this bill make various changes relating to the issuance of bonds so that the state and local governments may take advantage of certain provisions of the federal American Recovery and Reinvestment Act, Public Law 111-5, that authorize the issuance of tax credit bonds.

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

Section 1. NRS 355.140 is hereby amended to read as follows:

- 355.140 1. In addition to other investments provided for by a specific statute, the following bonds and other securities are proper and lawful investments of any of the money of this State, of its various departments, institutions and agencies, and of the State Insurance Fund:
 - (a) Bonds and certificates of the United States;
- (b) Bonds, notes, debentures and loans if they are underwritten by or their payment is guaranteed by the United States;
- (c) Obligations or certificates of the United States Postal Service, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Agricultural Mortgage Corporation, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation or the Student Loan Marketing Association, whether or not guaranteed by the United States;
 - (d) Bonds of this State or other states of the Union;
 - (e) Bonds of any county of this State or of other states;
- (f) Bonds of incorporated cities in this State or in other states of the Union, including special assessment district bonds if those bonds provide that any deficiencies in the proceeds to pay the bonds are to be paid from the general fund of the incorporated city;
- (g) General obligation bonds of irrigation districts and drainage districts in this State which are liens upon the property within those districts, if the value of the property is found by the board or commission making the investments to render the bonds financially sound over all other obligations of the districts;
 - (h) Bonds of school districts within this State;
- (i) Bonds of any general improvement district whose population is 200,000 or more and which is situated in two or more counties of this State or of any other state, if:
- (1) The bonds are general obligation bonds and constitute a lien upon the property within the district which is subject to taxation; and
- (2) That property is of an assessed valuation of not less than five times the amount of the bonded indebtedness of the district;
- (j) Medium-term obligations for counties, cities and school districts authorized pursuant to chapter 350 of NRS;
- (k) Loans bearing interest at a rate determined by the State Board of Finance when secured by first mortgages on agricultural lands in this State of not less than three times the value of the amount loaned, exclusive of perishable improvements, and of unexceptional title and free from all encumbrances;
- (l) Farm loan bonds, consolidated farm loan bonds, debentures, consolidated debentures and other obligations issued by federal land banks

and federal intermediate credit banks under the authority of the Federal Farm Loan Act, formerly 12 U.S.C. §§ 636 to 1012, inclusive, and §§ 1021 to 1129, inclusive, and the Farm Credit Act of 1971, 12 U.S.C. §§ 2001 to 2259, inclusive, and bonds, debentures, consolidated debentures and other obligations issued by banks for cooperatives under the authority of the Farm Credit Act of 1933, formerly 12 U.S.C. §§ 1131 to 1138e, inclusive, and the Farm Credit Act of 1971, 12 U.S.C. §§ 2001 to 2259, inclusive, excluding such money thereof as has been received or which may be received hereafter from the Federal Government or received pursuant to some federal law which governs the investment thereof;

- (m) Negotiable certificates of deposit issued by commercial banks, insured credit unions or savings and loan associations;
- (n) Bankers' acceptances of the kind and maturities made eligible by law for rediscount with Federal Reserve banks or trust companies which are members of the Federal Reserve System, except that acceptances may not exceed 180 days' maturity, and may not, in aggregate value, exceed 20 percent of the total par value of the portfolio as determined on the date of purchase;
- (o) Commercial paper issued by a corporation organized and operating in the United States or by a depository institution licensed by the United States or any state and operating in the United States that:
- $\left(1\right)$ At the time of purchase has a remaining term to maturity of not more than 270 days; and
- (2) Is rated by a nationally recognized rating service as "A-1," "P-1" or its equivalent, or better,
- ⇒ except that investments pursuant to this paragraph may not, in aggregate value, exceed 20 percent of the total par value of the portfolio as determined on the date of purchase; [, and if the rating of an obligation is reduced to a level that does not meet the requirements of this paragraph, it must be sold as soon as possible;]
- (p) Notes, bonds and other unconditional obligations for the payment of money, except certificates of deposit that do not qualify pursuant to paragraph (m), issued by corporations organized and operating in the United States or by depository institutions licensed by the United States or any state and operating in the United States that:
 - (1) Are purchased from a registered broker-dealer;
- (2) At the time of purchase have a remaining term to maturity of not more than 5 years; and
- (3) Are rated by a nationally recognized rating service as "A" or its equivalent, or better,
- ⇒ except that investments pursuant to this paragraph may not, in aggregate value, exceed 20 percent of the total par value of the portfolio; [, and if the rating of an obligation is reduced to a level that does not meet the requirements of this paragraph, it must be sold as soon as possible;]
 - (q) Money market mutual funds which:

- (1) Are registered with the Securities and Exchange Commission;
- (2) Are rated by a nationally recognized rating service as "AAA" or its equivalent; and
- (3) Invest only in securities issued by the Federal Government or agencies of the Federal Government or in repurchase agreements fully collateralized by such securities;
- (r) Collateralized mortgage obligations that are rated by a nationally recognized rating service as "AAA" or its equivalent; and
- (s) Asset-backed securities that are rated by a nationally recognized rating service as "AAA" or its equivalent.
- 2. Repurchase agreements are proper and lawful investments of money of the State and the State Insurance Fund for the purchase or sale of securities which are negotiable and of the types listed in subsection 1 if made in accordance with the following conditions:
- (a) The State Treasurer shall designate in advance and thereafter maintain a list of qualified counterparties which:
- (1) Regularly provide audited and, if available, unaudited financial statements to the State Treasurer;
- (2) The State Treasurer has determined to have adequate capitalization and earnings and appropriate assets to be highly credit worthy; and
- (3) Have executed a written master repurchase agreement in a form satisfactory to the State Treasurer and the State Board of Finance pursuant to which all repurchase agreements are entered into. The master repurchase agreement must require the prompt delivery to the State Treasurer and the appointed custodian of written confirmations of all transactions conducted thereunder, and must be developed giving consideration to the federal Bankruptcy Act, 11 U.S.C. §§ 101 et seq.
 - (b) In all repurchase agreements:
- (1) At or before the time money to pay the purchase price is transferred, title to the purchased securities must be recorded in the name of the appointed custodian, or the purchased securities must be delivered with all appropriate, executed transfer instruments by physical delivery to the custodian;
- (2) The State must enter into a written contract with the custodian appointed pursuant to subparagraph (1) which requires the custodian to:
- (I) Disburse cash for repurchase agreements only upon receipt of the underlying securities;
- (II) Notify the State when the securities are marked to the market if the required margin on the agreement is not maintained;
 - (III) Hold the securities separate from the assets of the custodian; and
- (IV) Report periodically to the State concerning the market value of the securities;
- (3) The market value of the purchased securities must exceed 102 percent of the repurchase price to be paid by the counterparty and the value of the purchased securities must be marked to the market weekly;

- (4) The date on which the securities are to be repurchased must not be more than 90 days after the date of purchase; and
- (5) The purchased securities must not have a term to maturity at the time of purchase in excess of 10 years.
 - 3. As used in subsection 2:
- (a) "Counterparty" means a bank organized and operating or licensed to operate in the United States pursuant to federal or state law or a securities dealer which is:
 - (1) A registered broker-dealer;
- (2) Designated by the Federal Reserve Bank of New York as a "primary" dealer in United States government securities; and
 - (3) In full compliance with all applicable capital requirements.
- (b) "Repurchase agreement" means a purchase of securities by the State or State Insurance Fund from a counterparty which commits to repurchase those securities or securities of the same issuer, description, issue date and maturity on or before a specified date for a specified price.
- 4. No money of this State may be invested pursuant to a reverse-repurchase agreement, except money invested pursuant to chapter 286 of NRS.
- 5. The terms, conditions, limitations and restrictions regarding investments listed in this section apply only at the time an investment is originally acquired and must not be construed to require the liquidation of an investment at any time.
 - Sec. 2. NRS 355.170 is hereby amended to read as follows:
- 355.170 1. Except as otherwise provided in this section and NRS 354.750 and 355.171, the governing body of a local government may purchase for investment the following securities and no others:
- (a) Bonds and debentures of the United States, the maturity dates of which do not extend more than 10 years after the date of purchase.
- (b) Farm loan bonds, consolidated farm loan bonds, debentures, consolidated debentures and other obligations issued by federal land banks and federal intermediate credit banks under the authority of the Federal Farm Loan Act, formerly 12 U.S.C. §§ 636 to 1012, inclusive, and §§ 1021 to 1129, inclusive, and the Farm Credit Act of 1971, 12 U.S.C. §§ 2001 to 2259, inclusive, and bonds, debentures, consolidated debentures and other obligations issued by banks for cooperatives under the authority of the Farm Credit Act of 1933, formerly 12 U.S.C. §§ 1131 to 1138e, inclusive, and the Farm Credit Act of 1971, 12 U.S.C. §§ 2001 to 2259, inclusive.
- (c) Bills and notes of the United States Treasury, the maturity date of which is not more than 10 years after the date of purchase.
- (d) Obligations of an agency or instrumentality of the United States of America or a corporation sponsored by the government, the maturity date of which is not more than 10 years after the date of purchase.
- (e) Negotiable certificates of deposit issued by commercial banks, insured credit unions or savings and loan associations.

- (f) Securities which have been expressly authorized as investments for local governments by any provision of Nevada Revised Statutes or by any special law.
- (g) Nonnegotiable certificates of deposit issued by insured commercial banks, insured credit unions or insured savings and loan associations, except certificates that are not within the limits of insurance provided by an instrumentality of the United States, unless those certificates are collateralized in the same manner as is required for uninsured deposits by a county treasurer pursuant to NRS 356.133. For the purposes of this paragraph, any reference in NRS 356.133 to a "county treasurer" or "board of county commissioners" shall be deemed to refer to the appropriate financial officer or governing body of the local government purchasing the certificates.
- (h) Subject to the limitations contained in NRS 355.177, negotiable notes medium-term obligations issued by local governments of the State of Nevada pursuant to NRS 350.087 to 350.095, inclusive.
- (i) Bankers' acceptances of the kind and maturities made eligible by law for rediscount with Federal Reserve banks, and generally accepted by banks or trust companies which are members of the Federal Reserve System. Eligible bankers' acceptances may not exceed 180 days' maturity. Purchases of bankers' acceptances may not exceed 20 percent of the money available to a local government for investment as determined on the date of purchase.
 - (j) Obligations of state and local governments if:
- (1) The interest on the obligation is exempt from gross income for federal income tax purposes; and
- (2) The obligation has been rated "A" or higher by one or more nationally recognized bond credit rating agencies.
- (k) Commercial paper issued by a corporation organized and operating in the United States or by a depository institution licensed by the United States or any state and operating in the United States that:
 - (1) Is purchased from a registered broker-dealer;
- (2) At the time of purchase has a remaining term to maturity of no more than $270 \ \text{days}$; and
- (3) Is rated by a nationally recognized rating service as "A-1," "P-1" or its equivalent, or better,
- ⇒ except that investments pursuant to this paragraph may not, in aggregate value, exceed 20 percent of the total portfolio as determined on the date of purchase. [, and if the rating of an obligation is reduced to a level that does not meet the requirements of this paragraph, it must be sold as soon as possible.]
 - (l) Money market mutual funds which:
 - (1) Are registered with the Securities and Exchange Commission;
- (2) Are rated by a nationally recognized rating service as "AAA" or its equivalent; and
 - (3) Invest only in:

- (I) Securities issued by the Federal Government or agencies of the Federal Government:
- (II) Master notes, bank notes or other short-term commercial paper rated by a nationally recognized rating service as "A-1," "P-1" or its equivalent, or better, issued by a corporation organized and operating in the United States or by a depository institution licensed by the United States or any state and operating in the United States; or
- (III) Repurchase agreements that are fully collateralized by the obligations described in sub-subparagraphs (I) and (II).
 - (m) Obligations of the Federal Agricultural Mortgage Corporation.
- 2. Repurchase agreements are proper and lawful investments of money of a governing body of a local government for the purchase or sale of securities which are negotiable and of the types listed in subsection 1 if made in accordance with the following conditions:
- (a) The governing body of the local government shall designate in advance and thereafter maintain a list of qualified counterparties which:
- (1) Regularly provide audited and, if available, unaudited financial statements;
- (2) The governing body of the local government has determined to have adequate capitalization and earnings and appropriate assets to be highly creditworthy; and
- (3) Have executed a written master repurchase agreement in a form satisfactory to the governing body of the local government pursuant to which all repurchase agreements are entered into. The master repurchase agreement must require the prompt delivery to the governing body of the local government and the appointed custodian of written confirmations of all transactions conducted thereunder, and must be developed giving consideration to the federal Bankruptcy Act.
 - (b) In all repurchase agreements:
- (1) At or before the time money to pay the purchase price is transferred, title to the purchased securities must be recorded in the name of the appointed custodian, or the purchased securities must be delivered with all appropriate, executed transfer instruments by physical delivery to the custodian;
- (2) The governing body of the local government must enter a written contract with the custodian appointed pursuant to subparagraph (1) which requires the custodian to:
- (I) Disburse cash for repurchase agreements only upon receipt of the underlying securities;
- (II) Notify the governing body of the local government when the securities are marked to the market if the required margin on the agreement is not maintained;
 - (III) Hold the securities separate from the assets of the custodian; and
- (IV) Report periodically to the governing body of the local government concerning the market value of the securities;

- (3) The market value of the purchased securities must exceed 102 percent of the repurchase price to be paid by the counterparty and the value of the purchased securities must be marked to the market weekly;
- (4) The date on which the securities are to be repurchased must not be more than 90 days after the date of purchase; and
- (5) The purchased securities must not have a term to maturity at the time of purchase in excess of 10 years.
- 3. The securities described in paragraphs (a), (b) and (c) of subsection 1 and the repurchase agreements described in subsection 2 may be purchased when, in the opinion of the governing body of the local government, there is sufficient money in any fund of the local government to purchase those securities and the purchase will not result in the impairment of the fund for the purposes for which it was created.
- 4. When the governing body of the local government has determined that there is available money in any fund or funds for the purchase of bonds as set out in subsection 1 or 2, those purchases may be made and the bonds paid for out of any one or more of the funds, but the bonds must be credited to the funds in the amounts purchased, and the money received from the redemption of the bonds, as and when redeemed, must go back into the fund or funds from which the purchase money was taken originally.
- 5. Any interest earned on money invested pursuant to subsection 3, may, at the discretion of the governing body of the local government, be credited to the fund from which the principal was taken or to the general fund of the local government.
- 6. The governing body of a local government may invest any money apportioned into funds and not invested pursuant to subsection 3 and any money not apportioned into funds in bills and notes of the United States Treasury, the maturity date of which is not more than 1 year after the date of investment. These investments must be considered as cash for accounting purposes, and all the interest earned on them must be credited to the general fund of the local government.
- 7. This section does not authorize the investment of money administered pursuant to a contract, debenture agreement or grant in a manner not authorized by the terms of the contract, agreement or grant.
- 8. The terms, conditions, limitations and restrictions regarding investments listed in this section apply only at the time an investment is originally acquired and must not be construed to require the liquidation of an investment at any time.
 - **9.** As used in this section:
- (a) "Counterparty" means a bank organized and operating or licensed to operate in the United States pursuant to federal or state law or a securities dealer which is:
 - (1) A registered broker-dealer;
- (2) Designated by the Federal Reserve Bank of New York as a "primary" dealer in United States government securities; and

- (3) In full compliance with all applicable capital requirements.
- (b) "Local government" has the meaning ascribed to it in NRS 354.474.
- (c) "Repurchase agreement" means a purchase of securities by the governing body of a local government from a counterparty which commits to repurchase those securities or securities of the same issuer, description, issue date and maturity on or before a specified date for a specified price.
 - Sec. 3. NRS 355.171 is hereby amended to read as follows:
- 355.171 1. Except as otherwise provided in this section, a board of county commissioners, a board of trustees of a county school district or the governing body of an incorporated city may purchase for investment:
- (a) Notes, bonds and other unconditional obligations for the payment of money issued by corporations organized and operating in the United States that:
 - (1) Are purchased from a registered broker-dealer;
- (2) At the time of purchase have a remaining term to maturity of no more than 5 years; and
- (3) Are rated by a nationally recognized rating service as "A" or its equivalent, or better.
- (b) Collateralized mortgage obligations that are rated by a nationally recognized rating service as "AAA" or its equivalent.
- (c) Asset-backed securities that are rated by a nationally recognized rating service as "AAA" or its equivalent.
- 2. With respect to investments purchased pursuant to paragraph (a) of subsection 1:
- (a) Such investments must not, in aggregate value, exceed 20 percent of the total portfolio as determined on the date of purchase; *and*
- (b) Not more than 25 percent of such investments may be in notes, bonds and other unconditional obligations issued by any one corporation . [; and
- (c)—If the rating of an obligation is reduced to a level that does not meet the requirements of that paragraph, the obligation must be sold as soon as possible.]
 - 3. Subsections 1 and 2 do not:
 - (a) Apply to a:
- (1) Board of county commissioners of a county whose population is less than 100,000;
- (2) Board of trustees of a county school district in a county whose population is less than 100,000; or
- (3) Governing body of an incorporated city whose population is less than 100,000,
- → unless the purchase is effected by the State Treasurer pursuant to his investment of a pool of money from local governments or by an investment adviser who is registered with the Securities and Exchange Commission and approved by the State Board of Finance.

