

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; 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:

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

14 Existing law authorizes counties to impose a special tax for a public transit
15 system, for the construction, maintenance and repair of public roads or for the
16 improvement of air quality. (NRS 377A.020) Existing law also authorizes counties



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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 such a tax in a county whose population is 400,000 or more (currently Clark County) after the date of cessation of the tax 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 similarly provides for the continued issuance of such bonds or securities in such a county after 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



1 making of surveys, preliminary plans, estimates of costs, other
2 preliminaries, the costs of appraising, printing, estimates, advice,
3 contracting for the services of engineers, architects, financial
4 consultants, attorneys at law, clerical help, other agents or
5 employees, the costs of making, publishing, posting, mailing and
6 otherwise giving any notice in connection with the project, the
7 taking of options, the issuance of bonds and other securities,
8 contingencies, the capitalization with bond proceeds of any interest
9 on the bonds for any period not exceeding 1 year and of any
10 reserves for the payment of the principal of an interest on the bonds,
11 the filing or recordation of instruments, the costs of medium-term
12 obligations, construction loans and other temporary loans of not
13 exceeding 10 years appertaining to the project and of the incidental
14 expenses incurred in connection with such financing or loans, and
15 all other expenses necessary or desirable and appertaining to any
16 project, as estimated or otherwise ascertained by the board ~~or~~ *or, in
17 the case of a project financed with bonds or other securities issued
18 by a commission, the commission.*

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

20 373.131 1. Money for the payment of the cost of a project
21 within the area embraced by a regional plan for transportation
22 established pursuant to NRS 277A.210 may be obtained by the
23 issuance of revenue bonds and other revenue securities as provided
24 in subsection 2 or, subject to any pledges, liens and other contractual
25 limitations made pursuant to the provisions this chapter and chapter
26 277A of NRS, may be obtained by direct distribution from the
27 regional street and highway fund, except to the extent any such use
28 is prevented by the provisions of NRS 373.150, or may be obtained
29 both by the issuance of such securities and by such direct
30 distribution, as the board may determine. Money for street and
31 highway construction outside the area embraced by the plan may be
32 distributed directly from the regional street and highway fund as
33 provided in NRS 373.150.

34 2. The board *or, in a county whose population is 100,000 or
35 more, a commission*, may, after the enactment of any ordinance
36 authorized by the provisions of NRS 373.030, paragraph (d) of
37 subsection 1 of NRS 373.065 or paragraphs (d) to (m), inclusive, of
38 subsection 1 of NRS 373.066, issue revenue bonds and other
39 revenue securities, on the behalf and in the name of the county ~~or~~ *or
40 the commission, as the case may be:*

41 (a) The total of all of which, issued and outstanding at any one
42 time, must not be in an amount requiring a total debt service in
43 excess of the estimated receipts to be derived from the taxes
44 imposed pursuant to the provisions of NRS 373.030, paragraph (d)



1 of subsection 1 of NRS 373.065 and paragraphs (d) to (m),
2 inclusive, of subsection 1 of NRS 373.066;

3 (b) Which must not be general obligations of the county *or the*
4 *commission* or a charge on any real estate ~~[therein;]~~ *within the*
5 *county;* and

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

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

14 4. Subject to the provisions of this chapter and chapter 277A of
15 NRS, for any project authorized therein, the board of any county
16 may, on the behalf and in the name of the county, *or, in a county*
17 *whose population is 100,000 or more, a commission may, on*
18 *behalf and in the name of the commission,* borrow money,
19 otherwise become obligated, and evidence obligations by the
20 issuance of bonds and other county *or commission* securities, and in
21 connection with the undertaking or project, the board *or the*
22 *commission, as the case may be,* may otherwise proceed as
23 provided in the Local Government Securities Law.

