

## Amendment No. 812

Assembly Amendment to Senate Bill No. 432 (BDR 32-538)

**Proposed by:** Assemblywoman Kirkpatrick**Amendment Box:** Consistent with Amendment No. 700.**Amends:** Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

Adoption of this amendment will MAINTAIN the 2/3s majority vote requirement for final passage of S.B. 432 (§ 8).

ASSEMBLY ACTION		Initial and Date		SENATE ACTION		Initial and Date	
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) *green bold italic underlining* is new language proposed in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill that is proposed to be retained in this amendment; and (6) *green bold underlining* is newly added transitory language.

TMC



Date: 5/28/2011

S.B. No. 432—Revises provisions governing governmental financing.  
(BDR 32-538)



## SENATE BILL NO. 432—COMMITTEE ON FINANCE

MARCH 28, 2011

## Referred to Committee on Revenue

SUMMARY—Revises provisions governing governmental financing.  
(BDR 32-538)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.  
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 governmental financing; authorizing regional transportation commissions in certain counties to issue revenue bonds and other securities to finance certain projects under certain circumstances; ~~deleting~~ **providing an exception to** certain limitations on the issuance of such bonds and other securities by certain counties under certain circumstances; extending the period within which the repayment of certain bonds or other securities must commence; extending the period within which certain general obligation bonds issued for a water facility or wastewater facility must mature; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law authorizes counties to impose a county tax on the sale of motor vehicle fuel. (NRS 373.030, 373.065, 373.066) Existing law also authorizes counties to issue revenue bonds and other revenue securities to obtain money for the payment of the cost of a street and highway construction project, subject to the limitation that the total of all such revenue bonds and other revenue securities issued and outstanding by a county must not be in an amount requiring a total debt service in excess of the estimated receipts to be derived from the county tax on sales of motor vehicle fuel in the county. (NRS 373.028, 373.131) **Sections 1-4** of this bill authorize a regional transportation commission in a county whose population is 100,000 or more (currently Clark and Washoe Counties) to issue revenue bonds and other revenue securities to finance such a project if the commission has executed an interlocal agreement with the county relating to the issuance of such bonds and other securities by the commission.


Existing law authorizes counties to impose a special tax for a public transit system, for the construction, maintenance and repair of public roads or for the improvement of air quality. (NRS 377A.020) Existing law also authorizes counties to issue bonds and other securities to obtain money to pay for the cost of establishing and maintaining a public transit system, for the construction, maintenance and repair of public roads or for the improvement of air quality. (NRS 377A.090) **Sections 5-7** of this bill authorize a regional transportation commission in a county whose population is 100,000 or more (currently Clark and Washoe Counties) to issue revenue bonds and other revenue securities to finance such a project if the commission has executed an interlocal agreement with the county relating to the issuance of such bonds and other securities by the commission.

Existing law authorizes counties to impose a tax for infrastructure upon the gross receipts of retail sales. (NRS 377B.100, 377B.110) Existing law also authorizes counties to issue bonds and other securities to obtain money to pay for the cost of one or more projects for which the tax was imposed. (NRS 377B.190) **Section 8** of this bill ~~provides for the continuation of~~ provides for the continuation of such a tax in a county whose population is 400,000 or more (currently Clark County) ~~provide for~~ after the date of cessation of the tax ~~not later than June 30, 2025, or when the total sum collected from the tax exceeds \$2.3 billion, whichever occurs earlier.~~ specified in the ordinance creating the tax if the board of county commissioners determines by a two-thirds majority vote that the cessation of the tax is not advisable. **Section 9** of this bill ~~provides for the continuation of~~ similarly provides for the continued issuance of such bonds or securities in such a county after ~~June 30, 2025, or when the total sum collected from the tax exceeds \$2.3 billion, whichever occurs earlier.~~ the date of cessation of the tax specified in the ordinance creating the tax if the board of county commissioners pursuant to section 8 has determined by a two-thirds majority vote that the cessation of the tax is not advisable.

**Section 10** of this bill extends the period within which the repayment of bonds or other securities that are issued by a political subdivision of this State and that pay compound interest must commence from not later than the fifth year after issuance to not later than the fifteenth year after issuance. **Section 11** of this bill extends the period within which general obligation bonds issued for a water facility or wastewater facility must mature to not later than 40 years from their respective dates.

