

ASSEMBLY BILL NO. 238—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—Revises provisions concerning the refunding of
certain municipal securities. (BDR 20-244)

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 local government finance; revising provisions
concerning the refunding of municipal securities related
to infrastructure projects in certain counties; and
providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Since October 1, 1999, a county has been authorized, as part of a lending
2 project under the County Bond Law, to acquire securities issued by a municipality
3 located wholly or partially within the county: (1) to undertake one or more
4 infrastructure projects; or (2) to refund those securities. In the latter case, a county's
5 authority is limited to acquiring only those securities issued to refund municipal
6 securities for infrastructure projects that were previously acquired by the county.
7 (NRS 244A.0343, 244A.064) This bill partially eliminates this limitation on a
8 county's authority in a county whose population is 100,000 or more but less than
9 700,000 (currently Washoe County) and thereby allows such a county to acquire
10 securities that were issued by a water authority for water projects regardless of
11 whether those securities are held by the county or another entity. However, such a
12 county may only acquire those municipal securities issued for purposes of
13 refunding if the initial securities for the water projects were issued by the
14 municipality on or after October 1, 1999.



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

Section 1. NRS 244A.0343 is hereby amended to read as follows:

244A.0343 "Lending project" means :

1. In a county whose population is 100,000 or more but less than 700,000, the acquisition of municipal securities issued by a water authority located wholly or partially within the county acquiring the municipal securities for one or more infrastructure projects which consist of capital improvements for a water system or for the refunding of municipal securities issued on or after October 1, 1999, for one or more infrastructure projects which consist of capital improvements for a water system or any combination thereof.

2. In all other counties, the acquisition of municipal securities issued by a municipality located wholly or partially within the county acquiring the municipal securities for one or more infrastructure projects or for the refunding of municipal securities previously acquired as part of a lending project by a county for one or more infrastructure projects or any combination thereof.

Sec. 2. NRS 244A.064 is hereby amended to read as follows:

244A.064 In connection with any lending project, a county may:

1. Require additional security or credit enhancement for payment of municipal securities acquired as it deems prudent.

2. Make contracts and execute all necessary or desirable instruments or documents not in conflict with the requirements of the County Bond Law.

3. Provide by ordinance for its standards, policies and procedures for financing lending projects.

4. Acquire and hold municipal securities and execute the rights of the holder of those municipal securities.

5. Sell or otherwise dispose of municipal securities unless the county is limited by any agreement that is related to those securities.

~~6. {Refund any county general obligations issued for a lending project if}~~ *If* the county and the municipality agree to the disposition of any savings resulting from the refunding ~~{}~~ :

(a) In a county whose population is 100,000 or more but less than 700,000, refund:

(1) Any county general obligations issued for a lending project;

(2) Any municipal securities issued on or after October 1, 1999, for one or more infrastructure projects which consist of capital improvements for a water system; or



1 ***(3) Any combination of subparagraphs (1) and (2).***
2 ***(b) In all other counties, refund any county general***
3 ***obligations issued for a lending project.***

4 7. Require payment by a municipality that participates in a
5 lending project of the fees and expenses of the county in connection
6 with the lending project.

7 8. Secure the payment of county general obligations issued for
8 a lending project with a pledge of revenues of the lending project. If
9 the revenues of a lending project are formally pledged to the county
10 bonds issued to finance a lending project, the board may treat the
11 revenues of the lending project financed by an issue of county
12 general obligation bonds as pledged revenues pursuant to subsection
13 3 of NRS 350.020.

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

