A.B. 237

ASSEMBLY BILL NO. 237–COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE LEGISLATIVE COMMITTEE TO OVERSEE THE WESTERN REGIONAL WATER COMMISSION)

MARCH 7, 2011

Referred to Committee on Government Affairs

SUMMARY—Authorizes counties to issue securities for projects and programs concerning public water and sewer systems. (BDR 20-243)

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 counties; authorizing certain counties to issue securities to finance a program to provide financial assistance to persons to connect to the public water or sewer system; authorizing counties to issue special obligation bonds in connection with water projects and sewerage projects; providing for the maximum interest rate that may be paid on securities issued to finance the program to provide financial assistance; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes the board of county commissioners of a county whose population is 100,000 or more but less than 400,000 (currently Washoe County) to establish a program to provide financial assistance to persons to connect to the county's public water or sewer system. (NRS 244.3651) **Sections 1, 4 and 5** of this bill authorize the board to issue bonds and other securities under the County Bond Law to finance the county's program of financial assistance as part of a sewerage or water project.

Section 2 of this bill authorizes the board of county commissioners of a county to issue special obligation bonds under the County Bond Law to defray the costs of a sewerage or water project.

Under existing law, the interest rate on securities issued by a political subdivision of this State, with certain exceptions, is not authorized to exceed by more than 3 percent certain published interest rates. (NRS 350.2011) **Section 6** of

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this bill increases that limitation on interest rates by an additional 2 percent, for a total limitation of not more than 5 percent over certain published interest rates, on securities issued in whole or in part to finance a program to provide financial assistance to persons to connect to a public water or sewer system.

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

Section 1. NRS 244.3651 is hereby amended to read as follows:

244.3651 1. Except as otherwise provided in this section, if a board of county commissioners of a county whose population is 100,000 or more but less than 400,000 operates a public water or sewer system, the board may:

(a) Establish by ordinance a program to provide financial assistance to persons to connect to the public water or sewer system.

(b) Accept gifts, grants and other sources of money to pay the costs to assist persons to connect to the public water or sewer system.

(c) Issue bonds and other securities, pursuant to NRS 244A.011 to 244A.065, inclusive, to finance a program to provide financial assistance established pursuant to this subsection.

2. An ordinance adopted by a board of county commissioners pursuant to paragraph (a) of subsection 1 must include, without limitation, a finding of the board that the creation of a program to provide financial assistance to persons to connect to a public water or sewer system furthers a legitimate public purpose.

3. If a board of county commissioners establishes a program to provide financial assistance pursuant to subsection 1, the board:

(a) Must establish a plan for the management and protection of the groundwater in the water basin to which the program to provide financial assistance applies. Such a plan must include, without limitation, provisions for the sustainable management of municipal wells that are owned by the county in the water basin.

(b) Except as otherwise provided in subsection 4, may set forth conditions or limitations on any financial assistance provided pursuant to the program.

4. Financial assistance provided pursuant to a program established pursuant to subsection 1:

(a) May be in the form of grants, gifts or loans, or any combination thereof.

(b) May only be used to pay the necessary and actual expenses to:

(1) Disconnect from a private water or sewer system;

(2) Eliminate a private water or sewer system; and

(3) Connect to the public water or sewer system ~~[.]~~***, including, without limitation, the costs of making a physical connection or disconnection and any connection charge, tap fee, inspection fee or similar fee or charge payable to any person or governmental entity.***

(c) If provided in the form of loans that are financed by bonds or other securities issued pursuant to this section, may only be provided to natural persons.

5. A board may not establish a program to provide financial assistance pursuant to subsection 1 unless the board finds that establishing such a program is necessary to provide the public with a safe and reliable water and sewer system.

6. The requirements of NRS 244.3655 do not apply to actions taken by a board of county commissioners pursuant to this section.

7. Nothing in this section shall be so construed as to require:

(a) A board of county commissioners to provide financial assistance to any property owner pursuant to this section; or

(b) A property owner to apply for or accept financial assistance pursuant to a program of financial assistance established pursuant to this program.

8. ***Bonds or other securities issued to finance a program to provide financial assistance established pursuant to subsection 1 must be payable from and secured by repayments of loans made through the program, other revenues of the program and revenues of the county's public water or sewer system, or any combination thereof, as determined by the board. The bonds or other securities may also be secured by other revenues that the county is authorized to pledge for the payment of bonds or other securities and may, in accordance with the provisions of NRS 350.020, be issued as general obligations of the county.***

9. As used in this section:

(a) "Private water or sewer system" means an on-site:

(1) Domestic well, and any facility or facilities related thereto, that provides potable water; or

(2) Sewage or septic system, and any facility or facilities related thereto, that serves a residential dwelling unit for the disposal, collection, storage or treatment of sewage.