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

**Section 1.** NRS 373.024 is hereby amended to read as follows:

373.024 "Cost of the project," or any phrase of similar import, means all or any part designated by the board *or, in the case of a project financed with bonds or other securities issued by a commission, the commission,* of the cost of any project, or interest therein, being acquired, which cost, at the option of the board *or, in the case of a project financed with bonds or other securities issued by a commission, the commission,* may include all or any part of the incidental costs pertaining to the project, including, without limitation, preliminary expenses advanced by the county *or, in the case of a project financed with bonds or other securities issued by a commission, the commission,* from money available for use therefor or any other source, or advanced by any city with the approval of the county from money available therefor or from any other source, or advanced by the State of Nevada or the Federal Government, or any corporation, agency or instrumentality thereof, with the approval of the county, or any combination thereof, in the making of surveys, preliminary plans, estimates of costs, other preliminaries, the costs of appraising, printing, estimates, advice, contracting for the services of engineers, architects, financial consultants, attorneys at law, clerical help, other agents or employees, the costs of making, publishing, posting, mailing and otherwise giving any notice in connection with the project, the taking of options, the issuance of bonds and other securities, contingencies, the capitalization with bond proceeds of any interest on the bonds for any period not exceeding 1 year and of any reserves for the payment of the principal of an interest on the bonds, the filing or recordation of instruments, the costs of medium-term obligations, construction loans and other temporary loans of not exceeding 10 years appertaining to the project and of the incidental expenses incurred in connection with such financing or loans, and all other expenses necessary or desirable and appertaining to any project, as estimated or otherwise ascertained by the board 

1 *or, in the case of a project financed with bonds or other securities issued by a*  
2 *commission, the commission.*

3 **Sec. 2.** NRS 373.131 is hereby amended to read as follows:

4 373.131 1. Money for the payment of the cost of a project within the area  
5 embraced by a regional plan for transportation established pursuant to NRS  
6 277A.210 may be obtained by the issuance of revenue bonds and other revenue  
7 securities as provided in subsection 2 or, subject to any pledges, liens and other  
8 contractual limitations made pursuant to the provisions this chapter and chapter  
9 277A of NRS, may be obtained by direct distribution from the regional street and  
10 highway fund, except to the extent any such use is prevented by the provisions of  
11 NRS 373.150, or may be obtained both by the issuance of such securities and by  
12 such direct distribution, as the board may determine. Money for street and highway  
13 construction outside the area embraced by the plan may be distributed directly from  
14 the regional street and highway fund as provided in NRS 373.150.

15 2. The board *or, in a county whose population is 100,000 or more, a*  
16 *commission*, may, after the enactment of any ordinance authorized by the  
17 provisions of NRS 373.030, paragraph (d) of subsection 1 of NRS 373.065 or  
18 paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.066, issue revenue  
19 bonds and other revenue securities, on the behalf and in the name of the county ~~{+}~~  
20 *or the commission, as the case may be:*

21 (a) The total of all of which, issued and outstanding at any one time, must not  
22 be in an amount requiring a total debt service in excess of the estimated receipts to  
23 be derived from the taxes imposed pursuant to the provisions of NRS 373.030,  
24 paragraph (d) of subsection 1 of NRS 373.065 and paragraphs (d) to (m), inclusive,  
25 of subsection 1 of NRS 373.066;

26 (b) Which must not be general obligations of the county *or the commission* or  
27 a charge on any real estate ~~{therein;}~~ *within the county;* and

28 (c) Which may be secured as to principal and interest by a pledge authorized  
29 by this chapter of the receipts from the fuel taxes designated in this chapter, except  
30 such portion of the receipts as may be required for the direct distributions  
31 authorized by NRS 373.150.

32 3. A county *or a commission as provided in subsection 2* is authorized to  
33 issue bonds *or other securities* without the necessity of their being authorized at  
34 any election in such manner and with such terms as provided in this chapter.

35 4. Subject to the provisions of this chapter and chapter 277A of NRS, for any  
36 project authorized therein, the board of any county may, on the behalf and in the  
37 name of the county, *or, in a county whose population is 100,000 or more, a*  
38 *commission may, on behalf and in the name of the commission*, borrow money,  
39 otherwise become obligated, and evidence obligations by the issuance of bonds and  
40 other county *or commission* securities, and in connection with the undertaking or  
41 project, the board *or the commission, as the case may be*, may otherwise proceed  
42 as provided in the Local Government Securities Law.

43 5. All such securities constitute special obligations payable from the net  
44 receipts of the fuel taxes designated in this chapter except as otherwise provided in  
45 NRS 373.150, and the pledge of revenues to secure the payment of the securities  
46 must be limited to those net receipts.

