

ASSEMBLY BILL NO. 459—COMMITTEE ON EDUCATION

(ON BEHALF OF THE LEGISLATIVE COMMITTEE  
ON EDUCATION)

MARCH 25, 2013

Referred to Committee on Education

SUMMARY—Revises provisions relating to school property.  
(BDR 34-203)

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

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

AN ACT relating to school property; authorizing the board of trustees of a school district to donate surplus personal property of the school district to another school district; eliminating oversight panels for school facilities; eliminating the duty of certain boards of trustees of school districts to submit to the Legislature written recommendations for financing the costs of construction of school facilities; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law authorizes the board of trustees of a school district to donate surplus personal property of the school district to any charter school that is located within the school district without regard to certain notice, bidding, auction or other requirements relating to the disposal of personal property of a local government. (NRS 332.185) **Section 2** of this bill authorizes a board of trustees of a school district likewise to donate surplus personal property to other school districts in this State without regard to the notice, bidding, auction or other requirements relating to the disposal of personal property of a local government. **Section 1** of this bill authorizes a board of trustees of a school district to accept a donation of surplus personal property of another school district.

Existing law requires the board of trustees of a school district in a county whose population is 100,000 or more (currently Clark and Washoe Counties) to establish an oversight panel for school facilities. (NRS 393.092) Such an oversight panel is required to submit biennially to the Legislature written recommendations for financing school construction costs. In a county whose population is less than 100,000 (currently all counties other than Clark and Washoe Counties), the board



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of trustees of the school district is required to submit biennially to the Legislature written recommendations for financing school construction costs. (NRS 393.097) Existing law also authorizes a school district to issue general obligation bonds, after obtaining the approval of the county's debt management commission, if the issuance of the bonds is not expected to result in an increase in the existing property tax levy and the electors have approved a question that authorizes the issuance of bonds for 10 years after the date of approval. (NRS 350.020) In addition to the approval of the debt management commission, in a county whose population is 100,000 or more, the school district must obtain the approval of the oversight panel for school facilities. (NRS 350.020, 393.097) **Section 4** of this bill abolishes the oversight panels for school facilities. **Section 4** also eliminates the requirement for the oversight panels or the boards of trustees of school districts, as applicable, to submit to the Legislature recommendations for financing school construction costs. **Section 3** of this bill removes the requirement for the approval of the oversight panel for the issuance of the general obligation bonds of the school district.

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

**Section 1.** NRS 386.390 is hereby amended to read as follows:  
386.390 Each board of trustees shall have the power to accept on behalf of and for the school district ~~any~~ :

1. *Any* gift or bequest of money or property for a purpose deemed by the board of trustees to be suitable, and to utilize such money or property for the purpose so designated ~~+~~ ; and

2. *Any donation of surplus personal property of another school district made pursuant to subsection 2 of NRS 332.185.*

**Sec. 2.** NRS 332.185 is hereby amended to read as follows:

332.185 1. Except as otherwise provided in subsection 2 and NRS 244.1505 and 334.070, all sales of personal property of the local government must be made, as nearly as possible, under the same conditions and limitations as required by this chapter in the purchase of personal property. The governing body or its authorized representative may dispose of personal property of the local government by any manner, including, without limitation, at public auction, if the governing body or its authorized representative determines that the property is no longer required for public use and deems such action desirable and in the best interests of the local government.

2. The board of trustees of a school district may donate surplus personal property of the school district to *any other school district in this State or to* a charter school that is located within the school district without regard to:

(a) The provisions of this chapter; or

(b) Any statute, regulation, ordinance or resolution that requires:

(1) The posting of notice or public advertising.

(2) The inviting or receiving of competitive bids.



(3) The selling or leasing of personal property by contract or at a public auction.

3. The provisions of this chapter do not apply to the purchase, sale, lease or transfer of real property by the governing body.

**Sec. 3.** NRS 350.020 is hereby amended to read as follows:

350.020 1. Except as otherwise provided by subsections 3 and 4, if a municipality proposes to issue or incur general obligations, the proposal must be submitted to the electors of the municipality at a special election called for that purpose or the next general municipal election or general state election.

2. Such a special election may be held:

(a) At any time, including, without limitation, on the date of a primary municipal election or a primary state election, if the governing body of the municipality determines, by a unanimous vote, that an emergency exists; or

(b) On the first Tuesday after the first Monday in June of an odd-numbered year,

except that the governing body shall not determine that an emergency exists if the special election is for the purpose of submitting to the electors a proposal to refund bonds. The determination made by the governing body is conclusive unless it is shown that the governing body acted with fraud, a gross abuse of discretion or in violation of the provisions of this subsection. An action to challenge the determination made by the governing body must be commenced within 15 days after the governing body's determination is final. As used in this subsection, "emergency" means any occurrence or combination of occurrences which requires immediate action by the governing body of the municipality to prevent or mitigate a substantial financial loss to the municipality or to enable the governing body to provide an essential service to the residents of the municipality.