- (b) Authorize the investment of money administered pursuant to a contract, debenture agreement or grant in a manner not authorized by the terms of the contract, agreement or grant.
 - Sec. 4. NRS 356.010 is hereby amended to read as follows:
- 356.010 All money under the control of the State Treasurer belonging to the State must be deposited in any state or national banks, any insured credit unions or in any insured savings and loan associations in this State [,] or , if approved by the State Board of Finance, in any banks, insured credit unions or insured savings and loan associations outside of this State. [as provided in NRS 356.100.] The depository banks, credit unions or savings and loan associations may, if authorized by a contract negotiated with the State Treasurer, receive compensation for handling, collecting and paying all checks, drafts and other exchange. The compensation may be provided through the use of a compensating balance or a fixed-rate fee, or any combination thereof.
 - Sec. 5. NRS 356.105 is hereby amended to read as follows:
- 356.105 The provisions of NRS 356.010 to [356.100,] 356.090, inclusive, do not require any depository to accept state deposits.
 - Sec. 6. NRS 356.110 is hereby amended to read as follows:
 - 356.110 A state officer or employee who willfully violates:
 - 1. NRS 356.011 is guilty of a misdemeanor.
- 2. Any of the other provisions of NRS 356.010 to [356.100,] 356.090, inclusive, is guilty of malfeasance in office which is a category D felony and shall be punished as provided in NRS 193.130.
- Sec. 7. Chapter 99 of NRS is hereby amended by adding thereto a new section to read as follows:

Notwithstanding any provision of law to the contrary, in calculating the rate of interest on any bonds or other securities that are issued by this State or any political subdivision or municipal or public corporation of this State on or before June 30, 2011, for the purposes of any limitations on the rate of interest provided by specific statute, any credit expected to be paid to or for the benefit of the issuer of the bonds or other securities under 26 U.S.C. § 6431, as amended, must be treated as a reduction in the amount of interest paid, as of the date or dates on which the credit is expected to be received. Such amount must be used to pay the interest on the bonds or other securities for which it is received or to reimburse the issuer of the bonds or other securities for that payment.

Sec. 8. NRS 271.355 is hereby amended to read as follows:

- 271.355 1. For the purpose of paying any contractor or otherwise defraying any costs of the project as the costs become due from time to time until money is available therefor from the levy and collection of assessments and any issuance of bonds, the governing body may issue interim warrants.
- 2. Any interim warrants issued for any construction work may be issued only upon estimates of the engineer.
 - 3. Any interim warrants must:

- (a) Bear such date or dates;
- (b) Mature in such denomination or denominations at such time or times, or at any time upon call;
- (c) [Bear] Except as otherwise provided in section 7 of this act, 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
- (d) Be payable in such medium of payment at such place or places within and without the State, including but not limited to the county treasurer,
- → as the governing body may determine.
- 4. Any interim warrants may be issued with privileges for registration for payment as to principal only, or as to both principal and interest, may be negotiable or nonnegotiable, may be general obligations for the payment of which the governing body pledges the full faith and credit of the municipality, or may be special obligations payable from designated special assessments, any bond proceeds, and any other money designated to be available for the redemption of such interim warrants, and generally must be issued in such manner, in such form, with such recitals, terms, covenants and conditions, and with such other details, as may be provided by the governing body by ordinance.
- 5. An ordinance for the issuance of interim warrants may be adopted or amended as if an emergency existed.

Sec. 9. NRS 271.485 is hereby amended to read as follows:

- 271.485 1. Any bonds issued pursuant to this chapter may be sold in such a manner as may be approved by the governing body to defray the cost of the project, including all proper incidental expenses. The governing body may issue a single issue of bonds to defray the costs of projects in two or more improvement districts if the principal amount of those bonds does not exceed the total uncollected assessments levied in each improvement district.
- 2. Bonds must be sold in the manner prescribed in NRS 350.105 to 350.195, inclusive:
- (a) For not less than the principal amount thereof and accrued interest thereon; or
- (b) At the option of the governing body, below par at a discount not exceeding 9 percent of the principal amount and except as otherwise provided in NRS 271.487 and 271.730, and section 7 of this act, at a price which will not result in an effective interest rate which exceeds 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 if the maximum or any lesser amount of discount permitted by the governing body has been capitalized as a cost of the project.
- 3. Except as otherwise provided in subsection 4 and NRS 271.487 and 271.730, the rate of interest of the bonds must not at any time exceed the rate of interest, or lower or lowest rate if more than one, borne by the special assessments, but any rate of interest of the bonds may be the same as or less

than any rate of interest of the assessment, subject to the limitation provided in subsection 2, as the governing body may determine.

- 4. Except as otherwise provided in NRS 271.730, if a governing body creates a district pursuant to the provisions of NRS 271.710, the governing body or chief financial officer of the municipality shall, in consultation with a financial advisor or the underwriter of the bonds, fix the rate of interest of the bonds at a rate of interest such that the principal and interest due on the bonds in each year, net of any interest capitalized from the proceeds of the bonds, will not exceed the amount of principal and interest to be collected on the special assessments during that year.
- 5. The governing body may employ legal, fiscal, engineering and other expert services in connection with any project authorized by this chapter and the authorization, issuance and sale of bonds.
- 6. Any accrued interest must be applied to the payment of the interest on or the principal of the bonds, or both interest and principal.
- 7. Any unexpended balance of the proceeds of the bond remaining after the completion of the project for which the bonds were issued must be paid immediately into the fund created for the payment of the principal of the bonds and must be used therefor, subject to the provisions as to the times and methods for their payment as stated in the bonds and the proceedings authorizing their issuance.
- 8. The validity of the bonds must not be dependent on nor affected by the validity or regularity of any proceedings relating to the acquisition or improvement of the project for which the bonds are issued.
- 9. A purchaser of the bonds is not responsible for the application of the proceeds of the bonds by the municipality or any of its officers, agents and employees.
- 10. The governing body may enter into a contract to sell special assessment bonds at any time but, if the governing body so contracts before it awards a construction contract or otherwise contracts for acquiring or improving the project, the governing body may terminate the contract to sell the bonds, if:
- (a) Before awarding the construction contract or otherwise contracting for the acquisition or improvement of the project, it determines not to acquire or improve the project; and
- (b) It has not elected to proceed pursuant to subsection 2 or 3 of NRS 271.330, but has elected to proceed pursuant to subsection 1 of that section.
- 11. If the governing body ceases to have jurisdiction to proceed, because the requisite proportion of owners of the frontage to be assessed, or of the area, zone or other basis of assessment, file written complaints, protests and objections to the project, as provided in NRS 271.306, or for any other reason, any contract to sell special assessment bonds is terminated and becomes inoperative.
 - Sec. 10. NRS 349.076 is hereby amended to read as follows:

- 349.076 Except as otherwise provided by a specific statute, <u>including</u>, <u>without limitation</u>, <u>section 7 of this act</u>, the rate or rates of interest on securities issued by the State must not exceed by more than 3 percent:
 - 1. For general obligations, the Index of Twenty Bonds; and
 - 2. For special obligations, the Index of Revenue Bonds,
- which was most recently published before the bids are received or a negotiated offer is accepted.

Sec. 11. NRS 350.2011 is hereby amended to read as follows:

- 350.2011 Except <u>as otherwise provided in section 7 of this act, and except</u> where the provisions, whenever enacted, of a general or special law or of a special charter otherwise require, the rate or rates of interest on securities issued by a political subdivision of this state must not exceed by more than 3 percent:
 - 1. For general obligations, the Index of Twenty Bonds; and
 - 2. For special obligations, the Index of Revenue Bonds,
- which was most recently published before the bids are received or a negotiated offer is accepted.

Sec. 12. NRS 350A.140 is hereby amended to read as follows:

- 350A.140 1. The State Treasurer is the Administrator of the Municipal Bond Bank.
 - 2. In his capacity as Administrator, the State Treasurer may:
- (a) Sue and be sued to establish or enforce any right arising out of a lending project or of any state securities issued pursuant to this chapter;
- (b) Acquire and hold municipal securities and revenue securities, and exercise all of the rights of holders of those securities;
- (c) Sell or otherwise dispose of municipal securities and revenue securities and assets acquired in connection with those securities, unless limited by any agreement which relates to those securities;
 - (d) Make contracts and execute all necessary or convenient instruments;
- (e) Accept grants of money from the Federal Government, the State, any agency or political subdivision, or any other person;
- (f) Adopt regulations relating to lending projects and the administration of lending projects;
- (g) Employ for himself or for any municipality, any necessary legal, fiscal, engineering and other expert services in connection with lending projects and with the authorization, sale and issuance of state securities, municipal securities and revenue securities;
- (h) Enter into agreements and arrangements consistent with the provisions of this chapter with respect to the issuance of state securities and the purchase of municipal and revenue securities;
- (i) Make findings concerning the sufficiency of revenues and taxes pledged for the payment of revenue securities to repay state securities which were issued to acquire those revenue securities; [and]

- (j) At the request of a municipality, on or before June 30, 2011, apply for and accept a volume cap allocation for tax credit bonds that authorizes the issuance of bonds which can be sold with a federal income tax credit;
- (k) On or before June 30, 2011, enter into any agreement with the Federal Government that the State Treasurer determines is necessary or advisable:
- (1) To issue bonds which can be sold with a federal income tax credit pursuant to the provisions of the Internal Revenue Code, as amended; and
- (2) To receive a volume cap allocation for tax credit bonds described in paragraph (j); and
- <u>(1)</u> Undertake other matters which he determines to be necessary or desirable in accomplishing the purposes of this chapter.

Sec. 13. NRS 350A.153 is hereby amended to read as follows:

- 350A.153 1. This chapter does not confer upon a municipality authority to pledge revenues for the payment of revenue securities. Any such authority must be derived from other law.
- 2. No state securities may be issued pursuant to this chapter for the purpose of acquiring revenue securities unless the governing body of the municipality issuing the revenue securities includes within the ordinance, resolution or other instrument authorizing the issuance of the revenue securities a statement authorizing the State Treasurer and any other appropriate state officer to withhold from any allocable local revenues to which the municipality is otherwise entitled an amount necessary and legally available to pay the principal and interest due on the revenue securities if the municipality fails to pay timely such principal and interest. The governing body of the municipality shall provide to the State Treasurer:
- (a) A copy of the ordinance, resolution or other instrument authorizing the issuance of the revenue securities:
 - (b) A schedule of payments for the revenue securities; and
- (c) The name and address of the person from whom payments of principal and interest on the revenue securities will be received by the State Treasurer.
- 3. Payments of principal and interest on revenue securities must be due not later than 1 working day before the payments of principal and interest are due on the state securities issued to acquire the revenue securities. If a payment of the principal or interest on revenue securities is not received by the State Treasurer by the date on which the payment is due, the State Treasurer shall immediately notify the municipality to determine if the payment will be immediately forthcoming. If the payment will not be immediately forthcoming, the State Treasurer shall:
- (a) Forward the amount necessary to make the payment from any legally available money in the reserve fund created for that purpose in the bond bank fund; and
- (b) Withhold that amount from the next payment to the municipality of allocable local revenues legally available therefor. If the amount so withheld is insufficient to pay the amount due, the State Treasurer may continue to

withhold any amounts necessary from subsequent payments to the municipality until the amount due is paid.

- 4. If, after being notified pursuant to this section, a municipality fails to make a payment of principal or interest on any revenue securities issued by it, the State Treasurer shall notify the Department of Taxation and request that action be taken pursuant to the provisions of NRS 354.685.
- 5. The State Controller and the Director of the Department of Administration shall approve requisitions or transfers required pursuant to this section and take such other action as is necessary to carry out the provisions of this section.
 - 6. The provisions of subsections 2 to 5, inclusive, do not:
- (a) Apply to municipal bonds issued on or before June 30, 2011, where the bondholder or issuer may claim or receive a tax credit pursuant to the provisions of the Internal Revenue Code.
- (b) Authorize state taxes to be pledged to pay special obligations of the State.
 - Sec. 14. NRS 396.852 is hereby amended to read as follows:
- 396.852 1. [As] Except as otherwise provided in this section and section 7 of this act, as the Board may determine, any bonds and other securities issued hereunder [(except as herein otherwise provided)] must:
 - (a) Be of a convenient denomination or denominations;
- (b) Be fully negotiable within the meaning of and for all the purposes of the Uniform Commercial Code—Investment Securities;
- (c) Mature at such time or serially at such times in regular numerical order at annual or other designated intervals in amounts designated and fixed by the Board, but not exceeding 50 years from their date;
- (d) Bear interest at a rate or rates which do not exceed by more than 3 percent the Index of Revenue Bonds which was most recently published before the bids are received or a negotiated offer is accepted, the interest on each bond to be payable annually, semiannually, or at other designated intervals, but the first interest payment date may be for interest accruing for any other period;
- (e) Be made payable in lawful money of the United States, at the office of the Treasurer of the University or any commercial bank or commercial banks within or without or both within and without the State as may be provided by the Board; and
- (f) Be printed at such place within or without this state, as the Board may determine.
- 2. Any bonds issued hereunder must have one or two sets of interest coupons, bearing the number of the bond to which they are respectively attached, numbered consecutively in regular numerical order, and attached in such a manner that they can be removed upon the payment of the installments of interest without injury to the bonds, except as herein otherwise provided.

[Sec. 7.] Sec. 15. NRS 356.100 is hereby repealed.

[Sec. 8.] Sec. 16. This act becomes effective upon passage and approval.

TEXT OF REPEALED SECTION

- **356.100 Deposit of state money in bank, credit union or savings and loan association outside State.** If deposits in depositories within this State are at or near the limit of deposits allowable under the value of bonds or securities pledged by such banks, insured credit unions or insured savings and loan associations, or as otherwise limited by NRS 356.010 to 356.110, inclusive, and an excess of money has accumulated in the State Treasury, the State Treasurer may:
- 1. Subject to the provisions of NRS 356.010 to 356.110, inclusive, with the written consent and approval of the State Board of Finance, deposit such amounts of money as may be advisable in banks, insured credit unions or insured savings and loan associations situated outside of this State; and
- 2. By check or order signed by the State Treasurer and countersigned by at least two members of the State Board of Finance, withdraw the deposits as needed.

Assemblywoman Pierce moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Assembly Bill No. 220.

Bill read second time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 507.

AN ACT relating to the subdivision of land; revising the requirements for the purchase of property for school construction; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law sets forth a multistep process for obtaining approval for the subdivision of land. (NRS 278.320-278.460) One of the preliminary requirements is a determination of the need for a school in the area in which the subdivision is located. (NRS 278.330) If a school is needed, the subdivider is required to make suitable land within the proposed subdivision available for purchase by the school district at a price which does not exceed the fair market value of the land. [(NRS 278.346) This bill specifies that the time for the determination of the fair market value of the land for the purposes of this purchase is the time the tentative map of the subdivision is approved by the governing body or planning commission.

Existing law provides that if Under existing law, if the school district does not construct a school on the land within 10 years from the date of purchase, the land must be offered for resale back to the subdivider or his successor in interest. (NRS 278.346) [This bill removes the time restriction

and the restriction that the land must be used only for a school site so that the requirement, as changed by this bill, now provides that the land must be offered for resale back to the subdivider or his successor in interest if the board of trustees determines at any time that the land is not required for a school or any other use by the school district.]

This bill provides that, in a county whose population is 100,000 or more but less than 400,000 (currently Washoe County), the school district and subdivider may negotiate a purchase price which is the lesser of: (1) the fair market value of the land on the date of purchase; or (2) the fair market value of the land at the time the tentative subdivision map was approved plus the costs of certain expenses paid by the subdivider. This bill also provides that, in such a county, if the purchase is not completed within 5 years after the final map that shows the school site is approved, the subdivider need not continue to set aside the land for the school district. This bill further requires a school district in such a county to offer the land back to the subdivider or successor in interest if construction on a school has not begun at the site within 10 years from the date of purchase.