47 6. Except for:

48 (a) Any notes or warrants which are funded with the proceeds of interim  
49 debentures or bonds;

50 (b) Any interim debentures which are funded with the proceeds of bonds;

51 (c) Any temporary bonds which are exchanged for definitive bonds;

52 (d) Any bonds which are reissued or which are refunded; and

(e) The use of any profit from any investment and reinvestment for the payment of any bonds or other securities issued pursuant to the provisions of this chapter,

↳ all bonds and other securities issued pursuant to the provisions of this chapter must be payable solely from the proceeds of fuel taxes collected by or remitted to the county pursuant to chapter 365 of NRS, as supplemented by this chapter. Receipts of the taxes levied in NRS 365.180 and 365.190 and pursuant to the provisions of paragraphs (a) and (b) of subsection 1 of NRS 373.065 and paragraphs (a) and (b) of subsection 1 of NRS 373.066 may be used by the county for the payment of securities issued pursuant to the provisions of this chapter and may be pledged therefor. *Such taxes may also be used by a commission in a county whose population is 100,000 or more for the payment of bonds or other securities issued pursuant to the provisions of this chapter and may be pledged therefor if the board of the county consents to such use.* If during any period any securities payable from these tax proceeds are outstanding, the tax receipts must not be used directly for the construction, maintenance and repair of any streets, roads or other highways nor for any purchase of equipment therefor, and the receipts of the tax levied in NRS 365.190 must not be apportioned pursuant to subsection 2 of NRS 365.560 unless, at any time the tax receipts are so apportioned, provision has been made in a timely manner for the payment of such outstanding securities as to the principal of, any prior redemption premiums due in connection with, and the interest on the securities as they become due, as provided in the securities, the ordinance, *in the case of securities issued by a county, or the resolution, in the case of securities issued by a commission,* authorizing their issuance and any other instrument appertaining to the securities.

7. The ordinance, *in the case of securities issued by a county, or the resolution, in the case of securities issued by a commission,* authorizing the issuance of any bond or other revenue security under this section must describe the purpose for which it is issued at least in general terms and may describe the purpose in detail. This section does not require the purpose so stated to be set forth in the detail in which the project approved by the commission pursuant to subsection 2 of NRS 373.140 is stated, or prevent the modification by the board *or commission, as the case may be,* of details as to the purpose stated in the ordinance authorizing the issuance of any bond or other security after its issuance, subject to approval by the commission of the project as so modified ~~or~~, *if such bond or other security is issued by the county and not the commission.*

8. *Notwithstanding any other provision of this chapter, no commission has authority to issue bonds or other securities pursuant to this chapter unless the commission has executed an interlocal agreement with the county relating to the issuance of bonds or other securities by the commission. Any such interlocal agreement must include an acknowledgment of the authority of the commission to issue bonds and other securities and contain provisions relating to the pledge of revenues for the repayment of the bonds or other securities, the lien priority of the pledge of revenues securing the bonds or other securities, and related matters.*

Sec. 3. NRS 373.160 is hereby amended to read as follows:

373.160 1. The ordinance or ordinances, *or the resolution or resolutions,* providing for the issuance of any bonds or other securities issued under this chapter payable from the receipts from the fuel excise taxes designated in this chapter may at the discretion of the board ~~or~~ *or, in the case of bonds or other securities issued by a commission, the commission,* in addition to covenants and other provisions authorized in the Local Government Securities Law, contain covenants or other provisions as to the pledge of and the creation of a lien upon the receipts of the taxes collected for the county pursuant to the provisions of NRS 373.030, paragraph

(d) of subsection 1 of NRS 373.065 and paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.066, excluding any tax proceeds to be distributed directly under the provisions of NRS 373.150, or the proceeds of the bonds or other securities pending their application to defray the cost of the project, or both such tax proceeds and security proceeds, to secure the payment of revenue bonds or other securities issued under this chapter.

2. If the board *or, in the case of bonds or other securities issued by a commission, the commission*, determines in any ordinance *or resolution* authorizing the issuance of any bonds or other securities under this chapter that the proceeds of the taxes levied and collected pursuant to the provisions of NRS 373.030, paragraph (d) of subsection 1 of NRS 373.065 and paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.066 are sufficient to pay all bonds and securities, including the proposed issue, from the proceeds thereof, the board *or, in the case of bonds or other securities issued by a commission, the commission with the consent of the board as provided in subsection 6 of NRS 373.131*, may additionally secure the payment of any bonds or other securities issued pursuant to the ordinance *or resolution* under this chapter by a pledge of and the creation of a lien upon not only the proceeds of any fuel tax authorized at the time of the issuance of such securities to be used for such payment in subsection 6 of NRS 373.131, but also the proceeds of any such tax thereafter authorized to be used or pledged, or used and pledged, for the payment of such securities, whether such tax be levied or collected by the county, the State of Nevada, or otherwise, or be levied in at least an equivalent value in lieu of any such tax existing at the time of the issuance of such securities or be levied in supplementation thereof.