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

29 6. Except for:

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

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

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

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

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

40 ➔ all bonds and other securities issued pursuant to the provisions of
41 this chapter must be payable solely from the proceeds of fuel taxes
42 collected by or remitted to the county pursuant to chapter 365 of
43 NRS, as supplemented by this chapter. Receipts of the taxes levied
44 in NRS 365.180 and 365.190 and pursuant to the provisions of
45 paragraphs (a) and (b) of subsection 1 of NRS 373.065 and



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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 ~~H~~, *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.*



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

2 373.160 1. The ordinance or ordinances, *or the resolution or*
3 *resolutions*, providing for the issuance of any bonds or other
4 securities issued under this chapter payable from the receipts from
5 the fuel excise taxes designated in this chapter may at the discretion
6 of the board ~~or~~ *or, in the case of bonds or other securities issued by*
7 *a commission, the commission*, in addition to covenants and other
8 provisions authorized in the Local Government Securities Law,
9 contain covenants or other provisions as to the pledge of and the
10 creation of a lien upon the receipts of the taxes collected for the
11 county pursuant to the provisions of NRS 373.030, paragraph (d) of
12 subsection 1 of NRS 373.065 and paragraphs (d) to (m), inclusive,
13 of subsection 1 of NRS 373.066, excluding any tax proceeds to be
14 distributed directly under the provisions of NRS 373.150, or the
15 proceeds of the bonds or other securities pending their application to
16 defray the cost of the project, or both such tax proceeds and security
17 proceeds, to secure the payment of revenue bonds or other securities
18 issued under this chapter.

19 2. If the board *or, in the case of bonds or other securities*
20 *issued by a commission, the commission*, determines in any
21 ordinance *or resolution* authorizing the issuance of any bonds or
22 other securities under this chapter that the proceeds of the taxes
23 levied and collected pursuant to the provisions of NRS 373.030,
24 paragraph (d) of subsection 1 of NRS 373.065 and paragraphs (d) to
25 (m), inclusive, of subsection 1 of NRS 373.066 are sufficient to pay
26 all bonds and securities, including the proposed issue, from the
27 proceeds thereof, the board *or, in the case of bonds or other*
28 *securities issued by a commission, the commission with the*
29 *consent of the board as provided in subsection 6 of NRS 373.131*,
30 may additionally secure the payment of any bonds or other
31 securities issued pursuant to the ordinance *or resolution* under this
32 chapter by a pledge of and the creation of a lien upon not only the
33 proceeds of any fuel tax authorized at the time of the issuance of
34 such securities to be used for such payment in subsection 6 of NRS
35 373.131, but also the proceeds of any such tax thereafter authorized
36 to be used or pledged, or used and pledged, for the payment of such
37 securities, whether such tax be levied or collected by the county, the
38 State of Nevada, or otherwise, or be levied in at least an equivalent
39 value in lieu of any such tax existing at the time of the issuance of
40 such securities or be levied in supplementation thereof.

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



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

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

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

8 377A.090 1. Money for the payment of the cost of
9 establishing and maintaining a public transit system, for the
10 construction, maintenance and repair of public roads, for the
11 improvement of air quality or for any combination of those purposes
12 may be obtained by the issuance of bonds and other securities as
13 provided in subsection 2 *or 3* or, subject to any pledges, liens and
14 other contractual limitations made pursuant to this chapter, may be
15 obtained by direct distribution from the public transit fund, or may
16 be obtained both by the issuance of such securities and by such
17 direct distribution as the board *or, in the case of securities issued by*
18 *a regional transportation commission, the regional transportation*
19 *commission,* may determine.

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

26 3. *A regional transportation commission authorized to issue*
27 *bonds or other securities pursuant to subsection 2 of NRS 373.131*
28 *may, after the enactment by a board of county commissioners of*
29 *an ordinance authorized by paragraph (a) of subsection 1 of NRS*
30 *377A.020, from time to time issue bonds and other securities,*
31 *which are special obligations of the regional transportation*
32 *commission and which may be secured as to principal and interest*
33 *by a pledge authorized by this chapter or the receipts from the tax*
34 *imposed by that ordinance.*

35 4. *Notwithstanding any other provision of this chapter, no*
36 *regional transportation commission may issue bonds or other*
37 *securities pursuant to this chapter unless the regional*
38 *transportation commission has executed an interlocal agreement*
39 *with the county relating to the issuance of bonds or other*
40 *securities by the regional transportation commission. Any such*
41 *interlocal agreement must include an acknowledgment of the*
42 *authority of the regional transportation commission to issue bonds*
43 *or other securities and contain provisions relating to the pledge of*
44 *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.