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

Section 1. NRS 278.346 is hereby amended to read as follows:

- 278.346 1. The planning commission or its designated representative [.] or, if there is no planning commission, the clerk or other designated representative of the governing body shall , not more than 10 days after the tentative map is filed pursuant to the provisions of subsection 2 of NRS 278.330, forward a copy of the tentative map to the board of trustees of the school district within which the proposed subdivision is located. Within 15 days after receipt of the copy, the board of trustees or its designee shall, if a school site is needed within the area, notify the commission or governing body that a site is requested.
- 2. If the board of trustees requests a site_[, the] [person proposing the subdivision]:
- (a) The subdivider shall, except as otherwise provided in subsection 8, set aside a site of the size which is determined by the board. [The person proposing the subdivision] [If the tentative map is approved pursuant to NRS 278.349 or deemed approved pursuant to NRS 278.350, the school district may purchase the site and the]
- (b) The subdivider and the board of trustees shall , except as otherwise provided in subsections 7 and 8, negotiate for the price of the site, which must not exceed the fair market value of the land fat the time the tentative map is approved, as determined by an independent appraisal paid for by the board.
- $\underline{3.}$ If $\underline{\textit{[a-board of trustees determines that]}}$ any land purchased by $\underline{\text{[a] the}}$ school district pursuant to the provisions of $\underline{\text{[this-subsection]}}$ $\underline{\text{[have]}}$

subsection 2 has not been placed in use as fis not needed for a school site at the end of 10 years from the date of purchase, for any other use by the school district, the land must be offered to the subdivider or his successor in interest at a sale price equal to the fair market value [. If such person] of the land at the time such determination is made, as determined by an independent appraisal paid for by the board.

- 4. If the subdivider or his successor in interest does not accept [the offer,] an offer made pursuant to the provisions of subsection 3 or 9, then the board of trustees may:
- (a) Sell or lease such property in the manner provided in NRS 277.050 or 393.220 to 393.320, inclusive;
- (b) Exchange such property in the manner provided in NRS 277.050 or 393.326 to 393.3293, inclusive; or
- (c) Retain such property, if such retention is determined to be in the best interests of the school district.
- [3.] 5. Except as <u>otherwise</u> provided in subsection [4.] 6, when any land dedicated to the use of the public school system or any land purchased and used as a school site becomes unsuitable, undesirable or impractical for any school uses or purposes, the board of trustees of the county school district in which the land is located shall dispose of the land as provided in subsection [2.] 4.
- [4.] <u>6.</u> Land dedicated under the provisions of former NRS 116.020, as it read before April 6, 1961, which the board of trustees determines is unsuitable, undesirable or impractical for school purposes may be reconveyed without cost to the dedicator or his successor or successors in interest.
- 7. Except as otherwise provided in subsection 8, in a county whose population is 100,000 or more but less than 400,000, the school district may purchase the site for a price negotiated between the subdivider and the board of trustees, which price must not exceed the lesser of:
- (a) The fair market value of the land at the time the tentative map was approved, as determined by an independent appraisal paid for by the board, plus any costs paid by the subdivider with respect to that land between the date the tentative map was approved and the date of purchase; or
- (b) The fair market value of the land on the date of purchase, as determined by an independent appraisal paid for by the board.
- 8. If, 5 years after the date on which the final map that contains the school site was approved, a school district has not purchased the site pursuant to the provisions of subsection 7, the subdivider need not continue to set aside the site pursuant to the provisions of subsection 2.
- 9. If, 10 years after the date of purchase of a school site pursuant to subsection 7, construction of a school at the school site has not yet begun, the land must be offered to the subdivider or his successor in interest at a sale price equal to the fair market value of the land at the time such

<u>determination is made, as determined by an independent appraisal paid for by the board.</u>

Assemblyman Bobzien moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Assembly Bill No. 451.

Bill read second time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 347.

SUMMARY—Establishes a program for the issuance of state obligations to provide venture capital to certain minority-owned businesses in this State. (BDR [30] 31_-613)

AN ACT relating to state obligations; establishing a program for the [issuance of state obligations] investment of state money in certificates of deposit at a reduced rate to provide [venture capital] lending institutions with money for reduced-rate loans to certain minority-owned and other small businesses in this State; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

[Existing law prohibits the State from donating or loaning money or its credit or subscribing to or being interested in the stock of any company, association or corporation, except corporations formed for educational or charitable purposes. (Nev. Const. Art. 8, § 9) Section 9 of this bill requires the Director of the Department of Business and Industry to form an independent corporation for profit, the purpose of which is to form a limited partnership to provide venture capital to certain minority-owned businesses to enhance their ability to do business in this State. Section 9 also requires the Director to form an independent corporation for public benefit to serve as the sole stockholder of the independent corporation for profit formed by the Director.

Section 10 of this bill requires the State Board of Finance, upon application by the Director, to issue general obligation bonds of the State of Nevada, the aggregate amount of which must not exceed \$20,000,000. The Director shall use a portion of the proceeds of the bonds to loan money to the corporation for public benefit formed by the Director to provide, through the limited partnership formed by the corporation for profit formed by the Director, venture capital to certain minority-owned businesses to enhance their ability to do business in this State. Section 10 also requires the Director to create an account for the escrow of a portion of the loan to ensure that the money in the escrow, when invested, will have a value equal to or greater than the principal amount of the loan and requires the Director to provide a rate of interest on the loan that, together with any other interest, penaltics and other payments received from the proceeds of the bonds, will be sufficient to

pay the interest on the bonds.] Existing law allows the State Treasurer to invest the money of this State in negotiable certificates of deposit issued by commercial banks, insured credit unions or insured savings and loan associations. (NRS 355.140) Section 15 of this bill requires the State Treasurer to establish a Linked Deposit Program whereby the State, in an aggregate amount not to exceed \$20,000,000, invests in certificates of deposit with commercial banks, insured credit unions or insured savings and loan associations at a reduced rate of interest on the condition that the lending institution link the value of each certificate of deposit to a reduced-rate loan to certain types of small businesses. Section 15 also provides that the rate of interest paid to the State on the deposit is to be not more than 2 percentage points below the market rate for such a deposit, and the loan rate is to be reduced not more than 2 percentage points below the market rate for such a loan. Further, section 15 requires a lending institution to sign an agreement with the State Treasurer as to the terms of such a deposit and its linked loan.

Section 17 of this bill requires a lending institution that participates in the Linked Deposit Program to apply all the usual lending standards to determine the creditworthiness of a small business seeking a loan and further requires that a preference be given to certain small businesses that are owned by a member of a racial or ethnic minority, a woman or an honorably discharged veteran of the Armed Forces of the United States. Section 19 of this bill limits such loans to not more than \$500,000 and to a term of not longer than 10 years. Section 18 of this bill limits the types of businesses that are eligible to participate in the Linked Deposit Program.

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

- Section 1. [The Legislature hereby declares that the purpose of this act is to benefit the general welfare of the people of this State by improving the state economy through the development of business opportunities for employment, and finds that this purpose is a charitable purpose within the meaning of Section 9 of Article 8 of the Nevada Constitution.] (Deleted by amendment.)
- Sec. 2. [Chapter 349 of NRS is hereby amended by adding thereto the provisions set forth as sections 3 to 11, inclusive, of this act.] (Deleted by amendment.)
- Sec. 3. [As used in sections 3 to 11, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 4 to 8, inclusive, of this act have the meanings ascribed to them in those sections.]
 (Deleted by amendment.)
- Sec. 4. E"Corporation for public benefit" means a corporation that is recognized as exempt pursuant to section 501(c)(3) of the Internal Revenue

- Code of 1986, future amendments to that section and the corresponding provisions of future internal revenue loans.] (Deleted by amendment.)
- Sec. 5. ["Department" means the Department of Business and Industry.] (Deleted by amendment.)
- Sec. 6. ["Director" means the Director of the Department.] (Deleted by amendment.)
- Sec. 7. ["Minority owned business" means any business in this State that is established and operating, or will be established to operate, of which at least 51 percent is owned by a person who is a member of a racial or ethnic minority.] (Deleted by amendment.)
- Sec. 8. ["Venture capital" means an investment in or loan made to a minority owned business.] (Deleted by amendment.)
 - Sec. 9. [The Director shall cause to be formed in this State:
- 1.—An independent corporation for profit, the general purpose of which is to form and act as the general partner of a limited partnership to provide venture capital to minority-owned businesses to enhance their ability to do business in this State.
- 2.—An independent corporation for public benefit that shall serve as the sole stockholder of the independent corporation formed pursuant to subsection 1.] (Deleted by amendment.)
- Sec. 10. [I. Upon application by the Director, the State Board of Finance shall issue general obligation bonds of the State of Nevada to earry out the provisions of subsection 2. The aggregate amount of all outstanding bonds issued pursuant to this section must not exceed \$20,000,000. The provisions of the State Securities Law apply to the issuance of bonds pursuant to this section.
- 2.—The expenses related to the issuance of bonds pursuant to this section must be paid from the proceeds of the bonds. The Director shall use the remaining proceeds to loan money to the corporation for public benefit ereated pursuant to subsection 2 of section 9 of this act, pursuant to a loan agreement that:
- (a)-Requires the corporation for public benefit to use the money to provide, through the limited partnership formed by the corporation created pursuant to subsection 1 of section 9 of this act, venture capital to minority owned businesses to enhance their ability to do business in this State:
- (b)-Requires the creation of an escrow for a portion of the loan in an account for the benefit of the Department that, when the money in the escrow is invested for a period of not more than 15 years, will have a value equal to or greater than the principal amount of the loan; and
- (e)-Provides a rate of interest on the loan in an amount established by the Director. The Director shall establish a rate of interest in an amount that, together with any other interest, penalties and other payments received from the proceeds of the bonds issued pursuant to this section, will be sufficient to pay the interest on the bonds.] (Deleted by amendment.)

- Sec. 11. [The Director, in consultation with the Commission on Economic Development shall:
- 1.—Adopt such regulations as he deems necessary to earry out the provisions of sections 3 to 11, inclusive, of this act, including, without limitation, the performance of such audits and the submission of such reports as he deems appropriate to ensure compliance with the provisions of sections 3 to 11, inclusive, of this act and the regulations adopted pursuant to this section. The regulations may include criteria for the determining eligibility for and use of money loaned pursuant to subsection 2 of section 10 of this act, but the corporation created pursuant to subsection 1 of section 9 of this act must have sole authority for the approval of applications for and the management of venture capital provided pursuant to sections 3 to 11, inclusive, of this act.
- 2.—Provide the corporation created pursuant to subsection 2 of section 9 of this act with such assistance as is necessary to earry out the provisions of sections 3 to 11, inclusive, of this act and comply with the regulations adopted pursuant to this section.] (Deleted by amendment.)
- Sec. 12. Chapter 355 of NRS is hereby amended by adding thereto the provisions set forth as sections 13 to 20, inclusive, of this act.
- Sec. 13. The Legislature hereby declares that the public policy of this State is to benefit the general welfare of the people of this State by improving the state economy through the encouragement of reduced-rate lending to minority-owned and certain other small businesses.
- Sec. 14. <u>As used in sections 13 to 20, inclusive, of this act, unless the</u> context otherwise requires:
- 1. "Eligible small business" means a business that meets the requirements of section 18 of this act.
- 2. "Linked deposit" means a certificate of deposit issued pursuant to sections 15 to 20, inclusive, of this act to the State Treasurer by a qualified lending institution at an interest rate not more than 2 percent below the current market rate on the condition that the institution agrees to lend the value of the deposit, according to a deposit agreement made pursuant to section 15 of this act, to an eligible small business at a rate that is at least 2 percent lower than the current market rate for such a loan.
- 3. "Qualified lending institution" means a commercial bank, a savings and loan association or an insured credit union in this State that meets the eligibility requirements of section 16 of this act.
- Sec. 15. <u>1. The State Treasurer shall establish a Linked Deposit Program to increase the availability of reduced-rate loans to certain small businesses owned and operated in this State.</u>
- 2. The State Treasurer may invest in reduced-rate certificates of deposit with qualified lending institutions upon acceptance of a loan package pursuant to this section and section 17 of this act. Each certificate of deposit issued pursuant to this section by a qualified lending institution to

- the State Treasurer must be linked to a reduced-rate loan made by the qualified lending institution to an eligible small business.
- 3. The total amount invested in linked deposits by the State Treasurer at any one time may not exceed, in the aggregate, \$20,000,000.
- 4. The State Treasurer may accept or reject a linked deposit loan package presented by a qualified lending institution.
- 5. Upon acceptance of a linked deposit loan package from a qualified lending institution:
- (a) The State Treasurer may place a linked deposit with the lending institution at a rate that is not more than 2 percentage points below the market rate for such a deposit at that lending institution. The State Treasurer shall determine and calculate all linked deposit rates.
- (b) The qualified lending institution shall enter into a deposit agreement with the State Treasurer, which must include requirements necessary to carry out the purposes of sections 13 to 20, inclusive, of this act. The deposit agreement must specify, without limitation:
 - (1) The rate of interest to be paid on the deposit;
- (2) The rate of interest to be charged for the loan linked to the deposit;
 - (3) That the qualified lending institution:
- (I) Shall loan an amount equal to the amount of the deposit to an eligible small business at a rate that is reduced from the current market rate for such a loan in the same amount as the reduction in rate received from the State Treasurer for the linked deposit;
 - (II) Shall verify that the small business is eligible for such a loan;
- (III) Shall collect and supply the State Treasurer with any information requested as to the loan and the eligible small business; and
- (IV) Shall notify the State Treasurer immediately if the eligible small business becomes ineligible for the Linked Deposit Program during the term of the loan; and
- (4) That the rate of interest to be paid on the deposit will revert to the current market rate at the time the eligible small business becomes ineligible for the Linked Deposit Program.
- 6. The State Treasurer shall compile and maintain on his Internet website a list of small businesses that have received loans from the Linked Deposit Program. The list must include, without limitation, for each business listed:
 - (a) The name of the business;
 - (b) The type of business;
 - (c) The location of the business;
 - (d) The amount and term of the linked deposit loan; and
- (e) The name and location of the qualified lending institution that made the loan.

- Sec. 16. <u>1. The State Board of Finance shall qualify a lending institution for participation in the Linked Deposit Program established by the State Treasurer pursuant to section 15 of this act.</u>
- 2. To qualify for participation in the Linked Deposit Program, a lending institution must:
- (a) Be a commercial bank organized under chapter 659 of NRS, an insured savings and loan association organized under chapter 673 of NRS or an insured credit union organized under chapter 678 of NRS;
- (b) Agree to actively advertise to and inform small businesses of the availability of reduced-rate loans through the Linked Deposit Program;
- (c) Make information about the Linked Deposit Program available on the public Internet website of the institution, if any; and
- (d) Apply for qualification on a form provided by the State Board of Finance.
- 3. The State Board of Finance shall adopt regulations necessary to carry out the provisions of this section.
- Sec. 17. 1. A qualified lending institution that desires to receive a linked deposit shall accept and review applications for linked deposit loans from eligible small businesses on a form provided by the State Treasurer. The lending institution shall apply all usual lending standards to determine the creditworthiness of each eligible small business, including, without limitation, the consideration of:
 - (a) Character, reputation and credit history of the applicant;
 - (b) Experience and depth of management;
 - (c) Strength of the business;
 - (d) Past earnings, projected cash flow and future prospects;
 - (e) Ability to repay the loan with earnings from the business;
 - (f) Sufficient invested equity to operate on a sound financial basis; and
 - (g) Potential for long-term success.
- 2. In determining which small business will receive a linked deposit loan, preference must be given, if the qualifications of the applicants are equal:
- (a) First, to a business that is at least 51-percent owned by a resident of this State who is:
 - (1) A member of a racial or ethnic minority;
 - (2) A woman; or
- (3) An honorably discharged veteran of the Armed Forces of the United States.
- (b) Second, to a business engaged in the production and sale of fuel or power from an energy source other than a fossil fuel, including, without limitation, geothermal, hydroelectric, solar or wind energy.
- 3. A qualified lending institution must submit a loan package to the State Treasurer for each Linked Deposit Program loan, on a form provided by the State Treasurer. The loan package must include, without limitation, verification by the qualified lending institution that the eligible small

business meets the requirements of this section and section 18 of this act and that the use of proceeds as specified in the loan meets the requirements of section 19 of this act.