3. The pledges and liens authorized by subsections 1 and 2 extend to the proceeds of any tax collected for use by the county on any fuel so long as any bonds or other securities issued under this chapter remain outstanding and are not limited to any type or types of fuel in use when the bonds or other securities are issued.

**Sec. 4.** NRS 373.190 is hereby amended to read as follows:

373.190 The board *, or a commission authorized to issue bonds or other securities pursuant to subsection 2 of NRS 373.131*, is authorized to sell such bonds *or other securities* from time to time at public or private sale as the board *or the commission, as the case may be*, may determine.

**Sec. 5.** NRS 377A.090 is hereby amended to read as follows:

377A.090 1. Money for the payment of the cost of establishing and maintaining a public transit system, for the construction, maintenance and repair of public roads, for the improvement of air quality or for any combination of those purposes may be obtained by the issuance of bonds and other securities as provided in subsection 2 *or 3* or, subject to any pledges, liens and other contractual limitations made pursuant to this chapter, may be obtained by direct distribution from the public transit fund, or may be obtained both by the issuance of such securities and by such direct distribution as the board *or, in the case of securities issued by a regional transportation commission, the regional transportation commission*, may determine.

2. The board may, after the enactment of an ordinance authorized by paragraph (a) of subsection 1 of NRS 377A.020, from time to time issue bonds and other securities, which are general or special obligations of the county and which may be secured as to principal and interest by a pledge authorized by this chapter of the receipts from the tax imposed by that ordinance.

3. *A regional transportation commission authorized to issue bonds or other securities pursuant to subsection 2 of NRS 373.131 may, after the enactment by a board of county commissioners of an ordinance authorized by paragraph (a) of*

1 *subsection 1 of NRS 377A.020, from time to time issue bonds and other*  
2 *securities, which are special obligations of the regional transportation*  
3 *commission and which may be secured as to principal and interest by a pledge*  
4 *authorized by this chapter or the receipts from the tax imposed by that ordinance.*

5 4. *Notwithstanding any other provision of this chapter, no regional*  
6 *transportation commission may issue bonds or other securities pursuant to this*  
7 *chapter unless the regional transportation commission has executed an interlocal*  
8 *agreement with the county relating to the issuance of bonds or other securities by*  
9 *the regional transportation commission. Any such interlocal agreement must*  
10 *include an acknowledgment of the authority of the regional transportation*  
11 *commission to issue bonds or other securities and contain provisions relating to*  
12 *the pledge of revenues for the repayment of the bonds or other securities, the lien*  
13 *priority of the pledge of revenues securing the bonds or other securities, and*  
14 *related matters.*

15 5. The ordinance *or resolution* authorizing the issuance of any bond or other  
16 security must describe the purpose for which it is issued.

17 **Sec. 6.** NRS 377A.100 is hereby amended to read as follows:

18 377A.100 1. Each ordinance *or resolution* providing for the issuance of any  
19 bond or security issued under this chapter payable from the receipts of the tax  
20 imposed pursuant to paragraph (b) of subsection 1 of NRS 377A.030 may, in  
21 addition to covenants and other provisions authorized in the Local Government  
22 Securities Law, contain a covenant or other provision to pledge and create a lien  
23 upon the receipts of the tax or upon the proceeds of any bond or security pending  
24 their application to defray the cost of establishing or operating a public transit  
25 system, constructing, maintaining or repairing public roads or improving air  
26 quality, or both tax proceeds and security proceeds, to secure the payment of any  
27 bond or security issued under this chapter.

28 2. Each ordinance providing for the issuance of any bond or security issued  
29 under this chapter payable from the receipts of the tax imposed pursuant to  
30 paragraph (d) of subsection 1 of NRS 377A.030 may, in addition to covenants and  
31 other provisions authorized in the Local Government Securities Law, contain a  
32 covenant or other provision to pledge and create a lien upon:

33 (a) The receipts of the tax;

34 (b) The proceeds of any bond or security pending their application to defray  
35 the cost of acquiring, developing, constructing, equipping, operating, maintaining,  
36 improving and managing libraries, parks, recreational programs and facilities, and  
37 facilities and services for senior citizens, and for preserving and protecting  
38 agriculture, or for any combination of those purposes; or

39 (c) Both tax proceeds and security proceeds,  
40 to secure the payment of any bond or security issued under this chapter. The  
41 provisions of this subsection do not authorize the board of county commissioners of  
42 a county to obtain money to acquire, develop, construct, equip, operate, maintain,  
43 improve and manage recreational programs by the issuance of bonds.

