

ASSEMBLY BILL NO. 198—ASSEMBLYMEN
GRADY; ELLISON AND LIVERMORE

FEBRUARY 22, 2011

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing the Nevada Rural Housing Authority. (BDR 31-376)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets [omitted-material] is material to be omitted.

AN ACT relating to the Nevada Rural Housing Authority; revising the definition of “local government” to include the Authority for the purpose of loans from a local government in certain counties to the Authority; revising the requirements for eligibility to serve as a commissioner of the Authority; authorizing the Authority to receive a loan from a local government; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Under existing law, before a local government may make an interfund loan or
2 loan of money to another local government, the governing body of the local
3 government that wishes to make the loan must determine at a public hearing that a
4 sufficient amount of unrestricted money is available for the loan and that the loan
5 will not compromise the economic viability of the fund from which the money is
6 loaned. The local government must also establish at the public hearing: (1) the
7 amount of time the money will be on loan from the fund; (2) the terms and
8 conditions for repaying the loan; and (3) the rate of interest, if any, to be charged
9 for the loan. (NRS 354.6118) For the purpose of making such a loan, the term
10 “local government” does not include the Nevada Rural Housing Authority. (NRS
11 354.474) Existing law confers upon the Nevada Rural Housing Authority the
12 authority to engage in various activities relating to the purposes for which the
13 Authority was created, including, without limitation, the authority to enter into
14 agreements or other transactions with any governmental agency or other source to
15 further those purposes. (NRS 315.983)

16 **Section 1** of this bill revises the definition of “local government” to include the
17 Nevada Rural Housing Authority for the sole purpose of loans from a local
18 government in a county whose population is less than 100,000 (currently counties
19 other than Clark and Washoe Counties) to the Authority in accordance with



existing law. **Section 3** of this bill expands the authorized actions of the Nevada Rural Housing Authority to include receipt by the Authority of such a loan of money from a local government.

Existing law provides for the appointment of five commissioners to serve as members of the Nevada Rural Housing Authority. Of those five commissioners, one commissioner must be appointed jointly by the Nevada League of Cities and the Nevada Association of Counties and must be a recipient of assistance from the Authority. If that commissioner ceases to receive assistance from the Authority, he or she must be replaced by a person who receives such assistance. (NRS 315.977) **Section 2** of this bill revises the requirements for appointing that commissioner by providing that, if the commissioner no longer receives assistance from the Authority, he or she may continue to serve as a commissioner for the remainder of the unexpired term for which he or she was appointed if he or she resides within the area of operation of the Authority.

Existing law authorizes the Authority to operate in any area of this State which is not included within the corporate limits of a city or town having a population of 100,000 or more. (NRS 315.9835) **Section 4** of this bill authorizes the Authority to provide services in any area of the State if the Authority has contracted with the State or a local government to provide those services in that area. **Section 4** specifies that the provision of those services does not include the making of a mortgage loan, the issuance of a mortgage credit certificate or bonds to finance a multifamily housing project, the allocation of a low-income housing tax credit or weatherization.

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

Section 1. NRS 354.474 is hereby amended to read as follows:
354.474 1. Except as otherwise provided in subsections 2 and 3, the provisions of NRS 354.470 to 354.626, inclusive, apply to all local governments. For the purpose of NRS 354.470 to 354.626, inclusive:

(a) "Local government" means every political subdivision or other entity which has the right to levy or receive money from ad valorem or other taxes or any mandatory assessments, and includes, without limitation, counties, cities, towns, boards, school districts and other districts organized pursuant to chapters 244A, 309, 318 and 379 of NRS, NRS 450.550 to 450.750, inclusive, and chapters 474, 541, 543 and 555 of NRS, and any agency or department of a county or city which prepares a budget separate from that of the parent political subdivision.

(b) "Local government" *includes the Nevada Rural Housing Authority for the purpose of loans of money from a local government in a county whose population is less than 100,000 to the Nevada Rural Housing Authority in accordance with NRS 354.6118. The term* does not include the Nevada Rural Housing Authority *for any other purpose.*



2. An irrigation district organized pursuant to chapter 539 of NRS shall fix rates and levy assessments as provided in NRS 539.667 to 539.683, inclusive. The levy of such assessments and the posting and publication of claims and annual financial statements as required by chapter 539 of NRS shall be deemed compliance with the budgeting, filing and publication requirements of NRS 354.470 to 354.626, inclusive, but any such irrigation district which levies an ad valorem tax shall comply with the filing and publication requirements of NRS 354.470 to 354.626, inclusive, in addition to the requirements of chapter 539 of NRS.