- Sec. 18. 1. To be eligible for a loan from a qualified lending institution pursuant to the Linked Deposit Program established pursuant to section 15 of this act, a business must:
 - (a) Employ not more than 50 employees;
 - (b) Be headquartered in this State;
 - (c) Maintain offices or operating facilities in this State;
 - (d) Transact business in this State:
 - (e) Be organized for profit;
- (f) Have gross annual sales of less than \$5,000,000 at the time of application pursuant to this section;
 - (g) Satisfy the lending criteria of the qualified lending institution;
- (h) Submit verification of eligibility for a linked deposit loan with a qualified lending institution on a form provided by the State Treasurer; and
- (i) Submit an application for a linked deposit loan with a qualified lending institution on a form provided by the qualified lending institution.
- 2. The following types of businesses are not eligible for a loan from a qualified lending institution under the Linked Deposit Program established pursuant to section 15 of this act:
 - (a) Nonprofit businesses;
- (b) Financial businesses engaged primarily in the business of lending, including, without limitation, banks, finance companies and pawnbrokers;
 - (c) Speculative real estate development companies;
 - (d) Subsidiaries of businesses located in a foreign country;
- (e) Businesses which have previously defaulted on a Linked Deposit Program loan or federally assisted financing;
 - (f) Businesses which engage in any illegal activity; and
- (g) Any business which is ineligible under regulations adopted by the State Treasurer pursuant to section 20 of this act.
- Sec. 19. <u>1. A reduced-rate loan made pursuant to the Linked Deposit Program may not:</u>
 - (a) Exceed \$500,000; and
 - (b) Have a term of more than 10 years.
- 2. An eligible small business may use loan proceeds from a linked deposit reduced-rate loan for the following purposes:
 - (a) Working capital;
 - (b) Real property acquisition;
 - (c) Establishing a line of credit;
 - (d) Financing of accounts receivable;
- (e) Purchase of equipment, except that such equipment must not be purchased to replace the work or function of employees, resulting in layoffs or downsizing; and

- (f) Any other purpose permissible under regulations adopted by the State Treasurer pursuant to section 20 of this act.
- Sec. 20. The State Treasurer shall adopt regulations necessary to carry out the provisions of sections 13 to 20, inclusive, of this act.
- Sec. 21. This section and sections 12 to 20, inclusive, of this act become effective upon passage and approval for the purpose of adopting regulations and on October 1, 2009 for all other purposes.

Assemblyman Bobzien moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

MOTIONS, RESOLUTIONS AND NOTICES

Assemblywoman Kirkpatrick moved that upon return from the printer, Assembly Bill No. 451 be rereferred to the Committee on Ways and Means.

Motion carried.

SECOND READING AND AMENDMENT

Assembly Bill No. 467.

Bill read second time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 349.

AN ACT relating to governmental financial administration; revising provisions relating to the prevailing wage requirements; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

[Under existing law, the Nevada Supreme Court has held that even where a statute states specifically that the prevailing wage must be paid pursuant to NRS 338.010 338.090, prevailing wages need not be paid if the project at issue does not fit the definition of a "public work" and does not involve a "public body." (Carson-Tahoe Hospital v. Building and Construction Trades Council of Northern Nevada, 122 Nev. 218 (2006)) This bill clarifies that where a statute provides that the provisions relating to prevailing wage apply, prevailing wages are required to be paid regardless of whether the project for financing or other purposes is publicly or privately owned, and solely for the purposes of those provisions, the project is deemed a public work and the relevant public agency is deemed to be a party to the contract and to be the public body for purposes of performing certain duties relating to the prevailing wage requirements.] Section 1 of this bill requires that statutes which specifically state that certain statutory provisions relating to the payment of prevailing wages apply to a construction project be construed, if the public body is not a party to the contract or agreement for the co

stipulations that are required to be included in a contract for a public work; (2) require the public body to comply with those statutory provisions in the same manner as if the public body had undertaken the project or awarded the contract; and (3) require the contractor who is awarded the contract or entered into the agreement to perform construction on the project, or a subcontractor on the project, to comply with those statutory provisions in the same manner as if he was a contractor or subcontractor, as applicable, engaged on a public work. Section 1 of this bill makes a conforming change. (NRS 338.013)

Section 21 of this bill provides that the prevailing wage requirements apply to certain installment-purchase agreements by local governments. Sections 22 and [23] 24 of this bill clarify that the prevailing wage requirements apply to certain lease-purchase and installment-purchase contracts entered into by the State or its political subdivisions.

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

Section 1. Chapter 338 of NRS is hereby amended by adding thereto a new section to read as follows:

Statutes which state that the provisions of NRS 338.010 to 338.090, inclusive, 338.013 to 338.090, inclusive, or 338.020 to 338.090, inclusive, apply to a construction project of any kind must be construed, if the public body is not a party to the contract for the actual construction of the project, to:

- 1. Require the person or entity that executes one or more contracts or agreements for the actual construction of the project to include in such a contract or agreement the contractual provisions and stipulations that are required to be included in a contract for a public work pursuant to those statutory provisions.
- 2. Require the public body to comply with those statutory provisions in the same manner as if the public body had undertaken the project or had awarded the contract.
- 3. Require the contractor who is awarded the contract or entered into the agreement to perform construction on the project, or a subcontractor on the project, to comply with those statutory provisions in the same manner as if he was a contractor or subcontractor, as applicable, engaged on a public work.
 - Sec. 1.3. [NRS 338.0115 is hereby amended to read as follows:

338.0115—1: Except as otherwise provided in subsection 2, the provisions of this chapter and chapters 332 and 339 of NRS do not apply to a contract under which a private developer, for the benefit of a private development, constructs a water or sewer line extension and any related appurtenances:

(a)-Which qualify as a public work pursuant to NRS 338.010; and

- (b)—For which he will receive a monetary contribution or refund from a public body as reimbursement for a portion of the costs of the project.
- 2.—If, pursuant to the provisions of such a contract, the developer is not responsible for paying all of the initial construction costs of the project [, the]
- (a)-The provisions of NRS-[338.013 to 338.090, inclusive, and]-338.1373 to 338.148, inclusive, apply to the contract-[.]; and
- (b)-The requirement for the payment of prevailing wages as set forth in NRS 338.013 to 338.090, inclusive, applies to the project, regardless of whether the project for financing or other purposes is publicly or privately owned, and, solely for the purposes of those provisions, the project shall be deemed to be a public work and the developer shall be deemed to be a party to the contract and to be the public body advertising for bids for the project and awarding the contract for the project.] (Deleted by amendment.)
 - Sec. 1.7. NRS 338.013 is hereby amended to read as follows:
- 338.013 1. A public body that [advertises for bids for] undertakes a public work shall request from the Labor Commissioner, and include in [the] any advertisement [] or other type of solicitation, an identifying number with his designation of the work. That number must be included in any bid or other document submitted in response to the advertisement [] or other type of solicitation.
- 2. Each public body which awards a contract for any public work shall report its award to the Labor Commissioner within 10 days after the award, giving the name and address of the contractor to whom the public body awarded the contract and the identifying number for the public work.
- 3. Each contractor engaged on a public work shall report to the Labor Commissioner and the public body that awarded the contract the name and address of each subcontractor whom he engages for work on the project within 10 days after the subcontractor commences work on the contract and the identifying number for the public work.
- 4. The public body which awarded the contract shall report the completion of all work performed under the contract to the Labor Commissioner before the final payment of money due the contractor by the public body.
 - Sec. 2. [NRS 338.018 is hereby amended to read as follows:
- 338.018—The provisions of NRS 338.013 to 338.018, inclusive, apply to any contract for construction work of the Nevada System of Higher Education for which the estimated cost exceeds \$100,000 [even if the construction work does not qualify as a public work, as defined in subsection 15 of NRS 338.010.], regardless of whether the project for financing or other purposes is publicly or privately owned, and, solely for the purposes of those provisions, the project shall be deemed to be a public work and the Board of Regents of the University of Nevada shall be deemed to be a party to the contract and to be the public body advertising for bids for the project and awarding the contract for the project.] (Deleted by amendment.)

Sec. 3. [NRS 338.075 is hereby amended to read as follows:

338.075—The [provisions of] requirement for the payment of prevailing wages as set forth in NRS 338.020 to 338.090, inclusive, [apply] applies to any contract for construction work of the Nevada System of Higher Education for which the estimated cost exceeds \$100,000 [even if the construction work does not qualify as a public work, as defined in subsection 15 of NRS 338.010.], regardless of whether the project for financing or other purposes is publicly or privately owned, and, solely for the purposes of those provisions, the project shall be deemed to be a public work and the Board of Regents of the University of Nevada shall be deemed to be a party to the contract and to be the public body advertising for bids for the project and awarding the contract for the project.] (Deleted by amendment.)

Sec. 4. [NRS 338.1698 is hereby amended to read as follows:

338.1698 A contract awarded to a construction manager at risk pursuant to NRS 338.1695 or 338.1696:

- 1.—Must [comply with the provisions of] include a provision stating that the requirement for the payment of prevailing wages as set forth in NRS [338.020] 338.013 to 338.090, inclusive [.] , applies to the project, regardless of whether the project for financing or other purposes is publicly or privately owned, and, solely for the purposes of those provisions, the project shall be deemed to be a public work and the public body shall be deemed to be a party to the contract and to be the public body advertising for bids for the project and awarding the contract for the project.
- 2.—Must specify a date by which performance of the work required by the contract must be completed.
- 3.—May set forth the terms by which the construction manager at risk agrees to name the public body, at the cost of the public body, as an additional insured in an insurance policy held by the construction manager at risk.
- 4. Must require that the construction manager at risk to whom a contract is awarded assume overall responsibility for ensuring that the preconstruction or construction of the public work, as applicable, is completed in a satisfactory manner.
- 5. May include such additional provisions as may be agreed upon by the public body and the construction manager at risk.] (Deleted by amendment.)
 - Sec. 5. [NRS 338.1727 is hereby amended to read as follows:
- 338.1727—1.—After selecting the finalists pursuant to NRS 338.1725, the public body shall provide to each finalist a request for final proposals for the public work. The request for final proposals must:
- (a) Set forth the factors that the public body will use to select a designbuild team to design and construct the public work, including the relative weight to be assigned to each factor; and
- (b)—Set forth the date by which final proposals must be submitted to the public body.

- 2.—If one or more of the finalists selected pursuant to NRS 338.1725 is disqualified or withdraws, the public body may select a design-build team from the remaining finalist or finalists.
- 3. Except as otherwise provided in this subsection, in assigning the relative weight to each factor for selecting a design-build team pursuant to subsection. I, the public body shall assign, without limitation, a relative weight of 5 percent to the possession of a certificate of eligibility to receive a preference in bidding on public works and a relative weight of at least 30 percent to the proposed cost of design and construction of the public work. If any federal statute or regulation procludes the granting of federal assistance or reduces the amount of that assistance for a particular public work because of the provisions of this subsection relating to preference in bidding on public works, those provisions of this subsection do not apply insofar as their application would preclude or reduce federal assistance for that public work.
- 4.—A final proposal submitted by a design-build team pursuant to this section must be prepared thoroughly and be responsive to the criteria that the public body will use to select a design-build team to design and construct the public work described in subsection 1. A design-build team that submits a final proposal which is not responsive shall not be awarded the contract and shall not be eligible for the partial reimbursement of costs provided for in subsection 7.
 - 5.—A final proposal is exempt from the requirements of NRS 338.141.
- 6.— After receiving and evaluating the final proposals for the public work, the public body, at a regularly scheduled meeting, shall:
- (a)—Select the final proposal, using the criteria set forth pursuant to subsections 1 and 3, and award the design-build contract to the design-build team whose proposal is selected; or
 - (b)-Reject all the final proposals.
- 7:—If a public body selects a final proposal and awards a design-build contract pursuant to paragraph (a) of subsection 6, the public body shall:
- (a)—Partially reimburse the unsuccessful finalists if partial reimbursement was provided for in the request for preliminary proposals pursuant to paragraph (j) of subsection 2 of NRS 338.1723. The amount of reimbursement must not exceed, for each unsuccessful finalist, 3 percent of the total amount to be paid to the design-build team as set forth in the design-build contract.
- (b)—Make available to the public the results of the evaluation of final proposals that was conducted and the ranking of the design-build teams who submitted final proposals. The public body shall not release to a third party, or otherwise make public, financial or proprietary information submitted by a design-build team.
 - 8.—A contract awarded pursuant to this section:
- (a)-Must-[comply with the provisions of]-include a provision stating that the requirement for the payment of prevailing wages as set forth in NRS-[338.020]-338.013 to 338.090, inclusive [.], applies to the project,

regardless of whether the project for financing or other purposes is publicly or privately owned, and, solely for the purposes of those provisions, the project shall be deemed to be a public work and the public body shall be deemed to be a party to the contract and to be the public body advertising for bids for the project and awarding the contract for the project.

(b)-Must specify:

- (1)—An amount that is the maximum amount that the public body will pay for the performance of all the work required by the contract, excluding any amount related to costs that may be incurred as a result of unexpected conditions or occurrences as authorized by the contract;
- (2)-An amount that is the maximum amount that the public body will pay for the performance of the professional services required by the contract;
- (3)-A date by which performance of the work required by the contract must be completed.
- (e) May set forth the terms by which the design-build team agrees to name the public body, at the cost of the public body, as an additional insured in an insurance policy held by the design build team.
- (d)—Except as otherwise provided in paragraph (e), must not require the design professional to defend, indemnify or hold harmless the public body or the employees, officers or agents of that public body from any liability, damage, loss, claim, action or proceeding caused by the negligence, errors, omissions, recklessness or intentional misconduct of the employees, officers and agents of the public body.
- (e) May require the design-build team to defend, indemnify and hold harmless the public body, and the employees, officers and agents of the public body from any liabilities, damages, losses, claims, actions or proceedings, including, without limitation, reasonable attorneys' fees, that are eaused by the negligence, errors, omissions, recklessness or intentional misconduct of the design build team or the employees or agents of the design-build team in the performance of the contract.
- (f) Must require that the design-build team to whom a contract is awarded assume overall responsibility for ensuring that the design and construction of the public work is completed in a satisfactory manner.
- 9.—Upon award of the design-build contract, the public body shall make available to the public copies of all preliminary and final proposals received.] (Deleted by amendment.)
 - Sec. 6. [NRS 244.286 is hereby amended to read as follows:
- 244.286—1.—The board of county commissioners of any county may enter into an agreement with a person whereby the person agrees to construct or remodel a building or facility according to specifications adopted by the board of county commissioners and thereupon enter into a lease or a lease purchase agreement with the board of county commissioners for that building or facility.

- 2.—The board of county commissioners may convey property to a person where the purpose of the conveyance is the entering into of an agreement contemplated by subsection 1.
- 3.—The [provisions of] requirement for the payment of prevailing wages as set forth in NRS [338.010] 338.013 to 338.090, inclusive, [apply] applies to any agreement for the construction or remodeling of a building or facility entered into pursuant to subsection 1-[.], regardless of whether the project for financing or other purposes is publicly or privately owned, and, solely for the purposes of those provisions, the project shall be deemed to be a public work and the county shall be deemed to be a party to the contract and to be the public body advertising for bids for the project and entering into the agreement for the project.] (Deleted by amendment.)
 - Sec. 7. [NRS 244A.058 is hereby amended to read as follows:
- 244A.058—1.—A board that has adopted an ordinance imposing a fee pursuant to NRS 244A.810 may, on behalf of the county and in its name:
- (a)=Acquire, lease, improve, equip, operate and maintain within the county a minor league baseball stadium project.
- (b)—Subject to the provisions of chapter 350 of NRS, issue revenue bonds of the county to acquire, lease, improve or equip, or any combination thereof, within the county a minor league baseball stadium project.
- 2.—Bonds issued pursuant to this section must be payable from the proceeds of the fee imposed by the county pursuant to NRS 244A.810 and may be additionally secured by and payable from the gross or net revenues of the minor league baseball stadium project, including, without limitation, amounts received from any minor league baseball team pursuant to a contract with that team, fees, rates and charges for the use of the stadium by a minor league baseball team or any other uses of the stadium, and related uses, including, without limitation, parking and concessions, surcharges on tickets in an amount approved by the board, grants, whether conditional or unconditional, made for the payment of debt service or otherwise for the purposes of the minor league baseball stadium project, and any and all other sources of revenue attributable to the minor league baseball stadium project as provided by the board in the ordinance authorizing the issuance of bonds or any instrument supplemental or appertaining thereto.
- 3.—The provisions of chapters 332, 338 and 339 of NRS do not apply to a contract entered into by a county and a private developer pursuant to which the private developer constructs a minor league baseball stadium project, except that the contract must include a provision stating that the [requirements] requirement for the payment of prevailing wages as set forth in NRS [338.010] 338.013 to 338.090, inclusive, [apply] applies to any construction work to be performed under the contract [.], to the same extent as if the contract or other agreement was awarded by the governing body of the municipality and the project constituted a public work, regardless of whether the project for financing or other purposes is publicly or privately owned [.], and, solely for the purposes of those provisions, the project shall be

deemed to be a public work and the county shall be deemed to be a party to the contract and to be the public body advertising for bids for the project and awarding the contract for the project.] (Deleted by amendment.)