44 3. Any money pledged to the payment of bonds or other securities pursuant to  
45 subsection 1 or 2 may be treated as pledged revenues of the project for the purposes  
46 of subsection 3 of NRS 350.020.

47 **Sec. 7.** NRS 377A.110 is hereby amended to read as follows:

48 377A.110 1. Subject to the provisions of subsection 2, the board may  
49 gradually reduce the amount of any tax imposed pursuant to this chapter for a  
50 public transit system, for the construction, maintenance and repair of public roads,  
51 for the improvement of air quality or for any combination of those purposes as  
52 revenue from the operation of those projects permits. The date on which any  
53 reduction in the tax becomes effective must be the first day of the first calendar



quarter that begins at least 120 days after the effective date of the ordinance reducing the amount of tax imposed.

2. No such taxing ordinance may be repealed or amended or otherwise directly or indirectly modified in such a manner as to impair any outstanding bonds issued under this chapter, or other obligations incurred under this chapter, until all obligations, for which revenues from the ordinance have been pledged or otherwise made payable from such revenues pursuant to this chapter, have been discharged in full, but the board may at any time dissolve the regional transportation commission *as provided in NRS 373.120* and provide that no further obligations be incurred thereafter.

**Sec. 8.** NRS 377B.100 is hereby amended to read as follows:

377B.100 1. The board of county commissioners of any county may by ordinance, but not as in a case of emergency, impose a tax for infrastructure pursuant to this section and NRS 377B.110.

2. An ordinance enacted pursuant to this chapter may not become effective before a question concerning the imposition of the tax is approved by a two-thirds majority of the members of the board of county commissioners. Any proposal to increase the rate of the tax or change the previously approved uses for the proceeds of the tax must be approved by a two-thirds majority of the members of the board of county commissioners. The board of county commissioners shall not change a previously approved use for the proceeds of the tax to a use that is not authorized for that county pursuant to NRS 377B.160.

3. An ordinance enacted pursuant to this section must :

(a) ~~Specify~~ *Specify* the date on which the tax must first be imposed or on which an increase in the rate of the tax becomes effective, which must occur on the first day of the first month of the next calendar quarter that is at least 120 days after the date on which a two-thirds majority of the board of county commissioners approved the question.

(b) *In a county whose population is 400,000 or more, provide for the cessation of the tax not later than:*

(1) *The last day of the month in which the Department determines that the total sum collected since the tax was first imposed, exclusive of any penalties and interest, exceeds \$2.3 billion; or*

(2) *June 30, 2025,*  
*→ whichever occurs earlier.*

4. *Notwithstanding the provisions of an ordinance described in subsection 3, in a county whose population is 400,000 or more, the tax may continue to be imposed after the date set forth in the ordinance for the cessation of the tax if the board of county commissioners determines by an affirmative vote of at least two-thirds of its members that the cessation of the tax is not advisable.*

5. The board of county commissioners in a county whose population is 400,000 or more and in which a water authority exists shall review the necessity for the continued imposition of the tax authorized pursuant to this chapter at least once every 10 years.

~~5.~~ 6. Before enacting an ordinance pursuant to this chapter, the board of county commissioners shall hold a public hearing regarding the imposition of a tax for infrastructure. In a county whose population is 400,000 or more and in which a water authority exists, the water authority shall also hold a public hearing regarding the tax for infrastructure. Notice of the time and place of each hearing must be:

(a) Published in a newspaper of general circulation in the county at least once a week for the 2 consecutive weeks immediately preceding the date of the hearing. Such notice must be a display advertisement of not less than 3 inches by 5 inches.



(b) Posted at the building in which the meeting is to be held and at not less than three other separate, prominent places within the county at least 2 weeks before the date of the hearing.

