

SENATE BILL NO. 496—SENATOR WOODHOUSE

MARCH 27, 2017

Referred to Committee on Education

SUMMARY—Revises provisions governing the issuance of revenue bonds and other securities by the Nevada System of Higher Education. (BDR S-1083)

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 the Board of Regents of the University of Nevada to issue revenue bonds and other securities to finance the construction of an engineering building and residence hall at the University of Nevada, Reno and a fitness complex at Truckee Meadows Community College; increasing the total amount of revenue bonds and other securities that the Board of Regents is authorized to issue for student facilities at the College of Southern Nevada; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, the Board of Regents of the University of Nevada is authorized to borrow money to finance construction of campus facilities by issuing revenue bonds and other securities. (NRS 396.845) This debt is not a general obligation of the State and is not repaid by legislative appropriations. (NRS 396.839, 396.843) Instead, the Board of Regents pledges to retire the debt using revenue earned from certain fees paid by students and from various campus operations, such as dormitories and food service. (NRS 396.828, 396.829, 396.839, 396.8395) **Sections 1-9** of this bill authorize the Board of Regents to issue revenue bonds and other securities in a total principal amount not exceeding \$58,710,000 to finance the construction of an engineering building and residence hall at the University of Nevada, Reno and in a total principal amount not exceeding \$22,000,000 to finance the construction of a fitness complex at Truckee Meadows Community College.

Under existing law, the Board of Regents is authorized to issue \$45,000,000 of revenue bonds and other securities for student service facilities, classrooms and parking facilities at the College of Southern Nevada. (Section 5 of chapter 297,



* S B 4 9 6 *

Statutes of Nevada 2005, as last amended by chapter 307, Statutes of Nevada 2009, p. 1322) **Section 11** of this bill increases the amount of such bonding authority for student service facilities at the College of Southern Nevada to \$81,000,000 to finance the construction of a student union at each of the Charleston, Henderson and North Las Vegas campuses.

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

Section 1. 1. Except as otherwise provided in sections 1 to 9, inclusive, of this act, terms used or referred to in sections 1 to 9, inclusive, of this act have the meanings ascribed to them in the University Securities Law, NRS 396.809 to 396.885, inclusive.

2. As used in sections 1 to 9, inclusive, of this act, unless the context otherwise requires, the terms defined in sections 2, 3 and 4 of this act have the meanings ascribed to them in those sections.

Sec. 2. “Net pledged revenues” means all the pledged revenues, without any deduction of any operation and maintenance expenses, except as otherwise provided in the definition of “pledged revenues.”

Sec. 3. 1. “Pledged revenues” means, in connection with securities issued pursuant to sections 1 to 9, inclusive, of this act, to finance in part the project designated in section 4 of this act:

(a) The gross revenues derived from or otherwise pertaining to the operation of any one, all, or any combination of facilities enumerated in NRS 396.828 and situated on the campuses of the University of Nevada, Reno or Truckee Meadows Community College, including, without limitation, the project, which revenues the Board, by the resolution authorizing the securities issued pursuant to sections 1 to 9, inclusive, of this act, determines to pledge for the payment of the securities, after the deduction of the expenses of operation and maintenance of those facilities pertaining to those pledged revenues; and

(b) The gross revenues derived from the imposition and collection of the fees designated in NRS 396.8395, payable by the students attending the University of Nevada, Reno or Truckee Meadows Community College, subject to the limitation provided in subsection 5 of NRS 396.840.

2. The term “pledged revenues” includes, in connection with students attending the University of Nevada, Reno or Truckee Meadows Community College, any fees of students authorized by law after the effective date of this act, all grants, conditional or unconditional, from the Federal Government for the payment of any securities requirements, if any, and net revenues, if any, to be derived from the operations of income-producing facilities of the



1 University of Nevada, Reno or Truckee Meadows Community
2 College, the Board or from other available sources, and to which
3 fees, grants and revenues, the pledge and lien provided for the
4 payment of the securities authorized in sections 1 to 9, inclusive, of
5 this act and any other securities payable therefrom are extended
6 after the effective date of this act.

7 3. "Pledged revenues" indicates a source of revenues and does
8 not necessarily indicate all or any portion of such revenues in the
9 absence of further qualification.

10 **Sec. 4.** 1. "Project" means the construction, acquisition,
11 rehabilitation or improvement, or any combination thereof, of:

12 (a) An engineering building and a residence hall at the
13 University of Nevada, Reno; and

14 (b) A fitness complex at Truckee Meadows Community
15 College.