- Sec. 8. [NRS 244A.763 is hereby amended to read as follows:
- 244A.763—1.—NRS 244A.669 to 244A.763, inclusive, without reference to other statutes of this State, constitute full authority for the exercise of powers granted in those sections, including, but not limited to, the authorization and issuance of bonds.
- 2.—No other act or law with regard to the authorization or issuance of bonds that provides for an election, requires an approval, or in any way impedes or restricts the carrying out of the acts authorized in NRS 244A.669 to 244A.763, inclusive, to be done, applies to any proceedings taken or acts done pursuant to those sections, except for laws to which reference is expressly made in those sections or by necessary implication of those sections.
- 3.—The provisions of no other law, either general or local, except as provided in NRS 244A.669 to 244A.763, inclusive, apply to the doing of the things authorized in those sections to be done, and no board, agency, bureau, commission or official not designated in those sections has any authority or jurisdiction over the doing of any of the acts authorized in those sections to be done, except:
 - (a)—As otherwise provided in those sections.
- (b)—That a project for the generation and transmission of electricity is subject to review and approval by the state regulatory agencies which have jurisdiction of the matters involved, including, without limitation, the Public Utilities Commission of Nevada, the State Environmental Commission and the State Department of Conservation and Natural Resources.
- 4.—No notice, consent or approval by any public body or officer thereof may be required as a prerequisite to the sale or issuance of any bonds, the making of any contract or lease, or the exercise of any other power under NRS 244A.669 to 244A.763, inclusive, except as provided in those sections.
- 5.—[A] Except as otherwise provided in this subsection, a project is not subject to any requirements relating to public buildings, structures, ground works or improvements imposed by the statutes of this State or any other similar requirements which may be lawfully waived by this section, and any requirement—of competitive—bidding—or—other restriction—imposed—on—the procedure for award of contracts for such purpose or the lease, sale or other disposition of property of the counties is not applicable to any action taken pursuant—to NRS 244A.669—to—244A.763, inclusive—[, except—that—the provisions of]—The requirement for the payment of prevailing wages as set forth in NRS [338.010]—338.013 to 338.090, inclusive, [apply]—applies to any contract—for new construction, repair or reconstruction for which tentative approval for financing is granted on or after January 1, 1992, by the county for work to be done in a project—[.]—, regardless of whether the project for financing or other purposes is publicly or privately owned, and, solely for

the purposes of those provisions, the project shall be deemed to be a public work and the county shall be deemed to be a party to the contract and to be the public body advertising for bids for the project and awarding the contract for the project.

- 6.—Any bank or trust company located within or without this State may be appointed and act as a trustee with respect to bonds issued and projects financed pursuant to NRS 244A.669 to 244A.763, inclusive, without the necessity of associating with any other person or entity as cofiduciary except that such association is not prohibited.
- 7.—The powers conferred by NRS 244A.669 to 244A.763, inclusive, are in addition and supplemental to, and not in substitution for, and the limitations imposed by those sections do not affect the powers conferred by any other law.
- 8:—No part of NRS 244A.669 to 244A.763, inclusive, repeals or affects any other law or part thereof, except to the extent that those sections are inconsistent with any other law, it being intended that those sections provide a separate method of accomplishing its objectives, and not an exclusive one.] (Deleted by amendment.)
 - Sec. 9. [NRS 268.568 is hereby amended to read as follows:
- 268.568—1.—NRS 268.512 to 268.568, inclusive, without reference to other statutes of the State, constitute full authority for the exercise of powers granted in those sections, including, but not limited to, the authorization and issuance of honds.
- 2.—No other act or law with regard to the authorization or issuance of bonds that provides for an election, requires an approval, or in any way impedes or restricts the earrying out of the acts authorized in NRS 268.512 to 268.568, inclusive, to be done, including, without limitation, the charter of any city, applies to any proceedings taken or acts done pursuant to those sections, except for laws to which reference is expressly made in those sections.
- 3.—The provisions of no other law, either general or local, except as provided in NRS 268.512 to 268.568, inclusive, apply to the doing of the things authorized in NRS 268.512 to 268.568, inclusive, to be done, and no board, agency, bureau, commission or official not designated in those sections has any authority or jurisdiction over the doing of any of the acts authorized in those sections to be done, except as otherwise provided in those sections.
- 4.—No notice, consent or approval by any public body or officer thereof may be required as a prerequisite to the sale or issuance of any bonds, the making of any contract or lease, or the exercise of any other power under NRS 268.512 to 268.568, inclusive, except as provided in those sections.
- 5.—[A] Except as otherwise provided in this subsection, a project is not subject to any requirements relating to public buildings, structures, ground works or improvements imposed by the statutes of this state or any other similar requirements which may be lawfully waived by this section, and any

requirement of competitive bidding or other restriction imposed on the procedure for award of contracts for such purpose or the lease, sale or other disposition of property of the cities is not applicable to any action taken pursuant to NRS 268.512 to 268.568, inclusive. [, except that the provisions of] The requirement for the payment of prevailing wages as set forth in NRS [338.010] 338.013 to 338.090, inclusive, [apply] applies to any contract for new construction, repair or reconstruction for which tentative approval for financing is granted on or after January 1, 1992, by the city for work to be done in a project [.] , regardless of whether the project for financing or other purposes is publicly or privately owned, and, solely for the purposes of those provisions, the project shall be deemed to be a public work and the city shall be deemed to be a party to the contract and to be the public body advertising for bids for the project and awarding the contract for the project.

6.—Notwithstanding the provisions of NRS-662.245 or any other specific statute to the contrary, any bank or trust company located within or without this state may be appointed and act as a trustee with respect to bonds issued and projects financed pursuant to NRS-268.512 to 268.568, inclusive, without meeting the qualifications set forth in NRS-662.245.

7.—The powers conferred by NRS 268.512 to 268.568, inclusive, are in addition and supplemental to, and not in substitution for, and the limitations imposed by those sections do not affect the powers conferred by, any other law.

8.—No part of NRS 268.512 to 268.568, inclusive, repeals or affects any other law or part thereof, except to the extent that those sections are inconsistent with any other law, it being intended that those sections provide a separate method of accomplishing its objectives, and not an exclusive one.] (Deleted by amendment.)

Sec. 10. [NRS 271.710 is hereby amended to read as follows:

271.710 1.—A governing body may adopt an ordinance pursuant to NRS 271.325 creating a district and ordering a project to be acquired or improved and may contract with a person to construct or improve a project, issue bonds or otherwise finance the cost of the project and levy assessments, without complying with the provisions of NRS 271.305 to 271.320, inclusive, 271.330 to 271.345, inclusive, 271.380 and 271.385 and, except as otherwise provided in this section, the provisions of any law requiring public bidding or otherwise imposing requirements on any public contract, project, works or improvements, including, without limitation, chapters 332, 338 and 339 of NRS, if the governing body has entered into a written agreement with the owners of all of the assessable property within the district which states that:

(a) The governing body agrees to enter into a contract for the acquisition, construction or improvement of the project or projects in the district which includes:

- (1)-A provision stating that the [requirements] requirement for the payment of prevailing wages as set forth in NRS [338.010] 338.013 to 338.090, inclusive, [apply] applies to any construction work to be performed under the contract [;], regardless of whether the project for financing or other purposes is publicly or privately owned, and, solely for the purposes of those provisions, the project shall be deemed to be a public work and the governing body shall be deemed to be a party to the contract and to be the public body advertising for bids for the project and awarding the contract for the project; and
- (2)—The price, stated as a lump sum or as unit prices, which the governing body agrees to pay for the project if the project meets all requirements and specifications in the contract.
- (b)—The owners of the assessable property agree that if the rate of interest on any assessment levied for the district is determined from time to time as provided in NRS 271.487, the owners will provide written notice to the governing body in a timely manner when a parcel of the assessable property in the district is sold to a person who intends to occupy a dwelling unit on the parcel as his residence.
- (e)—The owners of the assessable property agree that the governing body may create the district, levy the assessments and for all other purposes relating to the district proceed pursuant to the provisions of this section.
- 2.—If an ordinance is adopted and the agreement entered into pursuant to
- (a) The governing body may amend the ordinance creating the district, change the assessment roll and redistribute the assessments required by NRS 271.390 in the same manner in which these actions were originally taken to add additional property to the district. The assessments may be redistributed between the assessable property originally in the district and the additional assessable property if:
- (1) The owners of additional assessable property also consent in writing to inclusion of their property in the district and to the amount of the assessment against their property; and
- (2)-The redistribution of the assessments is not prohibited by any covenants made for the benefit of the owners of any bonds or interim warrants issued for the district.
- (b) The governing body may amend the ordinance creating the district, change the assessment roll and redistribute the assessments required by NRS 271.390 in the same manner in which these actions were originally taken to remove assessable property from the district. The assessments may be redistributed among the assessable property remaining in the district if:
- (1) The owners of the remaining assessable property consent in writing to the amount of the revised assessment on their property; and
- (2)-The redistribution of the assessments is not prohibited by any covenants made for the benefit of the owners of any bonds or interim warrants issued for the district.

(e)—The governing body may adopt any ordinance pertaining to the district including the ordinance creating the district required by NRS 271.325, the ordinance authorizing interim warrants required by NRS 271.355, the ordinance levying assessments required by NRS 271.390, the ordinance authorizing bonds required by NRS 271.475 or any ordinance amending those ordinances after a single reading and without holding a hearing thereon, as if an emergency exists, upon an affirmative vote of not less than two thirds of all voting members of the governing body, excluding from any computation any vacancy on the governing body and any members thereon who may vote to break a tie vote, and provide that the ordinances become effective at the time an emergency ordinance would have become effective. The provisions of NRS 271.308 do not apply to any such ordinance.

(d)—The governing body may provide for a reserve fund, letter of eredit, surety bond or other collateral for payment of any interim warrants or bonds issued for the district and include all or any portion of the costs thereof in the amounts assessed against the property in the district and in the amount of bonds issued for the district. The governing body may provide for the disposition of interest earned on the reserve fund and other bond proceeds, for the disposition of unexpended bond proceeds after completion of the project and for the disposition of the unexpended balance in the reserve fund after payment in full of the bonds for the district.

3.—If the governing body of a municipality forms a district pursuant to the provisions of this section, the governing body:

(a)—Is not required to adopt the resolutions required pursuant to the provisions of NRS 271.280, 271.310, 271.360 and 271.390.

(b)—Shall be deemed to have adopted the resolution required pursuant to the provisions of NRS 271.325 if the plans and specifications are sufficiently specific to allow a competent contractor with the assistance of a competent engineer to estimate the cost of constructing the project and to construct the project.] (Deleted by amendment.)

Sec. 11. [NRS 271.800 is hereby amended to read as follows:

271.800 1. A governing body may, pursuant to NRS 271.275 or 271.710, establish a district to finance an underground conversion project. Before the governing body may adopt an ordinance pursuant to NRS 271.325 to establish such a district, each service provider that owns the overhead service facilities to be converted to underground facilities must submit its written approval of the project to the governing body. The governing body shall not establish a district to finance an underground conversion project without receiving the written approval of each such service provider pursuant to this subsection.

2.—Before initiating the establishment of a district pursuant to this section, the governing body must request in writing and receive from each service provider that owns the overhead service facilities to be converted in the proposed improvement district a written estimate of the cost to convert those facilities to underground facilities. The service provider shall provide its

estimate of the cost of the conversion to the governing body not later than 120 days after the service provider receives the request from the governing body.

- 3.—If a district already exists for the location for which the underground conversion project is proposed, the governing body may, pursuant to NRS 271.295, combine the underground conversion project with other projects in that district.
- 4.—An underground conversion project must be constructed by one or more of the service providers that own the overhead service facilities to be converted, pursuant to a written agreement between the governing body and each service provider that will engage in the construction. Such a project must be constructed in accordance with the standard underground practices and procedures approved by the Public Utilities Commission of Nevada.
- 5.—The provisions of any law requiring public bidding or otherwise imposing requirements on any public contract, project, works or improvements, including, without limitation, the provisions of chapters 332, 338 and 339 of NRS, do not apply to a contract entered into by a municipality and a service provider pursuant to this section, except that the contract must include a provision stating that the [requirements] requirement for the payment of prevailing wages as set forth in NRS [338.010] 338.013 to 338.090, inclusive, [apply] applies to any construction work to be performed under the contract [.] , regardless of whether the project for financing or other purposes is publicly or privately owned, and, solely for the purposes of those provisions, the project shall be deemed to be a public work and the municipality shall be deemed to be a party to the contract and to be the public body advertising for bids for the project and awarding the contract for the project.
- 6. Construction on an underground conversion project approved pursuant to this chapter may not commence until:
 - (a)-An ordinance creating a district is adopted pursuant to NRS 271.325;
- (b) The time for filing an appeal pursuant to NRS 271.315 has expired, or if such an appeal has been timely filed, a final, nonappealable judgment upholding the validity of the ordinance has been rendered;
- (e)-Arrangements for the financing of the construction have been completed through the issuance of bonds or interim warrants; and
- (d) The service provider has obtained all applicable permits, easements and licenses necessary to convert the facilities.] (Deleted by amendment.)
 - Sec. 12. [NRS 271A.130 is hereby amended to read as follows:
- 271A.130—1. Except as otherwise provided in this section, notwithstanding any other law to the contrary, any contract or other agreement relating to or providing for the construction, improvement, repair, demolition, reconstruction, other acquisition, equipment, operation or maintenance of any project financed in whole or in part pursuant to this chapter is exempt from any law requiring competitive bidding or otherwise specifying procedures for the award of contracts for construction or other

contracts, or specifying procedures for the procurement of goods or services. The governing body of the municipality shall require a quarterly report on the demography of the workers employed by any contractor or subcontractor for each such project.

- 2.—The provisions of subsection 1 do not apply to any project which is constructed or maintained by a governmental entity on any property while the governmental entity owns that property.
- 3:—The [provisions] requirement for the payment of prevailing wages as set forth in NRS [338.010] 338.013 to 338.090, inclusive, [apply] applies to any contract or other agreement for the construction, improvement, repair, demolition or reconstruction of any project that is paid for in whole or in part:
- (a)—From the proceeds of bonds or notes issued pursuant to paragraph (a) of subsection 1 of NRS 271A.120: or
- (b) Pursuant to an agreement for reimbursement entered into pursuant to paragraph (b) of subsection 1 of NRS 271A.120.
- the same extent as if the contract or other agreement was awarded by the governing body of the municipality and the project constituted a public work, regardless of whether the project [for financing or other purposes] is publicly or privately owned [.]-[, and, solely for the purposes of NRS 338.013 to 338.090, inclusive, the project shall be deemed to be a public work and the municipality shall be deemed to be a party to the contract and to be the public body advertising for bids for the project and awarding the contract for the project.] (Deleted by amendment.)
 - Sec. 13. [NRS 278C.240 is hereby amended to read as follows:
- 278C.240—The [provisions] requirement for the payment of prevailing wages as set forth in NRS [338.010] 338.013 to 338.090, inclusive, [apply] applies to any construction work to be performed under any contract or other agreement related to an undertaking ordered by a governing body pursuant to this chapter [.], regardless of whether the project for financing or other purposes is publicly or privately owned, and, solely for the purposes of those provisions, the project shall be deemed to be a public work and the governing body shall be deemed to be a party to the contract and to be the public body advertising for bids for the project and awarding the contract for the project.] (Deleted by amendment.)
 - Sec. 14. [NRS 279.500 is hereby amended to read as follows:
- 279.500—1.—The [provisions] requirement for the payment of prevailing wages as set forth in NRS-[338.010] 338.013 to 338.090, inclusive, [apply] applies to any contract for new construction, repair or reconstruction which is awarded on or after October 1, 1991, by an agency for work to be done in a project [.], regardless of whether the project for financing or other purposes is publicly or privately owned, and, solely for the purposes of those provisions, the project shall be deemed to be a public work and the agency shall be deemed to be a party to the contract and to be

the public body advertising for bids for the project and awarding the contract for the project.

2. If an agency provides property for development at less than the fair market value of the property, or provides financial incentives to the developer with a value of more than \$100,000, the agency must provide in the agreement with the developer that the development project is subject to the [provisions] requirement for the payment of prevailing wages as set forth in NRS [338.010] 338.013 to 338.090, inclusive. [to the same extent as if the agency had awarded the contract for the project.] -, regardless of whether the project for financing or other purposes is publicly or privately owned, and, solely for the purposes of those provisions, the project shall be deemed to be a public work and the agency shall be deemed to be a party to the contract and to be the public body advertising for bids for the project and awarding the contract for the project. This subsection applies only to the project covered by the agreement between the agency and the developer. This subsection does not apply to future development of the property unless additional financial incentives with a value of more than \$100,000 are provided to the developer.] (Deleted by amendment.)