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

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

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

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

(a) The receipts of the tax;

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

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

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

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

377A.110 1. Subject to the provisions of subsection 2, the board may gradually reduce the amount of any tax imposed pursuant to this chapter for a public transit system, for the construction,



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1 maintenance and repair of public roads, for the improvement of air
2 quality or for any combination of those purposes as revenue from
3 the operation of those projects permits. The date on which any
4 reduction in the tax becomes effective must be the first day of the
5 first calendar quarter that begins at least 120 days after the effective
6 date of the ordinance reducing the amount of tax imposed.

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

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

17 377B.100 1. The board of county commissioners of any
18 county may by ordinance, but not as in a case of emergency, impose
19 a tax for infrastructure pursuant to this section and NRS 377B.110.

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

30 3. An ordinance enacted pursuant to this section must :

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

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

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

43 (2) June 30, 2025,
44 ➔ whichever occurs earlier.



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

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

11 ~~5.1~~ 6. Before enacting an ordinance pursuant to this chapter,
12 the board of county commissioners shall hold a public hearing
13 regarding the imposition of a tax for infrastructure. In a county
14 whose population is 400,000 or more and in which a water authority
15 exists, the water authority shall also hold a public hearing regarding
16 the tax for infrastructure. Notice of the time and place of each
17 hearing must be:

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

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

25 ~~6.1~~ 7. Before enacting an ordinance pursuant to this chapter,
26 the board of county commissioners of a county whose population is
27 less than 400,000 or a county whose population is 400,000 or more
28 and in which no water authority exists, shall develop a plan for the
29 expenditure of the proceeds of a tax imposed pursuant to this
30 chapter for the purposes set forth in NRS 377B.160. The plan may
31 include a regional project for which two or more such counties have
32 entered into an interlocal agreement to expend jointly all or a
33 portion of the proceeds of a tax imposed in each county pursuant to
34 this chapter. Such a plan must include, without limitation, the date
35 on which the plan expires, a description of each proposed project,
36 the method of financing each project and the costs related to each
37 project. Before adopting a plan pursuant to this subsection, the
38 board of county commissioners of a county in which a regional
39 planning commission has been established pursuant to NRS
40 278.0262 shall transmit to the regional planning commission a list
41 of the proposed projects for which a tax for infrastructure may be
42 imposed. The regional planning commission shall hold a public
43 hearing at which it shall rank each project in relative priority. The
44 regional planning commission shall transmit its rankings to the
45 board of county commissioners. The recommendations of the



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1 regional planning commission regarding the priority of the proposed
2 projects are not binding on the board of county commissioners. The
3 board of county commissioners shall hold at least one public hearing
4 on the plan. Notice of the time and place of the hearing must be
5 provided in the manner set forth in subsection ~~5-1~~ 6. The plan must
6 be approved by the board of county commissioners at a public
7 hearing. Subject to the provisions of subsection ~~7-1~~ 8, on or before
8 the date on which a plan expires, the board of county commissioners
9 shall determine whether a necessity exists for the continued
10 imposition of the tax. If the board determines that such a necessity
11 does not exist, the board shall repeal the ordinance that enacted the
12 tax. If the board of county commissioners determines that the tax
13 must be continued for a purpose set forth in NRS 377B.160, the
14 board shall adopt, in the manner prescribed in this subsection, a new
15 plan for the expenditure of the proceeds of the tax for such a
16 purpose.

17 ~~7-1~~ 8. No ordinance imposing a tax which is enacted pursuant
18 to this chapter may be repealed or amended or otherwise directly or
19 indirectly modified in such a manner as to impair any outstanding
20 bonds or other obligations which are payable from or secured by a
21 pledge of a tax enacted pursuant to this chapter until those bonds or
22 other obligations have been discharged in full.

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

24 377B.150 1. In a county whose population is less than
25 400,000 or a county whose population is 400,000 or more and in
26 which no water authority exists, the county treasurer shall deposit
27 the money received from the State Controller pursuant to NRS
28 377B.130 in the county treasury for credit to a fund to be known as
29 the infrastructure fund. The infrastructure fund must be accounted
30 for as a separate fund and not as a part of any other fund. The
31 money for each project included in the plan adopted pursuant to
32 subsection ~~6-1~~ 7 of NRS 377B.100 must be accounted for separately
33 in the fund.

