

**A.B. 501**

## ASSEMBLY BILL NO. 501—COMMITTEE ON WAYS AND MEANS

MAY 22, 2013

## Referred to Committee on Ways and Means

SUMMARY—Authorizes the issuance of state general obligations for certain capital projects of the Nevada System of Higher Education. (BDR 41-1225)

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 the Nevada System of Higher Education; authorizing certain capital projects at the campuses of the University of Nevada in Las Vegas and Reno; authorizing the issuance of general obligations of the State to pay the cost of the projects; pledging certain revenues as additional security for those obligations; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

- 1 This bill authorizes the Board of Regents of the University of Nevada to issue
- 2 not more than \$85 million in general obligation bonds of the State of Nevada to
- 3 finance the planning, improvement, refurbishing and renovation of the Thomas and
- 4 Mack Center at the University of Nevada, Las Vegas, and certain capital
- 5 improvements at the University of Nevada, Reno.

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

- 1 **Section 1.** NRS 463.385 is hereby amended to read as follows:
- 2 463.385 1. In addition to any other license fees and taxes
- 3 imposed by this chapter, there is hereby imposed upon each slot
- 4 machine operated in this State an annual excise tax of \$250. If a slot
- 5 machine is replaced by another, the replacement is not considered a
- 6 different slot machine for the purpose of imposing this tax.
- 7 2. The Commission shall:



(a) Collect the tax annually on or before June 30, as a condition precedent to the issuance of a state gaming license to operate any slot machine for the ensuing fiscal year beginning July 1, from a licensee whose operation is continuing.

(b) Collect the tax in advance from a licensee who begins operation or puts additional slot machines into play during the fiscal year, prorated monthly after July 31.

(c) Include the proceeds of the tax in its reports of state gaming taxes collected.

3. Any other person, including, without limitation, an operator of an inter-casino linked system, who is authorized to receive a share of the revenue from any slot machine that is operated on the premises of a licensee is liable to the licensee for that person's proportionate share of the license fees paid by the licensee pursuant to this section and shall remit or credit the full proportionate share to the licensee on or before the dates set forth in subsection 2. A licensee is not liable to any other person authorized to receive a share of the licensee's revenue from any slot machine that is operated on the premises of a licensee for that person's proportionate share of the license fees to be remitted or credited to the licensee by that person pursuant to this section.

4. The Commission shall pay over the tax as collected to the State Treasurer to be deposited to the credit of the State Distributive School Account in the State General Fund, and the Capital Construction Fund for Higher Education and the Special Capital Construction Fund for Higher Education, which are hereby created in the State Treasury as special revenue funds, in the amounts and to be expended only for the purposes specified in this section, or for any other purpose authorized by the Legislature ***if sufficient money is available in the Capital Construction Fund for Higher Education and the Special Capital Construction Fund for Higher Education on July 31 of each year to pay the principal and interest due in that fiscal year on the bonds described in subsection 6.***

5. During each fiscal year, the State Treasurer shall deposit the tax paid over to him or her by the Commission as follows:

(a) The first \$5,000,000 of the tax in the Capital Construction Fund for Higher Education;

(b) Twenty percent of the tax in the Special Capital Construction Fund for Higher Education; and

(c) The remainder of the tax in the State Distributive School Account in the State General Fund.

6. There is hereby appropriated from the balance in the Special Capital Construction Fund for Higher Education on July 31 of each year the amount necessary to pay the principal and interest due in that fiscal year on the bonds issued pursuant to section 5 of