Sec. 15. [NRS 318.140 is hereby amended to read as follows:

318.140—In the case of a district created wholly or in-part for acquiring sanitary sewer improvements:

- 1. The board may:
- (a) Construct, reconstruct, improve or extend the sanitary sewer system or any part thereof, including, without limitation, mains, laterals, wyes, tees, meters and collection, treatment and disposal plants.
- (b)—Sell any product or by-product thereof and acquire the appropriate outlets within or without the district and extend the sewer lines of the district thereto.
- (e) Enter into and perform, without any election, contracts or agreements for a term not to exceed 50 years with any person or a public agency, to provide the services, equipment or supplies necessary or appropriate to conduct tests of the discharge of pollutants into the state's water and to report the results of those tests as required by chapter 445A of NRS or the regulations adopted thereunder. For the purposes of this paragraph, "public agency" has the meaning ascribed to it in NRS 277.100.
- 2.—The provisions of chapters 332 and 339 of NRS do not apply to a contract under which a private developer extends a sewer main to his development or installs any appurtenances to that extension. Except as otherwise provided in this subsection, the provisions of chapter 338 of NRS do not apply to such a contract. If the developer does not pay all of the initial construction costs of the extension, the [provisions] requirement for the payment of prevailing wages as set forth in NRS 338.013 to 338.090, inclusive, [apply] applies to the contract [.], regardless of whether the project for financing or other purposes is publicly or privately owned, and, solely for the purposes of those provisions, the project shall be deemed to

be a public work and the board shall be deemed to be a party to the contract and to be the public body advertising for bids for the project and awarding the contract for the project.] (Deleted by amendment.)

Sec. 16. [NRS 318.144 is hereby amended to read as follows:

318.144—1.—The board may acquire, construct, reconstruct, improve, extend or better a works, system or facilities for the supply, storage and distribution of water for private and public purposes.

2.—The provisions of chapters 332 and 339 of NRS do not apply to a contract under which a private developer constructs water facilities for his development. Except as otherwise provided in this subsection, the provisions of chapter 338 of NRS do not apply to such a contract. If the developer does not pay all of the initial construction costs of the facility, the [provisions] requirement for the payment of prevailing wages as set forth in NRS 338.013 to 338.090, inclusive, [apply] applies to the contract [.]—, regardless of whether the project is publicly or privately owned, and, solely for the purposes of those provisions, the project shall be deemed to be a public work and the board shall be deemed to be a party to the contract and to be the public body advertising for bids for the project and awarding the contract for the project.] (Deleted by amendment.)

Sec. 17. [NRS 332.390 is hereby amended to read as follows:

332.390—If a performance contract entered into pursuant to NRS 332.300 to 332.440, inclusive, requires the employment of skilled mechanics, skilled workmen, semiskilled mechanics, semiskilled workmen or unskilled labor to perform the performance contract, the performance contract must include a provision-[relating to] requiring the payment of prevailing [wage] wages as [required pursuant to] set forth in NRS [338.020] 338.013 to 338.090, inclusive [.], regardless of whether the project for financing or other purposes is publicly or privately owned, and, solely for the purposes of those provisions, the project shall be deemed to be a public work and the local government shall be deemed to be a party to the performance contract and to be the public body advertising for bids for the project and awarding the performance contract for the project.] (Deleted by amendment.)

Sec. 18. [NRS 333A.120 is hereby amended to read as follows:

333A.120—If a performance contract entered into pursuant to this chapter requires the employment of skilled mechanics, skilled workmen, semiskilled mechanics, semiskilled workmen or unskilled labor to perform the performance contract must include a provision [relating to]-requiring the payment of prevailing [wage]-wages as [required pursuant to]-set forth in NRS [338.020] 338.013 to 338.090, inclusive [.]-, regardless of whether the project for financing or other purposes is publicly or privately owned, and, solely for the purposes of those provisions, the project shall be deemed to be a public work and the State shall be deemed to be a party to the performance contract and to be the public body advertising for bids for the project and awarding the performance contract for the project.] (Deleted by amendment.)

Sec. 19. [NRS 349.670 is hereby amended to read as follows:

349.670—1.—NRS 349.400 to 349.670, inclusive, without reference to other statutes of the State, constitute full authority for the exercise of powers granted in those sections, including but not limited to the authorization and issuance of bonds.

2.—No other act or law with regard to the authorization or issuance of bonds that provides for an election, requires an approval, or in any way impedes or restricts the carrying out of the acts authorized in NRS 349.400 to 349.670, inclusive, to be done, applies to any proceedings taken or acts done pursuant to those sections, except for laws to which reference is expressly made in those sections or by necessary implication of those sections.

3.—The provisions of no other law, either general or local, except as provided in NRS 349.400 to 349.670, inclusive, apply to the doing of the things authorized in those sections to be done, and no board, agency, bureau, commission or official not designated in those sections has any authority or jurisdiction over the doing of any of the acts authorized in those sections to be done, except as otherwise provided in those sections.

4.—[A]-Except as otherwise provided in this subsection, a project is not subject to any requirements relating to public buildings, structures, ground works or improvements imposed by the statutes of this state or any other similar requirements which may be lawfully waived by this section, and any requirement of competitive bidding or other restriction imposed on the procedure for award of contracts for such purpose or the lease, sale or other disposition of property is not applicable to any action taken pursuant to NRS 349.400 to 349.670, inclusive . [, except that the provisions]- The requirement for the payment of prevailing wages as set forth in NRS [338.010] 338.013 to 338.090, inclusive, [apply] applies to any contract for new construction, repair or reconstruction for which tentative approval for financing is granted on or after January 1, 1992, by the Director for work to be done in a project [.] - regardless of whether the project for financine or other purposes is publicly or privately owned, and, solely for the purposes of those provisions, the project shall be deemed to be a public work and the Director shall be deemed to be a party to the contract and to be the public body advertising for bids for the project and awarding the contract for the project.

5.—Any bank or trust company located within or without this state may be appointed and act as a trustee with respect to bonds issued and projects financed pursuant to NRS 349.400 to 349.670, inclusive, without the necessity of associating with any other person or entity as cofiduciary, but such an association is not prohibited.

6.—The powers conferred by NRS 349.400 to 349.670, inclusive, are in addition and supplemental to, and not in substitution for, and the limitations imposed by those sections do not affect the powers conferred by any other law.

- 7.—No part of NRS 349.400 to 349.670, inclusive, repeals or affects any other law or part thereof, except to the extent that those sections are inconsistent with any other law, it being intended that those sections provide a separate method of accomplishing its objectives, and not an exclusive one.
- 8:—The Director or a person designated by him may take any actions and execute and deliver any instruments, contracts, certificates and other documents, including the bonds, necessary or appropriate for the sale and issuance of the bonds or accomplishing the purposes of NRS 349.400 to 349.670, inclusive, without the assistance or intervention of any other officer.] (Deleted by amendment.)
 - Sec. 20. [NRS 349.956 is hereby amended to read as follows:

349.956—[A] Except as otherwise provided in this section, a water project is not subject to any requirements relating to public buildings, structures, ground works or improvements imposed by the statutes of this state or any other similar requirements which may be lawfully waived by this section, and any requirement of competitive bidding or other restriction imposed on the procedure for award of contracts for such purpose or the lease, sale or other disposition of property is not applicable to any action taken pursuant to NRS 349.935 to 349.961, inclusive. [, except that the provisions] The requirement for the payment of prevailing wages as set forth in NRS [338.010]-338.013 to 338.090, inclusive, [apply]-applies to any contract for new construction, repair or reconstruction for which tentative approval for financing is granted on or after January 1, 1992, by the Director or a municipality for work to be done in a water project [.], regardless of whether the water project for financing or other purposes is publicly or privately owned, and, solely for the purposes of those provisions, the water project shall be deemed to be a public work and the Director or the municipality shall be deemed to be a party to the contract and to be the public body advertising for bids for the water project and awarding the contract for the water project.] (Deleted by amendment.)

- Sec. 21. 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. If the term of the medium-term obligation or installment-purchase agreement is more than 5 years, the weighted average term of the medium-term obligation or installment-purchase agreement may not exceed the estimated weighted average useful life of the assets being financed with the medium-term obligation or installment-purchase agreement.
- [5.] For the purposes of *this* subsection, [4,] the Committee on Local Government Finance may adopt regulations that provide guidelines for the useful life of various types of assets and for calculation of the weighted average useful life of assets.
- 5. If an installment-purchase agreement pursuant to this section involves the construction, alteration, repair or remodeling of an improvement, the frequirement for the payment of prevailing wages as set forth in provisions of NRS 338.013 to 338.090, inclusive, fapplies apply to the construction, alteration, repair or remodeling of the improvement frequency of whether the project for financing or other purposes is publicly or privately owned, and, solely for the purposes of those provisions, the project shall be deemed to be a public work and the local government shall be deemed to be a party to the installment-purchase agreement and to be the public body advertising for bids for the project and awarding the installment purchase agreement for the project.
 - Sec. 22. NRS 353.545 is hereby amended to read as follows:
 - 353.545 The Legislature hereby finds and declares that:
- 1. The authority provided by other specific statutes for the government of this State and the political subdivisions of this State to use lease-purchase and

installment-purchase agreements provides an important and valuable option for these governmental entities and, when this authority is used properly, provides great benefit to the residents of this State.

- 2. The statutory provisions governing the use of lease-purchase and installment-purchase agreements should be interpreted to allow the process of entering into and carrying out these agreements to be as streamlined and efficient as possible.
- 3. The government of this State and the political subdivisions of this State should not use lease-purchase and installment-purchase agreements to :
 - (a) Engage *[engage]* in or allow bid-shopping; or
- (b) Avoid or circumvent any requirement regarding the payment of prevailing wages for public works.
- 4. When using lease-purchase and installment-purchase agreements, the government of this State and the political subdivisions of this State should provide for the preferential hiring of Nevada residents to the extent otherwise required by law.
- 5. If fanl a lease-purchase or installment-purchase agreement pursuant to this section involves the construction, alteration, repair or remodeling of an improvement, the frequirement for the payment of prevailing wages as set forth in provisions of NRS 338.013 to 338.090, inclusive, fapplies apply to the construction, alteration, repair or remodeling of the improvement for purposes of whether the project for financing or other purposes is publicly or privately owned, and, solely for the purposes of those provisions, the project shall be deemed to be a public work and the State shall be deemed to be a party to the installment purchase agreement and to be the public body advertising for bids for the project and awarding the installment-purchase agreement for the project.]
 - Sec. 23. [NRS 353.590 is hereby amended to read as follows:
- 353.590—If an agreement pursuant to NRS 353.500 to 353.630, inclusive, involves the construction, alteration, repair or remodeling of an improvement:
- 1.—Except as otherwise provided in this section, the construction, alteration, repair or remodeling of the improvement may be conducted as specified in the agreement without complying with the provisions of:
 - (a)-Any-law requiring competitive bidding; or
 - (b) Chapter 341 of NRS.
- 2.—The [provisions] requirement for the payment of prevailing wages as set forth in NRS 338.013 to 338.090, inclusive, [apply] applies to the construction, alteration, repair or remodeling of the improvement [.], regardless of whether the project for financing or other purposes is publicly or privately owned, and, solely for the purposes of those provisions, the project shall be deemed to be a public work and the Board shall be deemed to be a party to the agreement and to be the public body advertising for bids for the project and awarding the agreement for the project.

- 3.—The provisions of:
- (a)-Subsection 9 of NRS 341.100; and
- (b) NRS 341.105,

-- apply to the construction, alteration, repair or remodeling of the improvement.] (Deleted by amendment.)

- Sec. 24. NRS 354.740 is hereby amended to read as follows:
- 354.740 The Legislature hereby finds and declares that:
- 1. The authority provided by other specific statutes for the government of this State and the political subdivisions of this State to use lease-purchase and installment-purchase agreements provides an important and valuable option for these governmental entities and, when this authority is used properly, provides great benefit to the residents of this State.
- 2. The statutory provisions governing the use of lease-purchase and installment-purchase agreements should be interpreted to allow the process of entering into and carrying out these agreements to be as streamlined and efficient as possible.
- 3. The government of this State and the political subdivisions of this State should not use lease-purchase and installment-purchase agreements to:
 - (a) Engage *[engage]* in or allow bid-shopping; or
- (b) Avoid or circumvent any requirement regarding the payment of prevailing wages for public works.
- 4. When using lease-purchase and installment-purchase agreements, the government of this State and the political subdivisions of this State should provide for the preferential hiring of Nevada residents to the extent otherwise required by law.
- 5. If fan] a lease-purchase or installment-purchase agreement pursuant to this section involves the construction, alteration, repair or remodeling of an improvement, the frequirement for the payment of prevailing wages as set forth in] provisions of NRS 338.013 to 338.090, inclusive, fapplies apply to the construction, alteration, repair or remodeling of the improvement for the construction, alteration, repair or financing or other purposes is publicly or privately owned, and, solely for the purposes of those provisions, the project shall be deemed to be a public work and the State or political subdivision of the State, as applicable, shall be deemed to be a party to the installment-purchase agreement and to be the public body advertising for bids for the project and awarding the installment-purchase agreement for the project.]
 - Sec. 25. [NRS 408.3886 is hereby amended to read as follows:
- 408.3886—1.—After selecting the finalists pursuant to NRS 408.3885, the Department shall provide to each finalist a request for final proposals for the project. The request for final proposals must:
- (a)—Set forth the factors that the Department will use to select a design build team to design and construct the project, including the relative weigh to be assigned to each factor; and

- (b)—Set forth the date by which final proposals must be submitted to the Department.
- 2. Except as otherwise provided in this subsection, in assigning the relative weight to each factor for selecting a design build team pursuant to subsection 1, the Department shall assign, without limitation, a relative weight of 5 percent to the possession of a certificate of eligibility to receive a preference in bidding on public works and a relative weight of at least 30 percent for the proposed cost of design and construction of the project. If any federal statute or regulation precludes the granting of federal assistance or reduces the amount of that assistance for a particular project because of the provisions of this subsection relating to preference in bidding on public works, those provisions of this subsection do not apply insofar as their application would preclude or reduce federal assistance for that project.
- 3.—A final proposal submitted by a design-build team pursuant to this section must be prepared thoroughly, be responsive to the criteria that the Department will use to select a design build team to design and construct the project described in subsection 1 and comply with the provisions of NRS 338.141.
- 4.—After receiving the final proposals for the project, the Department
- (a) Select the most cost-effective and responsive final proposal, using the criteria set forth pursuant to subsections 1 and 2;
 - (b)-Reject all the final proposals; or
- (e) Request best and final offers from all finalists in accordance with subsection 5.
- 5.—If the Department determines that no final proposal received is costeffective or responsive and the Department further determines that requesting
 best and final offers pursuant to this subsection will likely result in the
 submission of a satisfactory offer, the Department may prepare and provide
 to each finalist a request for best and final offers for the project. In
 conjunction with preparing a request for best and final offers pursuant to this
 subsection, the Department may alter the scope of the project, revise the
 estimates of the costs of designing and constructing the project, and revise
 the selection factors and relative weights described in paragraph (a) of
 subsection 1. A request for best and final offers prepared pursuant to this
 subsection must set forth the date by which best and final offers, the
 Department shall:
- (a) Select the most cost-effective and responsive best and final offer, using the criteria set forth in the request for best and final offers; or
 - (b)-Reject all the best and final offers.
- 6.—If the Department selects a final proposal pursuant to paragraph (a) of subsection 4 or selects a best and final offer pursuant to paragraph (a) of subsection 5, the Department shall hold a public meeting to:
 - (a)-Review and ratify the selection.