34 2. In a county whose population is 400,000 or more and in
35 which a water authority exists, the water authority shall deposit the
36 money received from the State Controller pursuant to NRS
37 377B.130 in a separate account of the water authority to be known
38 as the infrastructure fund. This fund must be accounted for as a
39 separate fund and not as part of any other fund of the water
40 authority.

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

42 377B.160 The money in the infrastructure fund, including
43 interest and any other income from the fund:

44 1. In a county whose population is 400,000 or more, must only
45 be expended by the water authority, distributed by the water



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1 authority to its members, distributed by the water authority pursuant
2 to NRS 377B.170 to a city or town located in the county whose
3 territory is not within the boundaries of the area served by the water
4 authority or to a public entity in the county which provides water or
5 wastewater services and which is not a member of the water
6 authority or, if no water authority exists in the county, expended by
7 the board of county commissioners for:

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

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

13 (c) Any combination of those purposes.

14 ➔ The board of county commissioners may only expend money
15 from the infrastructure fund pursuant to this subsection in the
16 manner set forth in the plan adopted pursuant to subsection ~~6~~ 7 of
17 NRS 377B.100.

18 2. In a county whose population is 100,000 or more but less
19 than 400,000, must only be expended by the board of county
20 commissioners in the manner set forth in the plan adopted pursuant
21 to subsection ~~6~~ 7 of NRS 377B.100 for:

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

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

25 (2) Facilities relating to public safety;

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

29 (c) The ongoing expenses of operation and maintenance of
30 projects described in subparagraph (1) of paragraph (a), if such
31 projects were included in a plan adopted by the board of county
32 commissioners pursuant to subsection ~~6~~ 7 of NRS 377B.100
33 before January 1, 2003;

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

38 (e) Any combination of those purposes.

39 3. In a county whose population is less than 100,000, must only
40 be expended by the board of county commissioners in the manner
41 set forth in the plan adopted pursuant to subsection ~~6~~ 7 of NRS
42 377B.100 for:

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

45 (1) Water facilities; or



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- 1 (2) Wastewater facilities;
- 2 (b) The acquisition, establishment, construction, operation,
- 3 maintenance or expansion of:
- 4 (1) Projects for the management of floodplains or the
- 5 prevention of floods; or
- 6 (2) Facilities for the disposal of solid waste;
- 7 (c) The construction or renovation of facilities for schools;
- 8 (d) The construction or renovation of facilities having cultural or
- 9 historical value;
- 10 (e) Projects described in subsection 2 of NRS 373.028;
- 11 (f) The acquisition, establishment, construction, expansion,
- 12 improvement or equipping of facilities relating to public safety or to
- 13 cultural and recreational or judicial functions;
- 14 (g) The payment of principal and interest on notes, bonds or
- 15 other securities issued to provide money for the cost of projects,
- 16 facilities and activities described in paragraphs (a) to (f), inclusive;
- 17 or
- 18 (h) Any combination of those purposes.

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

20 377B.190 1. Money for the payment of the cost of one or

21 more projects for which the board of county commissioners has

22 imposed all or a portion of the tax authorized pursuant to this

23 chapter may be obtained by the issuance of bonds and other

24 securities as provided in this section, or, subject to any pledges,

25 liens and other contractual limitations made pursuant to this chapter,

26 may be obtained by direct distribution from the infrastructure fund,

27 or may be obtained both by the issuance of such securities and by

28 such direct distribution as determined by the board of county

29 commissioners or, in a county whose population is 400,000 or more

30 and in which a water authority exists, by the water authority.

31 2. The board of county commissioners of a county whose

32 population is less than 400,000 or of a county whose population is

33 400,000 or more and in which no water authority exists may, after

34 the enactment of an ordinance imposing a tax for infrastructure as

35 authorized by NRS 377B.100, from time to time issue bonds and

36 other securities, which are general or special obligations of the

37 county and which may be secured as to principal and interest by a

38 pledge authorized by this chapter of the receipts from the taxes

39 imposed by this chapter. The ordinance authorizing the issuance of

40 any bond or other security must describe the purpose for which it

41 was issued.