chapter 679, Statutes of Nevada 1979, as amended by chapter 585, Statutes of Nevada 1981, at page 1251, the bonds authorized to be issued by section 2 of chapter 643, Statutes of Nevada 1987, at page 1503, the bonds authorized to be issued by section 2 of chapter 614, Statutes of Nevada 1989, at page 1377, the bonds authorized to be issued by section 2 of chapter 718, Statutes of Nevada 1991, at page 2382, ~~and~~ the bonds authorized to be issued by section 2 of chapter 629, Statutes of Nevada 1997, at page 3106 ~~H~~, *and the bonds authorized to be issued by section 2 of this act.* If in any year the balance in that Fund is not sufficient for this purpose, the remainder necessary is hereby appropriated on July 31 from the Capital Construction Fund for Higher Education. The balance remaining unappropriated in the Capital Construction Fund for Higher Education on August 1 of each year and all amounts received thereafter during the fiscal year must be transferred to the State General Fund for the support of higher education. If bonds described in this subsection are refunded and if the amount required to pay the principal of and interest on the refunding bonds in any fiscal year during the term of the bonds is less than the amount that would have been required in the same fiscal year to pay the principal of and the interest on the original bonds if they had not been refunded, there is appropriated to the Nevada System of Higher Education an amount sufficient to pay the principal of and interest on the original bonds, as if they had not been refunded. The amount required to pay the principal of and interest on the refunding bonds must be used for that purpose from the amount appropriated. The amount equal to the saving realized in that fiscal year from the refunding must be used by the Nevada System of Higher Education to defray, in whole or in part, the expenses of operation and maintenance of the facilities acquired in part with the proceeds of the original bonds.

7. After the requirements of subsection 6 have been met for each fiscal year, when specific projects are authorized by the Legislature, money in the Capital Construction Fund for Higher Education and the Special Capital Construction Fund for Higher Education must be transferred by the State Controller and the State Treasurer to the State Public Works Board for the construction of capital improvement projects for the Nevada System of Higher Education, including, but not limited to, capital improvement projects for the community colleges of the Nevada System of Higher Education. As used in this subsection, "construction" includes, but is not limited to, planning, designing, acquiring and developing a site, construction, reconstruction, furnishing, equipping, replacing, repairing, rehabilitating, expanding and remodeling. Any money remaining in either Fund at the end of a



1 fiscal year does not revert to the State General Fund but remains in  
2 those Funds for authorized expenditure.

3 8. The money deposited in the State Distributive School  
4 Account in the State General Fund under this section must be  
5 apportioned as provided in NRS 387.030 among the several school  
6 districts and charter schools of the State at the times and in the  
7 manner provided by law.

8 9. The Board of Regents of the University of Nevada may use  
9 any money in the Capital Construction Fund for Higher Education  
10 and the Special Capital Construction Fund for Higher Education for  
11 the payment of interest and amortization of principal on bonds and  
12 other securities, whether issued before, on or after July 1, 1979, to  
13 defray in whole or in part the costs of any capital project authorized  
14 by the Legislature.

15 **Sec. 2.** 1. The Board of Regents of the University of Nevada  
16 may issue, as provided in subsection 2, not more than \$85,000,000  
17 in face amount of general obligation bonds of the State of Nevada to  
18 provide money necessary to accomplish the purposes of this act. The  
19 bonds may be issued at one time or from time to time.

20 2. The Board of Regents, on behalf and in the name of the  
21 State of Nevada, may, in cooperation with the State Treasurer, with  
22 the approval of the State Board of Finance as provided in NRS  
23 349.225 and consistent with the provisions of the State Securities  
24 Law:

25 (a) Finance the planning, improvement, refurnishing and  
26 renovation of the Thomas and Mack Center for the University of  
27 Nevada, Las Vegas, including equipment, furnishings and  
28 appurtenances therefor by issuing general obligation bonds and  
29 other general obligation securities of the State in a principal amount  
30 which does not exceed \$57,706,423.

31 (b) Finance the planning, construction, improvement,  
32 refurnishing and renovation of buildings and capital improvements  
33 for the University of Nevada, Reno, including equipment,  
34 furnishings and appurtenances therefor by issuing general obligation  
35 bonds and other general obligation securities of the State in a  
36 principal amount which does not exceed \$27,293,577.

37 3. The Board of Regents may acquire and construct the  
38 projects designated in subsection 2 and issue state securities to  
39 finance the costs of those projects in a total principal amount not to  
40 exceed \$85,000,000. For the purposes of this act, the costs of the  
41 project may include interest on the bonds for the period estimated by  
42 the Board of Regents to effect the project plus 3 years. The Board of  
43 Regents may:

44 (a) Cooperate with other public and private entities in financing  
45 the projects specified in subsection 2; and



1 (b) Increase the amount of money expended on the projects  
2 specified in subsection 2 to the extent money is made available for  
3 that purpose from a source other than the state general obligation  
4 securities authorized to be issued by this act.