- (b)—Partially reimburse the unsuccessful finalists if partial reimbursement was provided for in the request for preliminary proposals pursuant to paragraph (f) of subsection 3 of NRS 408.3883. The amount of reimbursement must not exceed, for each unsuccessful finalist, 3 percent of the total amount to be paid to the design-build team as set forth in the design-build contract.
- (e)—Make available to the public a summary setting forth the factors used by the Department to select the successful design-build team and the ranking of the design-build teams who submitted final proposals and, if applicable, best and final offers. The Department shall not release to a third party, or otherwise make public, financial or proprietary information submitted by a design-build team.
 - 7.—A contract awarded pursuant to this section:
- (a) Must [comply with the provisions] contain a provision stating that the requirement for the payment of prevailing wages as set forth in NRS [338.020] 338.013 to 338.090, inclusive [;] , applies to the project, regardless of whether the project for financing or other purposes is publicly or privately owned, and, solely for the purposes of those provisions, the project shall be deemed to be a public work and the Department shall be deemed to be a party to the contract and to be the public body advertising for bids for the project and awarding the contract for the project; and
 - (b) Must specify:
- (1)-An amount that is the maximum amount that the Department will pay for the performance of all the work required by the contract, excluding any amount related to costs that may be incurred as a result of unexpected conditions or occurrences as authorized by the contract;
- (2)—An amount that is the maximum amount that the Department will pay for the performance of the professional services required by the contract; and
- (3)-A date by which performance of the work required by the contract must be completed.
- 8. A design-build team to whom a contract is awarded pursuant to this section shall:
- (a) Assume overall responsibility for ensuring that the design and construction of the project is completed in a satisfactory manner; and
- (b)—Use the workforce of the prime contractor on the design build team to construct at least 15 percent of the project.] (Deleted by amendment.)
 - Sec. 26. [NRS 543.545 is hereby amended to read as follows:
- 543.545—Except as otherwise provided in subsection 3, the provisions of any law requiring public bidding or otherwise imposing requirements on any public contract, project, works or improvements, including, without limitation, the provisions of chapters 332, 338 and 339 of NRS, do not apply to any contract entered into by a flood control district for the construction of

- a flood control facility pursuant to the master plan, if a majority of the construction costs are paid by a private developer and the written agreement:
 - 1. Complies with the requirements of subsection 1 of NRS 543.360;
- 2. Clearly sets forth the computation of the construction costs, and includes the terms and conditions of the contract; and
- 3.—Contains a provision stating that the [requirements]-requirement for the payment of prevailing wages as set forth in NRS [338.010]-338.013 to 338.090, inclusive, [apply]-applies to any construction work performed pursuant to the contract [.], regardless of whether the project for financing or other purposes is publicly or privately owned, and, solely for the purposes of those provisions, the project shall be deemed to be a public work and the project shall be deemed to be a party to the contract and to be the public body advertising for bids for the project and awarding the contract for the project.] (Deleted by amendment.)
- Sec. 27. [Section 2.145 of the charter of the City of Las Vegas, being chapter 244, Statutes of Nevada 2007, at page 836, is hereby amended to read as follows:
- Sec.-2.145—Powers of City Council: Lease or lease-purchase agreement for construction or remodeling of building or facility; conveyance of property; applicability of certain provisions to agreement for construction or remodeling of building or facility.
- 1.—The City Council may enter into an agreement with a person whereby the person agrees to construct or remodel a building or facility according to specifications adopted by the City Council and thereupon enter into a lease or a lease purchase agreement with the City Council for that building or facility.
- 2.—The City Council may convey property to a person where the purpose of the conveyance is the entering into of an agreement contemplated by subsection 1.
- 3.—The [provisions] requirement for the payment of prevailing wages as set forth in NRS [338.010] 338.013 to 338.090, inclusive, [apply] applies to any agreement for the construction or remodeling of a building or facility entered into pursuant to subsection 1 [.], regardless of whether the project for financing or other purposes is publicly or privately owned, and, solely for the purposes of those provisions, the project shall be deemed to be a public work and the City Council shall be deemed to be a party to the agreement and to be the public body advertising for bids for the project and entering into the agreement for the project.] (Deleted by amendment.)
- Sec. 28. [Section 9.5 of the Reno-Tahoe Airport Authority Act, being chapter 369, Statutes of Nevada 2005, at page 1386, is hereby amended to read as follows:
- Sec. 9.5. Exemption from public bidding and other requirements imposed on public contracts, projects, acquisitions, works or improvements; regulations; requirements relative to adoption, amendment or repeal of regulations.

- 1.—Except as otherwise determined by the Board or provided in subsection 2, the provisions of any law requiring public bidding or otherwise imposing requirements on any public contract, project, acquisition, works or improvements, including, without limitation, the provisions of chapters 332, 338 and 339 of NRS, do not apply to any contract entered into by the Board if the Board:
 - (a)-Complies with the provisions of subsection 3; and
- (b) Finances the contract, project, acquisition, works or improvement by means of:
 - (1)-Revenue bonds issued by the Authority; or
 - (2)-An installment obligation of the Authority in a transaction in which:
- (I)-The Authority acquires real or personal property and another person acquires or retains a security interest in that or other property; and
- (II) The obligation by its terms is extinguished by failure of the Board to appropriate money for the ensuing fiscal year for payment of the amounts then due.
 - 2.—A contract entered into by the Board pursuant to this section must:
- (a)—Contain a provision stating that the [requirements] requirement for the payment of prevailing wages as set forth in NRS [338.010]—338.013—to 338.090, inclusive, [apply]—applies to any construction work performed pursuant to the contract [:], regardless of whether the project for financing or other purposes is publicly or privately owned, and, solely for the purposes of those provisions, the project shall be deemed to be a public work and the Authority shall be deemed to be a party to the contract and to be the public body advertising for bids for the project and entering into the contract for the project; and
- (b)—If the contract is with a design professional who is not a member of a design build team, comply with the provisions of NRS 338.155. As used in this paragraph, "design professional" has the meaning ascribed to it in subsection 7 of NRS 338.010.
- 3.—For contracts entered into pursuant to this section that are exempt from the provisions of chapters 332, 338 and 339 of NRS pursuant to subsection 1, the Board shall adopt regulations pursuant to subsection 4 which establish:
- (a)=One or more competitive procurement processes for letting such a contract: and
- (b)-A method by which a bid on such a contract will be adjusted to give a 5 percent preference to a contractor who would qualify for a preference pursuant to NRS 338.147. if:
 - (1)-The estimated cost of the contract exceeds \$250,000; and
 - (2)-Price is a factor in determining the successful bid on the contract.
 - 4 The Board:
- (a) Shall, before adopting, amending or repealing a permanent or temporary regulation pursuant to subsection 3, give at least 30 days' notice of its intended action. The notice must:
 - (1) Include:

- (I)-A statement of the need for and purpose of the proposed regulation.
- (II) Either the terms or substance of the proposed regulation or a description of the subjects and issues involved.
- (III)—The estimated cost to the Board for enforcement of the proposed regulation.
- (IV)-The time when, the place where and the manner in which interested persons may present their views regarding the proposed regulation.
- (V)-A statement indicating whether the regulation establishes a new fee or increases an existing fee.
- (2)-State each address at which the text of the proposed regulation may be inspected and copied.
- (3)—Be mailed to all persons who have requested in writing that they be placed upon a mailing list, which must be kept by the Authority for that purpose.
- (b) May adopt, if it has adopted a temporary regulation after notice and the opportunity for a hearing as provided in this subsection, after providing a second notice and the opportunity for a hearing, a permanent regulation.
- (e)—Shall, in addition to distributing the notice to each recipient of the Board's regulations, solicit comment generally from the public and from businesses to be affected by the proposed regulation.
- (d)—Shall, before conducting a workshop pursuant to paragraph (g), determine whether the proposed regulation is likely to impose a direct and significant economic burden upon a small business or directly restrict the formation, operation or expansion of a small business. If the Board determines that such an impact is likely to occur, the Board shall:
- (1)—Insofar as practicable, consult with owners and officers of small businesses that are likely to be affected by the proposed regulation.
- (2) Consider methods to reduce the impact of the proposed regulation on small businesses.
- (3)—Prepare a small business impact statement and make copies of the statement available to the public at the workshop conducted pursuant to paragraph (g) and the public hearing held pursuant to paragraph (h).
- (e)—Shall ensure that a small business impact statement prepared pursuant to subparagraph (3) of paragraph (d) sets forth the following information:
- (1) A description of the manner in which comment was solicited from affected small businesses, a summary of their response and an explanation of the manner in which other interested persons may obtain a copy of the summary.
- (2)-The estimated economic effect of the proposed regulation on the small businesses which it is to regulate, including, without limitation:
 - (I)-Both adverse and beneficial effects; and
 - (II)-Both direct and indirect effects.

- (3)—A description of the methods that the Board considered to reduce the impact of the proposed regulation on small businesses and a statement regarding whether the Board actually used any of those methods.
- (4)-The estimated cost to the Board for enforcement of the proposed regulation.
- (5)—If the proposed regulation provides a new fee or increases an existing fee, the total annual amount the Board expects to collect and the manner in which the money will be used.
- (f)—Shall afford a reasonable opportunity for all interested persons to submit data, views or arguments upon the proposed regulation, orally or in writing.
- (g)—Shall, before holding a public hearing pursuant to paragraph (h), conduct at least one workshop to solicit comments from interested persons on the proposed regulation. Not less than 15 days before the workshop, the Board shall provide notice of the time and place set for the workshop:
- (1)-In writing to each person who has requested to be placed on a mailing list; and
- (2)—In any other manner reasonably calculated to provide such notice to the general public and any business that may be affected by a proposed regulation which addresses the general topics to be considered at the workshop.
- (h)—Shall set a time and place for an oral public hearing, but if no one appears who will be directly affected by the proposed regulation and requests an oral hearing, the Board may proceed immediately to act upon any written submissions. The Board shall consider fully all written and oral submissions respecting the proposed regulation.
- (i) Shall keep, retain and make available for public inspection written minutes of each public hearing held pursuant to paragraph (h) in the manner provided in subsections 1 and 2 of NRS 241.035.
- (j) May record each public hearing held pursuant to paragraph (h) and make those recordings available for public inspection in the manner provided in subsection 4 of NRS 241-035
- (k)—Shall ensure that a small business which is aggrieved by a regulation adopted pursuant to this subsection may object to all or a part of the regulation by filing a petition with the Board within 90 days after the date on which the regulation was adopted. Such petition may be based on the following:
- (1) The Board failed to prepare a small business impact statement as required pursuant to subparagraph (3) of paragraph (d); or
- (2)—The small business impact statement prepared by the Board did not consider or significantly underestimated the economic effect of the regulation on small businesses.
- After receiving a petition pursuant to this paragraph, the Board shall determine whether the petition has merit. If the Board determines that the

petition has merit, the Board may, pursuant to this subsection, take action to amend the regulation to which the small business objected.

5.—The determinations made by the Board pursuant to this section are conclusive unless it is shown that the Board acted with fraud or a gross abuse of discretion.] (Deleted by amendment.)

Sec. 29. This act becomes effective on July 1, 2009.

Assemblyman Bobzien moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

MOTIONS, RESOLUTIONS AND NOTICES

Assemblyman Oceguera moved that all rules be suspended and the Assembly dispense with the reprinting of Assembly Bills Nos. 60, 220, 442, 467, 471, and 483.

Motion carried.

Assemblyman Oceguera moved that all rules be suspended and that Assembly Bills Nos. 60, 220, 467, and 471 be declared emergency measures under the *Constitution* and immediately placed at the top of General File for third reading and final passage.

Motion carried.

Assemblyman Oceguera moved that Assembly Bill No. 220 be taken from the General File and placed on the Chief Clerk's desk.

Motion carried.

Assemblywoman Gansert moved that the Assembly recess subject to the call of the Chair.

Motion carried.

Assembly in recess at 12:22 p.m.

ASSEMBLY IN SESSION

At 2:06 p.m.

Madam Speaker presiding.

Quorum present.

MOTIONS, RESOLUTIONS AND NOTICES

Assemblyman Anderson moved that Assembly Bill No. 500 be taken from the Chief Clerk's desk and placed at the top of the General File.

Motion carried.

Assemblywoman Kirkpatrick moved that Assembly Bill No. 87 be taken from the Chief Clerk's desk and placed on the General File.

Motion carried.

Assemblyman Anderson moved that Assembly Bill No. 218 be taken from the Chief Clerk's desk and placed on the General File.

Motion carried.

Assemblyman Horne moved that the action whereby Senate Bill No. 47 was referred to the Committee on Government Affairs be rescinded.

Motion carried.

Assemblyman Horne moved that Senate Bill No. 47 be referred to the Committee on Corrections, Parole, and Probation.

Motion carried.

Assemblywoman Kirkpatrick moved that Assembly Bill No. 220 be taken from the Chief Clerk's desk and placed at the top of the General File.

Motion carried.

GENERAL FILE AND THIRD READING

Assembly Bill No. 220.

Bill read third time.

The following amendment was proposed by Assemblywomen Kirkpatrick and Smith:

Amendment No. 555.

AN ACT relating to the subdivision of land; revising the requirements for the purchase of property for school construction; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law sets forth a multistep process for obtaining approval for the subdivision of land. (NRS 278.320-278.460) One of the preliminary requirements is a determination of the need for a school in the area in which the subdivision is located. (NRS 278.330) If a school is needed, the subdivider is required to make suitable land within the proposed subdivision available for purchase by the school district at a price which does not exceed the fair market value of the land. Under existing law, if the school district does not construct a school on the land within 10 years from the date of purchase, the land must be offered for resale back to the subdivider or his successor in interest. (NRS 278.346)

This bill provides that, in a county whose population is 100,000 or more but less than 400,000 (currently Washoe County), the school district and subdivider may negotiate a purchase price which is the lesser of: (1) the fair market value of the land on the date of purchase; or (2) the fair market value of the land at the time the tentative subdivision map was approved plus the costs of certain expenses paid by the subdivider. This bill also provides that, in such a county, if the purchase is not completed within 5 years after the final map that shows the school site is approved, the subdivider need not continue to set aside the land for the school district. This bill further requires a school district in such a county to offer the land back to the subdivider or successor in interest if construction on a school has not begun at the site

within [10] 5 years from the date of purchase [-] unless the school district has requested an exemption from the planning commission to delay construction of the school for up to another 5 years. This bill sets forth the circumstances under which the school district may apply for such an exemption.

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

Section 1. NRS 278.346 is hereby amended to read as follows:

- 278.346 1. The planning commission or its designated representative [.], or, if there is no planning commission, the clerk or other designated representative of the governing body shall, not more than 10 days after the tentative map is filed pursuant to the provisions of subsection 2 of NRS 278.330, forward a copy of the tentative map to the board of trustees of the school district within which the proposed subdivision is located. Within 15 days after receipt of the copy, the board of trustees or its designee shall, if a school site is needed within the area, notify the commission or governing body that a site is requested.
- 2. If the board of trustees requests a site [, the person proposing the subdivision]:
- (a) The subdivider shall, except as otherwise provided in subsection 8, set aside a site of the size which is determined by the board. [The person proposing the subdivision]
- (b) The subdivider and the board of trustees shall, except as otherwise provided in subsections 7 and 8, negotiate for the price of the site, which must not exceed the fair market value of the land as determined by an independent appraisal paid for by the board.
- 3. If any land purchased by [a] the school district pursuant to the provisions of [this subsection have] subsection 2 has not been placed in use as a school site at the end of 10 years from the date of purchase, the land must be offered to the subdivider or his successor in interest at a sale price equal to the fair market value [. If such person] of the land at the time such determination is made, as determined by an independent appraisal paid for by the board.
- 4. If the subdivider or his successor in interest does not accept [the offer,] an offer made pursuant to the provisions of subsection 3 or 9, then the board of trustees may:
- (a) Sell or lease such property in the manner provided in NRS 277.050 or 393.220 to 393.320, inclusive;
- (b) Exchange such property in the manner provided in NRS 277.050 or 393.326 to 393.3293, inclusive; or
- (c) Retain such property, if such retention is determined to be in the best interests of the school district.
- [3.] 5. Except as *otherwise* provided in subsection [4,] 6, when any land dedicated to the use of the public school system or any land purchased and

used as a school site becomes unsuitable, undesirable or impractical for any school uses or purposes, the board of trustees of the county school district in which the land is located shall dispose of the land as provided in subsection [2.] 4.

- [4.] 6. Land dedicated under the provisions of former NRS 116.020, as it read before April 6, 1961, which the board of trustees determines is unsuitable, undesirable or impractical for school purposes may be reconveyed without cost to the dedicator or his successor or successors in interest.
- 7. Except as otherwise provided in subsection 8, in a county whose population is 100,000 or more but less than 400,000, the school district may purchase the site for a price negotiated between the subdivider and the board of trustees, which price must not exceed the lesser of:
- (a) The fair market value of the land at the time the tentative map was approved, as determined by an independent appraisal paid for by the board, plus any costs paid by the subdivider with respect to that land between the date the tentative map was approved and the date of purchase; or
- (b) The fair market value of the land on the date of purchase, as determined by an independent appraisal paid for by the board.
- 8. If, 5 years after the date on which the final map that contains the school site was approved, a school district has not purchased the site pursuant to the provisions of subsection 7, the subdivider need not continue to set aside the site pursuant to the provisions of subsection 2.
- 9. [Hf. 10] Except as otherwise provided in subsection 10, if, 5 years after the date of purchase of a school site pursuant to subsection 7, construction of a school at the school site has not yet begun, the land must be offered to the subdivider or his successor in interest at a sale price equal to the fair market value of the land at the time such determination is made, as determined by an independent appraisal paid for by the board.
- 10. The school district may apply to the planning commission for an extension of not more than 5 years to the limitation set forth in subsection 9 for the construction of a school at the school site. To apply for an extension pursuant to this subsection, the school district must demonstrate the existence of extenuating circumstances which have caused the delay in beginning the construction of the school. The planning commission must consider an application for an extension requested pursuant to this subsection at a public hearing. As used in this subsection "extenuating circumstances" may include, without limitation:
- (a) Changes in the demand for a school site due to changes in relevant demographics.
- (b) Delays or other significant changes in the construction of the proposed subdivision.
- (c) A temporary lack of funds available to the school district to construct the school.