(b) "Public water or sewer system" means a facility or facilities for the collection, pumping, treatment, storage or conveyance of potable water or sewage and includes, without limitation, mains, conduits, aqueducts, pipes, pipelines, ditches, canals, pumping stations, and all appurtenances, equipment and machinery necessary or useful and convenient for obtaining, storing, transporting or transferring water or sewage.

Sec. 2. Chapter 244A of NRS is hereby amended by adding thereto a new section to read as follows:

1. Subject to the provisions of chapter 350 of NRS, any board, upon behalf of the county and in its name, may issue the county's special obligation bonds to acquire, improve and equip, or any combination thereof, any sewerage project or water project herein authorized, or any part thereof, and thereby to defray the cost of the sewerage project or water project wholly or in part.

2. Special obligation bonds issued pursuant to this section may be payable from and secured by the revenues of the sewerage project or water project for which the bonds are issued or the system of which the sewerage project or water project is a part or, except as otherwise provided in this section, by any other revenues that the county is authorized to pledge for the payment of special obligations. The special obligation bonds may not be payable from or secured by revenue from general ad valorem taxes.

3. Special obligation bonds issued by a county pursuant to this section do not constitute indebtedness of the county for the purposes of the debt limitations set forth in NRS 244A.059.

Sec. 3. NRS 244A.011 is hereby amended to read as follows:

244A.011 NRS 244A.011 to 244A.065, inclusive, ***and section 2 of this act*** may be cited as the County Bond Law.

Sec. 4. NRS 244A.0505 is hereby amended to read as follows:

244A.0505 "Sewerage project" means facilities pertaining to a county sanitary sewerage system for the collection, interception, transportation, treatment, purification and disposal of sewage, liquid wastes, solid wastes, night soil and industrial wastes, including, without limitation, a sewerage treatment plant, sewerage purification and treatment works and disposal facilities, drying beds, pumping plant and station, connections, laterals, other collection lines, outfalls, outfall sewers, trunk sewers, intercepting sewers, force mains, water lines, sewer lines, conduits, ditches, pipes, transmission lines, pumping plants, filter plants, power plants, pumping stations, gauging stations, ventilating facilities, incinerators, engines, valves, pumps, meters, apparatus, fixtures, structures, buildings and other facilities for the collection, interception, transportation, treatment, purification and disposal of sewage, liquid wastes, solid wastes, night soil and industrial wastes, or any combination thereof. A sewerage project may include as a part thereof a drainage and flood control project. ***A sewerage project in a county whose population is 100,000 or more but less than 400,000 may include as a part thereof a program established by the county pursuant to NRS 244.3651 to provide financial assistance to persons to connect to the sewerage system.***

Sec. 5. NRS 244A.056 is hereby amended to read as follows:

244A.056 "Water project" means facilities pertaining to a county water system for the collection, transportation, treatment, purification and distribution of water, including, without limitation, springs, wells, ponds, lakes, water rights, other raw water sources, basin cribs, dams, spillways, retarding basins, detention basins, reservoirs, towers, and other storage facilities, pumping plants, infiltration galleries, filtration plants, purification systems, other water treatment facilities, waterworks plants, pumping stations, gauging stations, ventilating facilities, stream gauges, rain gauges, valves, standpipes, connections, hydrants, conduits, flumes, sluices, canals, channels, ditches, pipes, lines, laterals, service pipes, force mains, submains, syphons, other water transmission and distribution mains, engines, boilers, pumps, meters, apparatus, tools, equipment, fixtures, structures, buildings and other facilities for the acquisition, transportation, treatment, purification and distribution of untreated water or potable water for domestic, commercial and industrial use and irrigation, or any combination thereof. ***A water project in a county whose population is 100,000 or more but less than 400,000 may include as a part thereof a program established by the county pursuant to NRS 244.3651 to provide financial assistance to persons to connect to the water system.***

Sec. 6. NRS 350.2011 is hereby amended to read as follows:

350.2011 ***1.*** Except as otherwise provided in ***this section and*** NRS 99.067, and except 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.]~~ ***(a)*** For general obligations, the Index of Twenty Bonds; and

~~[2.]~~ ***(b)*** For special obligations, the Index of Revenue Bonds,

➥ which was most recently published before the bids are received or a negotiated offer is accepted.

2. The rate or rates of interest on securities issued in whole or in part to finance the costs of a program established pursuant to NRS 244.3651 must not exceed by more than 2 percent the rate or rates of interest set forth in subsection 1.

Sec. 7. This act becomes effective upon passage and approval.