3. An electric light and power district created pursuant to chapter 318 of NRS shall be deemed to have fulfilled the requirements of NRS 354.470 to 354.626, inclusive, for a year in which the district does not issue bonds or levy an assessment if the district files with the Department of Taxation a copy of all documents relating to its budget for that year which the district submitted to the Rural Utilities Service of the United States Department of Agriculture.

Sec. 2. NRS 315.977 is hereby amended to read as follows:

315.977 1. The Nevada Rural Housing Authority, consisting of five commissioners, is hereby created.

2. The commissioners must be appointed as follows:

(a) Two commissioners must be appointed by the Nevada League of Cities.

(b) Two commissioners must be appointed by the Nevada Association of Counties.

(c) One commissioner must be appointed jointly by the Nevada League of Cities and the Nevada Association of Counties. This commissioner must be a current recipient of assistance from the Authority and must be selected from a list of at least five eligible nominees submitted for this purpose by an organization which represents tenants of housing projects operated by the Authority. If no such organization exists, the commissioner must be selected from a list of nominees submitted for this purpose from persons who currently receive assistance from the Authority. If during his or her term the commissioner ceases to be a recipient of assistance, the commissioner ~~[must be replaced by a person who is a recipient of assistance.]~~ *may continue to serve as a commissioner for the remainder of the unexpired term for which he or she was appointed if he or she resides within the area of operation of the Authority.*

3. After the initial terms, the term of office of a commissioner is 4 years or until his or her successor takes office.

4. A majority of the commissioners constitutes a quorum, and a vote of the majority is necessary to carry any question.



5. If either of the appointing entities listed in subsection 2 ceases to exist, the pertinent appointments required by subsection 2 must be made by the successor in interest of that entity or, if there is no successor in interest, by the other appointing entity.

Sec. 3. NRS 315.983 is hereby amended to read as follows:

315.983 1. Except as otherwise provided in NRS 354.474 and 377.057, the Authority:

(a) Shall be deemed to be a public body corporate and politic, and an instrumentality, local government and political subdivision of the State, exercising public and essential governmental functions, and having all the powers necessary or convenient to carry out the purposes and provisions of NRS 315.961 to 315.99874, inclusive, but not the power to levy and collect taxes or special assessments.

(b) Is not an agency, board, bureau, commission, council, department, division, employee or institution of the State.

2. The Authority may:

(a) Sue and be sued.

(b) Have a seal.

(c) Have perpetual succession.

(d) Make and execute contracts and other instruments necessary or convenient to the exercise of its powers.

(e) Deposit money it receives in any insured state or national bank, insured credit union, insured savings and loan association, or in the Local Government Pooled Long-Term Investment Account created by NRS 355.165 or the Local Government Pooled Investment Fund created by NRS 355.167.

(f) Adopt bylaws, rules and regulations to carry into effect the powers and purposes of the Authority.

(g) Create a nonprofit organization which is exempt from taxation pursuant to 26 U.S.C. § 501(c)(3) and which has as its principal purpose the development of housing projects.

(h) Enter into agreements or other transactions with, and accept grants from and cooperate with, any governmental agency or other source in furtherance of the purposes of NRS 315.961 to 315.99874, inclusive.

(i) *Enter into an agreement with a local government in a county whose population is less than 100,000 to receive a loan of money from the local government in accordance with NRS 354.6118.*

(j) Acquire real or personal property or any interest therein, by gift, purchase, foreclosure, deed in lieu of foreclosure, lease, option or otherwise.

Sec. 4. NRS 315.9835 is hereby amended to read as follows:

315.9835 The State Authority may :



1 ***1. Except as otherwise provided in subsection 2,*** operate in
2 any area of the State which is not included within the corporate
3 limits of a city or town having a population of 100,000 or more.

4 ***2. Provide services in any area of the State if the State***
5 ***Authority has contracted with the State or a local government to***
6 ***provide those services in that area. As used in this subsection,***
7 ***“services” does not include:***

8 ***(a) The making of a mortgage loan pursuant to NRS 315.9981***
9 ***to 315.99874, inclusive;***

10 ***(b) The issuance of a mortgage credit certificate;***

11 ***(c) The issuance of bonds to finance a multifamily housing***
12 ***project;***

13 ***(d) The allocation of a low-income housing tax credit; or***

14 ***(e) Weatherization other than an assessment or inspection of***
15 ***property for weatherization.***

16 ***3. As used in this section, “weatherization” means materials***
17 ***or measures, and their installation, that are used to improve the***
18 ***thermal efficiency of a building, facility, residence or structure.***

19 **Sec. 5.** (Deleted by amendment.)

20 **Sec. 6.** This act becomes effective on July 1, 2011.