- (d) Any other issue or problem related to the construction of the school that could not have been reasonably anticipated by the school district at the time the school site was purchased, including, without limitation, environmental issues at the school site and the unavailability of building materials.
- 11. If a school district receives an extension pursuant to subsection 10 and the school district does not begin construction of a school at the school site before the expiration of such extension, the land must be offered to the subdivider or his successor in interest at a sale price equal to the fair market value of the land at the time that the extension expires, as determined by an independent appraisal paid for by the board.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

Assembly Bill No. 500.

Bill read third time.

The following amendment was proposed by Assemblyman Anderson:

Amendment No. 559.

AN ACT relating to domestic relations; revising provisions relating to adoptions; [revising provisions relating to the termination of parental rights;] and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides that a person may consent to the adoption of his child, and the child will be relinquished either to an agency or to the person to whom consent to adopt is given, if the adoption is a specific adoption. (NRS 127.040, 127.053) **Section 2** of this bill provides that, in a specific adoption, the person to whom consent is given assumes legal custody and legal responsibility for the child as soon as consent for the adoption is executed.

Section 11 of this bill revises an exemption from criminal or civil liability for certain advertising mediums which accept advertisements concerning services related to adoptions from persons or agencies that are not licensed to provide such services. (NRS 127.310)

E Section 13 of this bill provides that a court may find a parent unfit, and therefore, under certain circumstances, terminate his parental rights, if the parent is convicted of sexual assault which resulted in the conception of the child. This section also provides that if a parent's parental rights are terminated because of the sexual assault which resulted in the conception of the child, the parent's obligation to provide support is not terminated and a court may order the parent to pay support for the child. (NRS 128.106) However, an order to pay support for the child does not create any other rights arising from the parent and child relationship, including, without limitation, inheritance rights.]

Section 14 of this bill provides that certain sections of this bill may apply retroactively and prospectively to petitions for adoption. [and may apply only prospectively to petitions for the termination of parental rights.]

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

Section 1. [NRS 125B.120 is hereby amended to read as follows:

125B.120—1.—The obligation of a parent other than that under the laws providing for the support of poor relatives is discharged by complying with a court order for support or with the terms of a judicially approved settlement.

- 2.—[The]-Except as otherwise provided in subsection 7 of NRS 128.106, the legal adoption of the child into another family discharges the obligation of his natural parents for the period subsequent to the adoption.] (Deleted by amendment.)
- Sec. 2. Chapter 127 of NRS is hereby amended by adding thereto a new section to read as follows:

A person to whom consent to adopt a child is given for a specific adoption pursuant to NRS 127.053 has, at the time the consent is executed, legal custody over the child and is legally responsible for the child until a court holds a hearing to enter an order or decree of adoption or to deny the petition pursuant to the laws of this State or another state.

- Sec. 3. NRS 127.005 is hereby amended to read as follows:
- 127.005 The provisions of NRS 127.010 to 127.1895, inclusive, *and section 2 of this act* govern the adoption of minor children, and the provisions of NRS 127.190, 127.200 and 127.210 and the provisions of NRS 127.010 to 127.1895, inclusive, *and section 2 of this act*, where not inconsistent with the provisions of NRS 127.190, 127.200 and 127.210, govern the adoption of adults.
 - Sec. 4. (Deleted by amendment.)
 - Sec. 5. (Deleted by amendment.)
 - Sec. 6. (Deleted by amendment.)
 - Sec. 7. (Deleted by amendment.)
 - Sec. 8. (Deleted by amendment.)
 - Sec. 9. (Deleted by amendment.)
 - Sec. 10. (Deleted by amendment.)
 - Sec. 11. NRS 127.310 is hereby amended to read as follows:
- 127.310 1. Except as otherwise provided in NRS 127.240, 127.283 and 127.285, any person or organization other than an agency which provides child welfare services who, without holding a valid unrevoked license to place children for adoption issued by the Division:
- (a) Places, arranges the placement of, or assists in placing or in arranging the placement of, any child for adoption or permanent free care; or
- (b) Advertises in any periodical or newspaper, or by radio or other public medium, that he will place children for adoption, or accept, supply, provide or obtain children for adoption, or causes any advertisement to be published

in or by any public medium soliciting, requesting or asking for any child or children for adoption,

→ is guilty of a misdemeanor.

- 2. Any person who places, accepts placement of, or aids, abets or counsels the placement of any child in violation of NRS 127.280, 127.2805 and 127.2815 is guilty of a misdemeanor.
- 3. A periodical, newspaper, radio station or other public medium is not subject to any criminal penalty [or civil liability] for publishing or broadcasting an advertisement that violates the provisions of this section [.] unless the periodical, newspaper, radio station or other public medium knew that the advertisement violated the provisions of this section.
 - **Sec. 12.** (Deleted by amendment.)
 - Sec. 13. [NRS-128.106 is hereby amended to read as follows:
- 128.106—In determining neglect by or unfitness of a parent, the court shall consider, without limitation, the following conditions which may diminish suitability as a parent:
- 1.—Emotional illness, mental illness or mental deficiency of the parent which renders the parent consistently unable to care for the immediate and continuing physical or psychological needs of the child for extended periods of time. The provisions contained in NRS 128.109 apply to the case if the child has been placed outside his home pursuant to chapter 432B of NRS.
- 2.—Conduct toward a child of a physically, emotionally or sexually cruel or abusive nature.
- 3.—Conduct that violates any provision of NRS 200.463, 200.464 or 200.465.
- 4.—Excessive use of intoxicating liquors, controlled substances or dangerous drugs which renders the parent consistently unable to care for the child.
- 5. Repeated or continuous failure by the parent, although physically and financially able, to provide the child with adequate food, clothing, shelter, education or other care and control necessary for his physical, mental and emotional health and development, but a person who, legitimately practicing his religious beliefs, does not provide specified medical treatment for a child is not for that reason alone a negligent parent.
- 6: Conviction of the parent for commission of a felony, if the facts of the erime are of such a nature as to indicate the unfitness of the parent to provide adequate care and control to the extent necessary for the child's physical, mental or emotional health and development.
- 7: Conviction of the parent of sexual assault resulting in the conception of the child. If a court terminates parental rights based on a finding that the parent is unfit pursuant to this subsection, the obligation of the parent to support the child pursuant to chapter 125B of NRS is not terminated and the court may issue an order of support for the child, requiring the parent to comply with the support obligations pursuant to

chapter 125B of NRS. If a court issues an order of support pursuant to this subsection, the order does not create:

- (a)—A right for the child to inherit property from or through the parent who is subject to the order of support issued pursuant to this subsection;
- (b) A right for the parent who is subject to the order of support issued pursuant to this subsection to inherit property from or through the child;
- (c)-Any of the other rights, privileges or obligations arising from the parent and child relationship.
 - 8.—Unexplained injury or death of a sibling of the child.
- [8.] 9. Inability of appropriate public or private agencies to reunite the family despite reasonable efforts on the part of the agencies.] (Deleted by amendment.)
 - **Sec. 14.** The amendatory provisions of \biguplus
- 1. -Sections 1 and 13 of this act apply to a petition for the termination of parental rights pursuant to chapter 128 of NRS that is filed on or after October 1, 2009.
- 2. —Sections] sections 2 and 3 of this act apply to a petition for adoption that is filed pursuant to chapter 127 of NRS before, on or after October 1, 2009.

Assemblyman Anderson moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

Assembly Bill No. 60.

Bill read third time.

Remarks by Assemblywomen Pierce and Gansert.

Roll call on Assembly Bill No. 60:

YEAS—28.

NAYS—Carpenter, Christensen, Cobb, Gansert, Goedhart, Goicoechea, Gustavson, Hambrick, Hardy, McArthur, Settelmeyer, Stewart, Woodbury—13.

EXCUSED—Parnell.

Assembly Bill No. 60 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 442.

Bill read third time.

Remarks by Assemblywoman Kirkpatrick.

Roll call on Assembly Bill No. 442:

YEAS—40.

NAYS—Atkinson.

EXCUSED—Parnell.

Assembly Bill No. 442 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 467.

Bill read third time.

Remarks by Assemblywoman Pierce.

Roll call on Assembly Bill No. 467:

YEAS-27.

NAYS—Carpenter, Christensen, Cobb, Gansert, Goedhart, Goicoechea, Grady, Gustavson, Hambrick, Hardy, McArthur, Settelmeyer, Stewart, Woodbury—14.

EXCUSED—Parnell.

Assembly Bill No. 467 having received a constitutional majority,

Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 471.

Bill read third time.

Remarks by Assemblyman Horne.

Roll call on Assembly Bill No. 471:

YEAS—37.

NAYS—Cobb, Goedhart, McArthur, Settelmeyer—4.

EXCUSED—Parnell.

Assembly Bill No. 471 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 483.

Bill read third time.

Roll call on Assembly Bill No. 483:

YEAS—41.

NAYS—None.

EXCUSED—Parnell.

Assembly Bill No. 483 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 87.

Bill read third time.

Remarks by Assemblywoman Spiegel.

Roll call on Assembly Bill No. 87:

YEAS—37.

NAYS—Christensen, Goedhart, Gustavson, Settelmeyer—4.

EXCUSED—Parnell.

Assembly Bill No. 87 having received a constitutional majority,

Madam Speaker declared it passed, as amended. Bill ordered transmitted to the Senate.

Assembly Bill No. 218.

Bill read third time.

Remarks by Assemblyman Anderson.

Roll call on Assembly Bill No. 218:

YEAS—31.

2523

NAYS—Carpenter, Christensen, Goedhart, Goicoechea, Grady, Gustavson, Hambrick, Kirkpatrick, McArthur, Settelmeyer—10.

EXCUSED—Parnell.

Assembly Bill No. 218 having received a constitutional majority, Madam Speaker declared it passed.

Bill ordered transmitted to the Senate.

Assembly Bill No. 220.

Bill read third time.

Remarks by Assemblywoman Smith.

Roll call on Assembly Bill No. 220:

YEAS—41.

NAYS—None.

EXCUSED—Parnell.

Assembly Bill No. 220 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

MOTIONS, RESOLUTIONS AND NOTICES

Assemblyman Oceguera moved to dispense with the reprinting of Assembly Bill No. 500.

Motion carried.

Assemblyman Anderson moved that Assembly Bill No. 239 be taken from the Chief Clerk's desk and placed at the top of the General File.

Motion carried.

Assemblyman Conklin moved that Assembly Bill No. 399 be taken from the Chief Clerk's desk and placed at the top of the General File.

Motion carried.

GENERAL FILE AND THIRD READING

Assembly Bill No. 399.

Bill read third time.

Remarks by Assemblywoman Gansert and Madam Speaker.

Assemblyman Oceguera requested that the following remarks be entered in the Journal.

ASSEMBLYWOMAN GANSERT:

Thank you, Madam Speaker. Assembly Bill 399 requires a party legally responsible for paying claims for health care items or health care services to provide certain information, monthly, to the Division of Health Care, Financing and Policy or its authorized business associate. The information must identify all persons to whom health coverage is provided or administered and must allow the Division or its business associate to determine whether a person is eligible for Medicaid.

I worked on this bill for quite some time, and I appreciate the support of many individuals in this body. This issue was brought to my attention through a Government Accounting Office report which basically stated the federal government wants Medicaid to be the payer of last resort. They actually require Medicaid to be the payer of last resort. A lot of states aren't getting the required information they need for the sorting process. We also heard in Ways and Means from our auditor that we were actually paying before Medicare, in some instances, when

we were supposed to be the payer of last resort. So I believe this may need some more work, but I appreciate the support of the members, here, because this will save us a lot of Medicaid money that can be used for other services or to help others through that program.

Madam Speaker requested the privilege of the Chair for the purpose of making the following remarks:

I have a little bit of concern that it still may be worded overly broad in terms of what has to be supplied but I think, on balance, it is an idea that is worth preserving and worth pursuing on the other side because of its potential as outlined by the Assembly Minority Leader. Basically, I support the concept and on this late date will support it to see what further refinements can be done on the other side.

Roll call on Assembly Bill No. 399:

YEAS—41.

NAYS—None.

EXCUSED—Parnell.

Assembly Bill No. 399 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 500.

Bill read third time.

Remarks by Assemblyman Anderson.

Roll call on Assembly Bill No. 500:

YEAS—41.

NAYS-None.

EXCUSED-Parnell.

Assembly Bill No. 500 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 239.

Bill read third time.

Remarks by Assemblyman Ohrenschall.

Roll call on Assembly Bill No. 239:

YEAS—41.

NAYS-None.

EXCUSED-Parnell.

Assembly Bill No. 239 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

UNFINISHED BUSINESS

SIGNING OF BILLS AND RESOLUTIONS

There being no objections, the Speaker and Chief Clerk signed Assembly Bills Nos. 136, 137, 169, 172, 182, and 250; Senate Bill No. 38.

GUESTS EXTENDED PRIVILEGE OF ASSEMBLY FLOOR

On request of Assemblyman Cobb, the privilege of the floor of the Assembly Chamber for this day was extended to Vicky Maltman and Larry Green.

On request of Assemblyman Gustavson, the privilege of the floor of the Assembly Chamber for this day was extended to the following students from Marvin Moss Elementary School: Mason Anderson, Israel Arias, Analica Arriaga, Krista Bosch, Caleb Bottomley, Lindsay Carosella, Shagil Cotto, Brittany Donley, Maurice Garcia, Cheyenne Ghiglia, Devin Gonzalez, Samantha Gonzalez, Gabriela Hernandez, Emma Hillerby, Jose Jose, Jake Marchant, Ivan Martinez, Collin Messinger, Michael Moore, Noah Neely, Hannah Newlin, Diana Recinos, Jordan Reynolds, Elizabeth Schiller, Meghan shannon, Jacob Sorensen, Alexis Still, Cloe' Wacker, Paul Richards, and William Brown.

On request of Assemblyman Ohrenschall, the privilege of the floor of the Assembly Chamber for this day was extended to Toni Richard, Shannon Springer, Joyce Springer, Natasha Salsbery, and Meredith Toddre.

On request of Assemblywoman Parnell, the privilege of the floor of the Assembly Chamber for this day was extended to the following students from Fremont Elementary School: Amy Ahumada, Jordan Aikins, Taylor Brown, Spencer Carlson, Stella Carroll, Ellen Cherpeski, Elisabeth Crandell, Michael Depew, Chloe Dodge, Adam Flaten, Gabriella Garcia-Salas, Jonathan Gonse, Alysha Goss, Abigail Gould, Lauren Hudak, Samuel Jones, Wyatt Law, Christopher Lawrence, Gyesenia Medina, Bryce Moyle, Angel Olvera, Jennifer Perez Carrillo, Trevin Stevens, Bailey Trethan, Austin Tucker, Konnor Van Worth, Hunter Wheeler, Nathalie Yanez-Montiel, Brandon Annabel, Jonathan Barahona, Odalis Castaneda-Perez, Victor Chavez, Kyle Clardy, Macey Creek, Jacob Cremeans, Haley Davis, Tricia Gainey, Kaylyn Glick, Lauren Huston-Fulghum, Juan Juarez, Dennis Krueger, William Lee, Selin Lizarraga, Gisselle Llamas Aranda, Jesse Lopez, Valerie Meyer, Anthony Miguel IV, Ryan Olesski, Amber Pion, Karina Rodriguez, Maxwell Servi, Tayler Smith, Rachel Soukup, Christopher Verhagen, Cirilo Viramontes, Sarah Weese, Angel Wrinkle and Ezekias Robles.

Assemblyman Oceguera moved that the Assembly adjourn until Wednesday, April 22, 2009, at 11:30 a.m.

Motion carried.

Assembly adjourned at 2:42 p.m.

Approved: BARBARA E. BUCKLEY

Speaker of the Assembly

Attest: SUSAN FURLONG REIL

Chief Clerk of the Assembly