~~6.7~~ 7. Before enacting an ordinance pursuant to this chapter, the board of county commissioners of a county whose population is less than 400,000 or a county whose population is 400,000 or more and in which no water authority exists, shall develop a plan for the expenditure of the proceeds of a tax imposed pursuant to this chapter for the purposes set forth in NRS 377B.160. The plan may include a regional project for which two or more such counties have entered into an interlocal agreement to expend jointly all or a portion of the proceeds of a tax imposed in each county pursuant to this chapter. Such a plan must include, without limitation, the date on which the plan expires, a description of each proposed project, the method of financing each project and the costs related to each project. Before adopting a plan pursuant to this subsection, the board of county commissioners of a county in which a regional planning commission has been established pursuant to NRS 278.0262 shall transmit to the regional planning commission a list of the proposed projects for which a tax for infrastructure may be imposed. The regional planning commission shall hold a public hearing at which it shall rank each project in relative priority. The regional planning commission shall transmit its rankings to the board of county commissioners. The recommendations of the regional planning commission regarding the priority of the proposed projects are not binding on the board of county commissioners. The board of county commissioners shall hold at least one public hearing on the plan. Notice of the time and place of the hearing must be provided in the manner set forth in subsection ~~6.5~~ 6. The plan must be approved by the board of county commissioners at a public hearing. Subject to the provisions of subsection ~~6.7~~ 8., on or before the date on which a plan expires, the board of county commissioners shall determine whether a necessity exists for the continued imposition of the tax. If the board determines that such a necessity does not exist, the board shall repeal the ordinance that enacted the tax. If the board of county commissioners determines that the tax must be continued for a purpose set forth in NRS 377B.160, the board shall adopt, in the manner prescribed in this subsection, a new plan for the expenditure of the proceeds of the tax for such a purpose.

~~6.7~~ 8. No ordinance imposing a tax which is enacted pursuant to this chapter may be repealed or amended or otherwise directly or indirectly modified in such a manner as to impair any outstanding bonds or other obligations which are payable from or secured by a pledge of a tax enacted pursuant to this chapter until those bonds or other obligations have been discharged in full.

**Sec. 8.3. NRS 377B.150 is hereby amended to read as follows:**

377B.150 1. In a county whose population is less than 400,000 or a county whose population is 400,000 or more and in which no water authority exists, the county treasurer shall deposit the money received from the State Controller pursuant to NRS 377B.130 in the county treasury for credit to a fund to be known as the infrastructure fund. The infrastructure fund must be accounted for as a separate fund and not as a part of any other fund. The money for each project included in the plan adopted pursuant to subsection ~~6.7~~ 7. of NRS 377B.100 must be accounted for separately in the fund.

2. In a county whose population is 400,000 or more and in which a water authority exists, the water authority shall deposit the money received from the State Controller pursuant to NRS 377B.130 in a separate account of the water authority to be known as the infrastructure fund. This fund must be accounted for as a separate fund and not as part of any other fund of the water authority.

**Sec. 8.7. NRS 377B.160 is hereby amended to read as follows:**

377B.160 The money in the infrastructure fund, including interest and any other income from the fund:

1. In a county whose population is 400,000 or more, must only be expended by the water authority, distributed by the water authority to its members, distributed by the water authority pursuant to NRS 377B.170 to a city or town located in the county whose territory is not within the boundaries of the area served by the water authority or to a public entity in the county which provides water or wastewater services and which is not a member of the water authority or, if no water authority exists in the county, expended by the board of county commissioners for:

(a) The acquisition, establishment, construction, improvement or equipping of water and wastewater facilities;

(b) The payment of principal and interest on notes, bonds or other securities issued to provide money for the cost of projects described in paragraph (a); or

(c) Any combination of those purposes.

➔ The board of county commissioners may only expend money from the infrastructure fund pursuant to this subsection in the manner set forth in the plan adopted pursuant to subsection ~~4~~ 2 of NRS 377B.100.

2. In a county whose population is 100,000 or more but less than 400,000, must only be expended by the board of county commissioners in the manner set forth in the plan adopted pursuant to subsection ~~4~~ 2 of NRS 377B.100 for:

(a) The acquisition, establishment, construction or expansion of:

(1) Projects for the management of floodplains or the prevention of floods; or

(2) Facilities relating to public safety;

(b) The payment of principal and interest on notes, bonds or other securities issued to provide money for the cost of projects described in paragraph (a);

(c) The ongoing expenses of operation and maintenance of projects described in subparagraph (1) of paragraph (a), if such projects were included in a plan adopted by the board of county commissioners pursuant to subsection ~~4~~ 2 of NRS 377B.100 before January 1, 2003;

(d) Any program to provide financial assistance to owners of public and private property in areas likely to be flooded in order to make such property resistant to flood damage that is established pursuant to NRS 244.3653; or

(e) Any combination of those purposes.

3. In a county whose population is less than 100,000, must only be expended by the board of county commissioners in the manner set forth in the plan adopted pursuant to subsection ~~4~~ 2 of NRS 377B.100 for:

(a) The acquisition, establishment, construction, improvement or equipping of:

(1) Water facilities; or

(2) Wastewater facilities;

(b) The acquisition, establishment, construction, operation, maintenance or expansion of:

(1) Projects for the management of floodplains or the prevention of floods;

or

(2) Facilities for the disposal of solid waste;

(c) The construction or renovation of facilities for schools;

(d) The construction or renovation of facilities having cultural or historical value;

(e) Projects described in subsection 2 of NRS 373.028;

(f) The acquisition, establishment, construction, expansion, improvement or equipping of facilities relating to public safety or to cultural and recreational or judicial functions;

(g) The payment of principal and interest on notes, bonds or other securities issued to provide money for the cost of projects, facilities and activities described in paragraphs (a) to (f), inclusive; or

(h) Any combination of those purposes.