42 3. After the enactment of an ordinance imposing a tax for

43 infrastructure by the board of county commissioners of a county

44 whose population is 400,000 or more and in which a water authority

45 exists, the water authority or, if so provided in an interlocal



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1 agreement to which the water authority is a party, one or more of the
2 members of the water authority, may from time to time issue bonds
3 and other securities, which are general or special obligations and
4 which may be secured as to principal and interest by a pledge
5 authorized by this chapter of the receipts from the taxes imposed by
6 this chapter.

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

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

15 (b) June 30, 2025,

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

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

21 99.065 1. Bonds or other securities issued by this state or any
22 of its political subdivisions may provide for the payment of
23 compound interest. The amount of the compound interest must be
24 treated as interest and not as an addition to the principal of the bond
25 or other security.

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

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

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

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

32 350.630 1. As the governing body may determine, any bonds
33 and other municipal securities issued hereunder, except as otherwise
34 provided in the Local Government Securities Law, or in any act
35 supplemental thereto, must:

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

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

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

43 (d) Bear interest at a rate or rates which do not exceed the limit
44 provided in NRS 350.2011, payable annually, semiannually or at



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1 other designated intervals, but the first interest payment date may be
2 for interest accruing for any other period;

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

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

9 2. ~~[General]~~ *Except as otherwise provided in subsection 3,*
10 *general* obligation bonds must mature within 30 years from their
11 respective dates and, if they mature serially, commencing not later
12 than the fifth year thereafter, in such manner as the governing body
13 may determine.

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

19 4. Special obligation bonds must mature within 50 years from
20 their respective dates.

21 5. *As used in this section:*

22 (a) *"Wastewater facility" has the meaning ascribed to it in*
23 *NRS 377B.030.*

24 (b) *"Water facility" has the meaning ascribed to it in*
25 *NRS 377B.050.*

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

27 350.678 1. Except as otherwise provided in NRS 350.674,
28 the proceeds of taxes, pledged revenues and other money, including
29 without limitation proceeds of bonds to be issued or reissued after
30 the issuance of interim debentures, and bonds issued to secure the
31 payment of interim debentures, or any combination thereof, may be
32 pledged to secure the payment of interim debentures; but the
33 proceeds of taxes and the proceeds of bonds payable from taxes, or
34 any combination thereof, must not be used to pay any special
35 obligation interim debentures nor may their payment be secured by
36 a pledge of any such general obligation bonds.

37 2. Any bonds pledged as collateral security for the payment of
38 any interim debentures must mature at such time or times as the
39 governing body may determine, except as otherwise provided in
40 subsections 2, ~~[and]~~ 3 and 4 of NRS 350.630.

41 3. Any bonds pledged as collateral security must not be issued
42 in an aggregate principal amount exceeding the aggregate principal
43 amount of the interim debenture or interim debentures secured by a
44 pledge of such bonds, nor may they bear interest at any time which,
45 with any interest accruing at the same time on the interim debenture



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1 or interim debentures so secured, exceeds the rate permitted on the
2 debenture or debentures secured, computed from the appropriate
3 index which was most recently published before the bids are
4 received or a negotiated offer is accepted.

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

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

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

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

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

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

26 350.694 1. No bonds may be refunded under this chapter
27 unless the holders thereof voluntarily surrender them for exchange
28 or payment, or unless they either mature or are callable for prior
29 redemption under their terms within 25 years from the date of
30 issuance of the refunding bonds. Provision must be made for paying
31 the securities within that period.

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

37 3. The principal amount of the refunding bonds may exceed the
38 principal amount of the refunded bonds, but in the case of any bonds
39 constituting a debt the principal of the bonds may not be increased
40 to any amount in excess of any municipal debt limitation.

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



1 5. If at the time of the issuance of any issue of general
2 obligation refunding bonds provision is not made for the redemption
3 of all the outstanding bonds of the ~~for~~ *issue refunded or the*
4 *outstanding bonds of* each issue refunded, as the case may be, by
5 the use of proceeds of the refunding bonds and any other money
6 available for the redemption, the general obligation refunding bonds
7 may mature but are not required to mature serially ~~commencing not~~
8 ~~later than the fifth year after their respective dates~~ in accordance
9 with ~~subsection~~ *subsections 2 and 3* of NRS 350.630.
10 **Sec. 15.** This act becomes effective on July 1, 2011.