5 4. If bonds or other securities are issued pursuant to this act,  
6 the faith of the State of Nevada is hereby pledged that the tax  
7 imposed by subsection 1 of NRS 463.385 and credited to the Capital  
8 Construction Fund for Higher Education and the Special Capital  
9 Construction Fund for Higher Education pursuant to subsection 5  
10 will not be repealed or diminished so as to impair the payment of  
11 principal or interest upon those securities.

12 5. Subject to the limitations as to maximum principal amount  
13 set forth in subsections 1, 2 and 3, the Board of Regents may issue  
14 to defray the cost of the projects designated in subsection 2, or any  
15 part of the projects, at any time or from time to time general  
16 obligation securities of the State, which are payable from ad  
17 valorem taxes levied annually in an amount sufficient to pay the  
18 interest on and the principal of the securities as they become due,  
19 except to the extent other money is lawfully made available therefor.  
20 The proceeds of any such taxes must be appropriated for the  
21 payment of those securities, and this appropriation must neither be  
22 repealed nor the taxes postponed or diminished, except to the extent  
23 that other money is used for their payment, until the principal and  
24 interest of those securities have been wholly paid. The payment of  
25 those securities must be additionally secured by a pledge of the  
26 gross revenues credited to the Capital Construction Fund for Higher  
27 Education and the Special Capital Construction Fund for Higher  
28 Education, and those securities must be paid from the revenues in  
29 either or both of those Funds as the interest on, any prior premiums  
30 of redemption due in connection with, and the principal of the  
31 securities become due.

32 6. As provided in subsection 4 of NRS 349.304, any interest or  
33 other gain from the temporary investment of proceeds of securities  
34 pending their expenditure on the project must be accounted for in an  
35 account or accounts for defraying, and must be used to defray the  
36 cost of the project, or accounted for in a reserve account or reserve  
37 accounts therefor, until sufficient money has been encumbered to  
38 ensure the completion of the project.

39 7. Any securities issued pursuant to this section may be issued  
40 in such a manner at, above or below par, without limitation as to  
41 interest rate, effective interest rate or any discount, and may be sold  
42 by the Board of Regents at public sale in accordance with the State  
43 Securities Law or at private sale.

44 8. This section does not prevent the Board of Regents from  
45 funding, refunding or reissuing any outstanding general obligation



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1 securities of the State issued by the Board of Regents on behalf of  
2 the State for the benefit of the Nevada System of Higher Education,  
3 and payable from ad valorem taxes, whose payment is additionally  
4 secured by a pledge of the proceeds of any excise taxes credited to  
5 the Capital Construction Fund for Higher Education and the Special  
6 Capital Construction Fund for Higher Education, at any time as  
7 provided in the State Securities Law, in cooperation with the State  
8 Treasurer and with the approval of the State Board of Finance as  
9 provided in NRS 349.225.

10 9. Any securities issued pursuant to this section must be  
11 executed as provided in the State Securities Law in accordance with  
12 NRS 349.282 and 349.284 and must be countersigned by the Chair  
13 of the Board of Regents and the Chancellor and Treasurer of the  
14 Nevada System of Higher Education in accordance with NRS  
15 349.282 and 349.284.

16 **Sec. 3.** The powers conferred by this act are in addition to and  
17 supplemental to, and the limitations imposed by this act do not  
18 affect the powers conferred by, any other law, general or special.  
19 Securities may be issued under this act without regard to the  
20 procedure required by any other such law except as otherwise  
21 provided in this act or in the State Securities Law. Insofar as the  
22 provisions of this act are inconsistent with the provisions of any  
23 other law, general or special, the provisions of this act control.

24 **Sec. 4.** The Legislature intends that this act, being necessary to  
25 secure and preserve the public health, safety, convenience and  
26 welfare, be liberally construed to effect its purposes.

27 **Sec. 5.** If any provision of this act or the application thereof to  
28 any person, thing or circumstance is held invalid, that invalidity  
29 does not affect the provisions or application of this act that can be  
30 given effect without the invalid provision or application, and to this  
31 end the provisions of this act are declared to be severable.

32 **Sec. 6.** This act becomes effective on July 1, 2013.