**Sec. 9.** NRS 377B.190 is hereby amended to read as follows:

377B.190 1. Money for the payment of the cost of one or more projects for which the board of county commissioners has imposed all or a portion of the tax authorized pursuant to this chapter may be obtained by the issuance of bonds and other securities as provided in this section, or, subject to any pledges, liens and other contractual limitations made pursuant to this chapter, may be obtained by direct distribution from the infrastructure fund, or may be obtained both by the issuance of such securities and by such direct distribution as determined by the board of county commissioners or, in a county whose population is 400,000 or more and in which a water authority exists, by the water authority.

2. The board of county commissioners of a county whose population is less than 400,000 or of a county whose population is 400,000 or more and in which no water authority exists may, after the enactment of an ordinance imposing a tax for infrastructure as authorized by NRS 377B.100, from time to time issue bonds and other securities, which are general or special obligations of the county and which may be secured as to principal and interest by a pledge authorized by this chapter of the receipts from the taxes imposed by this chapter. The ordinance authorizing the issuance of any bond or other security must describe the purpose for which it was issued.

3. After the enactment of an ordinance imposing a tax for infrastructure by the board of county commissioners of a county whose population is 400,000 or more and in which a water authority exists, the water authority or, if so provided in an interlocal agreement to which the water authority is a party, one or more of the members of the water authority, may from time to time issue bonds and other securities, which are general or special obligations and which may be secured as to principal and interest by a pledge authorized by this chapter of the receipts from the taxes imposed by this chapter.

4. In a county whose population is 400,000 or more, no bonds or other securities may be issued pursuant to this section which are payable from or secured by, in whole or in part, any revenue from a tax enacted pursuant to this chapter to be collected after:

(a) The last day of the month in which the Department determines that the total sum collected since the tax was first imposed, exclusive of any penalties and interest, exceeds \$2.3 billion; or

(b) June 30, 2025,

↪ whichever occurs earlier ~~is~~, unless the board of county commissioners pursuant to subsection 4 of NRS 377B.100 has determined by an affirmative vote of at least two-thirds of its members that the cessation of the tax is not advisable.

**Sec. 10.** NRS 99.065 is hereby amended to read as follows:

99.065 1. Bonds or other securities issued by this state or any of its political subdivisions may provide for the payment of compound interest. The amount of the compound interest must be treated as interest and not as an addition to the principal of the bond or other security.

2. If interest is compounded on some or all of an issue of securities, repayment of the securities:

(a) Must commence no later than the ~~fifth~~ 15th year after issue; and

(b) If in installments, must be made no less often than annually.

1       **Sec. 11.** NRS 350.630 is hereby amended to read as follows:

2       350.630 1. As the governing body may determine, any bonds and other  
3       municipal securities issued hereunder, except as otherwise provided in the Local  
4       Government Securities Law, or in any act supplemental thereto, must:

5       (a) Be of a convenient denomination or denominations;

6       (b) Be fully negotiable within the meaning of and for all the purposes of the  
7       Uniform Commercial Code—Investment Securities;

8       (c) Mature at such time or serially at such times in regular numerical order at  
9       annual or other designated intervals in amounts designated and fixed by the  
10      governing body, except as herein otherwise provided;

11      (d) Bear interest at a rate or rates which do not exceed the limit provided in  
12      NRS 350.2011, payable annually, semiannually or at other designated intervals, but  
13      the first interest payment date may be for interest accruing for any other period;

14      (e) Be made payable in lawful money of the United States, at the office of the  
15      treasurer or any commercial bank or commercial banks within or without or both  
16      within and without the State as may be provided by the governing body; and

17      (f) Be printed at such a place, within or without this State, as the governing  
18      body may determine.

19      2. ~~{General}~~ *Except as otherwise provided in subsection 3, general*  
20      obligation bonds must mature within 30 years from their respective dates and, if  
21      they mature serially, commencing not later than the fifth year thereafter, in such  
22      manner as the governing body may determine.

23      3. *General obligation bonds issued for a water facility or wastewater facility*  
24      *must mature within 40 years from their respective dates and, if they mature*  
25      *serially, commencing not later than the 15th year thereafter, in such manner as*  
26      *the governing body may determine.*

27      4. Special obligation bonds must mature within 50 years from their respective  
28      dates.