3. If payment of a general obligation of the municipality is additionally secured by a pledge of gross or net revenue of a project to be financed by its issue, and the governing body determines, by an affirmative vote of two-thirds of the members elected to the governing body, that the pledged revenue will at least equal the amount required in each year for the payment of interest and principal, without regard to any option reserved by the municipality for early redemption, the municipality may, after a public hearing, incur this general obligation without an election unless, within 90 days after publication of a resolution of intent to issue the bonds, a petition is presented to the governing body signed by not less than 5 percent of the registered voters of the municipality. Any member elected to the governing body whose authority to vote is limited by charter, statute or otherwise may vote on the determination required



1 to be made by the governing body pursuant to this subsection. The  
2 determination by the governing body becomes conclusive on the last  
3 day for filing the petition. For the purpose of this subsection, the  
4 number of registered voters must be determined as of the close of  
5 registration for the last preceding general election. The resolution of  
6 intent need not be published in full, but the publication must include  
7 the amount of the obligation and the purpose for which it is to be  
8 incurred. Notice of the public hearing must be published at least 10  
9 days before the day of the hearing. The publications must be made  
10 once in a newspaper of general circulation in the municipality.  
11 When published, the notice of the public hearing must be at least as  
12 large as 5 inches high by 4 inches wide.

13 4. The board of trustees of a school district may issue general  
14 obligation bonds which are not expected to result in an increase in  
15 the existing property tax levy for the payment of bonds of the school  
16 district without holding an election for each issuance of the bonds if  
17 the qualified electors approve a question submitted by the board of  
18 trustees that authorizes issuance of bonds for a period of 10 years  
19 after the date of approval by the voters. If the question is approved,  
20 the board of trustees of the school district may issue the bonds for a  
21 period of 10 years after the date of approval by the voters, after  
22 obtaining the approval of the debt management commission in the  
23 county in which the school district is located and ~~in a county~~  
24 ~~whose population is 100,000 or more, the approval of the oversight~~  
25 ~~panel for school facilities established pursuant to NRS 393.092 in~~  
26 ~~that county;~~ if the board of trustees of the school district finds that  
27 the existing tax for debt service will at least equal the amount  
28 required to pay the principal and interest on the outstanding general  
29 obligations of the school district and the general obligations  
30 proposed to be issued. The finding made by the board of trustees is  
31 conclusive in the absence of fraud or gross abuse of discretion. As  
32 used in this subsection, "general obligations" does not include  
33 medium-term obligations issued pursuant to NRS 350.087 to  
34 350.095, inclusive.

35 5. At the time of issuance of bonds authorized pursuant to  
36 subsection 4, the board of trustees shall establish a reserve account  
37 in its debt service fund for payment of the outstanding bonds of the  
38 school district. The reserve account must be established and  
39 maintained in an amount at least equal to the lesser of:

40 (a) For a school district located in a county whose population is  
41 100,000 or more, 25 percent; and

42 (b) For a school district located in a county whose population is  
43 less than 100,000, 50 percent,

44 ➔ of the amount of principal and interest payments due on all of the  
45 outstanding bonds of the school district in the next fiscal year or



1 10 percent of the outstanding principal amount of the outstanding  
2 bonds of the school district.

3 6. If the amount in the reserve account falls below the amount  
4 required by subsection 5:

5 (a) The board of trustees shall not issue additional bonds  
6 pursuant to subsection 4 until the reserve account is restored to the  
7 level required by subsection 5; and

8 (b) The board of trustees shall apply all of the taxes levied by  
9 the school district for payment of bonds of the school district that  
10 are not needed for payment of the principal and interest on bonds of  
11 the school district in the current fiscal year to restore the reserve  
12 account to the level required pursuant to subsection 5.

13 7. A question presented to the voters pursuant to subsection 4  
14 may authorize all or a portion of the revenue generated by the debt  
15 rate which is in excess of the amount required:

16 (a) For debt service in the current fiscal year;

17 (b) For other purposes related to the bonds by the instrument  
18 pursuant to which the bonds were issued; and

19 (c) To maintain the reserve account required pursuant to  
20 subsection 5,

21 ➔ to be transferred to the county school district's fund for capital  
22 projects established pursuant to NRS 387.328 and used to pay the  
23 cost of capital projects which can lawfully be paid from that fund.  
24 Any such transfer must not limit the ability of the school district to  
25 issue bonds during the period of voter authorization if the findings  
26 and approvals required by subsection 4 are obtained.

27 8. A municipality may issue special or medium-term  
28 obligations without an election.

29 **Sec. 4.** NRS 393.092, 393.095, 393.096 and 393.097 are  
30 hereby repealed.

31 **Sec. 5.** This act becomes effective on July 1, 2013.

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## LEADLINES OF REPEALED SECTIONS

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**393.092 Oversight panel for school facilities: Establishment in counties whose population is 100,000 or more; membership; terms of members.**

**393.095 Oversight panel for school facilities: Duty of board of trustees to provide administrative support and information.**

**393.096 Oversight panel for school facilities: Authority of board of trustees to expand duties of panel in larger counties.**



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**393.097 Duty to submit recommendations for financing costs for construction to Legislature; oversight panels required to approve or deny request for issuance of certain bonds.**

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