29      5. *As used in this section:*

30      (a) *“Wastewater facility” has the meaning ascribed to it in NRS 377B.030.*

31      (b) *“Water facility” has the meaning ascribed to it in NRS 377B.050.*

32      **Sec. 12.** NRS 350.678 is hereby amended to read as follows:

33      350.678 1. Except as otherwise provided in NRS 350.674, the proceeds of  
34      taxes, pledged revenues and other money, including without limitation proceeds of  
35      bonds to be issued or reissued after the issuance of interim debentures, and bonds  
36      issued to secure the payment of interim debentures, or any combination thereof,  
37      may be pledged to secure the payment of interim debentures; but the proceeds of  
38      taxes and the proceeds of bonds payable from taxes, or any combination thereof,  
39      must not be used to pay any special obligation interim debentures nor may their  
40      payment be secured by a pledge of any such general obligation bonds.

41      2. Any bonds pledged as collateral security for the payment of any interim  
42      debentures must mature at such time or times as the governing body may  
43      determine, except as otherwise provided in subsections 2 , ~~{and}~~ 3 and 4 of NRS  
44      350.630.

45      3. Any bonds pledged as collateral security must not be issued in an aggregate  
46      principal amount exceeding the aggregate principal amount of the interim debenture  
47      or interim debentures secured by a pledge of such bonds, nor may they bear interest  
48      at any time which, with any interest accruing at the same time on the interim  
49      debenture or interim debentures so secured, exceeds the rate permitted on the  
50      debenture or debentures secured, computed from the appropriate index which was  
51      most recently published before the bids are received or a negotiated offer is  
52      accepted.

1       **Sec. 13.** NRS 350.682 is hereby amended to read as follows:

2       350.682 1. For the purpose of funding any interim debentures, any bonds  
3 pledged as collateral security to secure the payment of such interim debentures,  
4 upon their surrender as pledged property, may be reissued without an election, and  
5 any bonds not previously issued but authorized to be issued, at an election in the  
6 case of bonds required by law so to be authorized, and otherwise merely by the  
7 governing body, for a purpose or purposes the same as or encompassing the  
8 purpose or purposes for which the interim debentures were issued, may be issued  
9 for such a funding.

10       2. Any such bonds shall mature at such time or times as the governing body  
11 may determine, except as otherwise provided in subsections 2, ~~and~~ 3 and 4 of  
12 NRS 350.630.

13       3. Bonds for funding, including but not necessarily limited to any such  
14 reissued bonds, and bonds for any other purpose or purposes may be issued  
15 separately or issued in combination in one series or more.

16       4. Except as herein otherwise provided in this section and in NRS 350.676,  
17 350.678 and 350.680, any such funding bonds shall be issued as is provided herein  
18 for other bonds.

19       **Sec. 14.** NRS 350.694 is hereby amended to read as follows:

20       350.694 1. No bonds may be refunded under this chapter unless the holders  
21 thereof voluntarily surrender them for exchange or payment, or unless they either  
22 mature or are callable for prior redemption under their terms within 25 years from  
23 the date of issuance of the refunding bonds. Provision must be made for paying the  
24 securities within that period.

25       2. The maturity of any bond refunded may not be extended beyond 25 years,  
26 or beyond 1 year next following the date of the last outstanding maturity, whichever  
27 limitation is later, nor may any interest on any bond refunded be increased to any  
28 rate which exceeds the limit provided in NRS 350.2011.

29       3. The principal amount of the refunding bonds may exceed the principal  
30 amount of the refunded bonds, but in the case of any bonds constituting a debt the  
31 principal of the bonds may not be increased to any amount in excess of any  
32 municipal debt limitation.

33       4. The principal amount of the refunding bonds may also be less than or the  
34 same as the principal amount of the bonds being refunded so long as provision is  
35 duly and sufficiently made for their payment.

36       5. If at the time of the issuance of any issue of general obligation refunding  
37 bonds provision is not made for the redemption of all the outstanding bonds of the  
38 ~~for~~ *issue refunded or the outstanding bonds of* each issue refunded, as the case  
39 may be, by the use of proceeds of the refunding bonds and any other money  
40 available for the redemption, the general obligation refunding bonds may mature  
41 but are not required to mature serially ~~commencing not later than the fifth year~~  
42 ~~after their respective dates~~ in accordance with ~~subsection~~ *subsections 2 and 3* of  
43 NRS 350.630.

44       **Sec. 15.** This act becomes effective on July 1, 2011.