16 2. The term includes, without limitation, any land, equipment
17 and furnishings required therefor, and other appurtenances relating
18 thereto.

19 **Sec. 5.** 1. The Board, on behalf and in the name of the
20 University, is authorized by sections 1 to 9, inclusive, of this act, as
21 supplemented by the provisions of the University Securities Law:

22 (a) To finance the project by the issuance of bonds and other
23 securities of the University in a total principal amount not exceeding
24 \$58,710,000 for an engineering building and a residence hall at the
25 University of Nevada, Reno, and in a total principal amount not
26 exceeding \$22,000,000 for a fitness complex at Truckee Meadows
27 Community College, except that if the Board sells any of the bonds
28 or other securities at a discount, the total principal amount of the
29 bonds and other securities the Board is authorized to issue increases
30 by an amount equal to the amount of the discount at which the
31 bonds or other securities are sold.

32 (b) To issue the bonds and other securities in connection with
33 the project in one series or more at any time or from time to time,
34 but not later than 15 years after the effective date of this act, as the
35 Board determines, and consisting of special obligations of the
36 University payable from the net pledged revenues authorized by
37 sections 1 to 9, inclusive, of this act and which may subsequently be
38 payable from other net pledged revenues, secured by a pledge
39 thereof and a lien thereon, subject to existing contractual limitations,
40 and subject to the limitations in paragraph (a).

41 (c) To employ legal, fiscal and other expert services and to
42 defray the costs thereof with any money available therefor,
43 including, without limitation, proceeds of securities authorized by
44 sections 1 to 9, inclusive, of this act.



(d) To exercise the incidental powers provided in the University Securities Law in connection with the powers authorized by sections 1 to 9, inclusive, of this act except as otherwise expressly provided in those sections.

2. Sections 1 to 9, inclusive, of this act do not prevent the Board from funding, refunding or reissuing any securities of the University or the Board at any time as provided in the University Securities Law.

Sec. 6. Bonds and other securities authorized by sections 1 to 9, inclusive, of this act are subject to no limitations upon their rate of interest or the rate of discount at which they may be sold, including the limitations set forth in subsection 2 of NRS 396.850 and in paragraph (d) of subsection 1 of NRS 396.852, except that the rate of interest on any of those bonds or other securities must not exceed by more than 5 percent the Index of Revenue Bonds most recently published before bids are received or a negotiated offer is accepted.

Sec. 7. The powers conferred by sections 1 to 9, inclusive, of this act are in addition to and supplemental to, and the limitations imposed by sections 1 to 9, inclusive, of this act do not affect, the powers conferred by any other law, general or special. Securities may be issued under sections 1 to 9, inclusive, of this act without regard to the procedure required by any other such law except as otherwise provided in this act or in the University Securities Law. Insofar as the provisions of sections 1 to 9, inclusive, of this act are inconsistent with the provisions of any other law, general or special, the provisions of sections 1 to 9, inclusive, of this act control.

Sec. 8. The Legislature intends that sections 1 to 9, inclusive, of this act, being necessary to secure and preserve the public health, safety, convenience and welfare, be liberally construed to effect their purposes.

Sec. 9. If any provision of sections 1 to 9, inclusive, of this act or the application thereof to any person, thing or circumstance is held invalid, that invalidity does not affect the provisions or application of sections 1 to 9, inclusive, of this act that can be given effect without the invalid provisions or application, and to this end the provisions of sections 1 to 9, inclusive, of this act are declared to be severable.

Sec. 10. Section 4 of chapter 297, Statutes of Nevada 2005, as last amended by chapter 307, Statutes of Nevada 2009, at page 1322, is hereby amended to read as follows:

Sec. 4. 1. "Project" means the construction, acquisition, rehabilitation or improvement, or any combination thereof, of:



(a) Student service facilities, *which may include, without limitation, a student union at each of the Charleston, Henderson and North Las Vegas campuses*, classrooms and parking at the College of Southern Nevada; and

(b) A residence hall at Western Nevada College.

2. The term includes any land, equipment and furnishings required therefor, and other appurtenances relating thereto.

Sec. 11. Section 5 of chapter 297, Statutes of Nevada 2005, as last amended by chapter 307, Statutes of Nevada 2009, at page 1322, is hereby amended to read as follows:

Sec. 5. 1. The Board, on behalf and in the name of the University, is authorized by sections 1 to 9, inclusive, of this act, as supplemented by the provisions of the University Securities Law:

(a) To finance the project by the issuance of bonds and other securities of the University in a total principal amount not exceeding ~~[\$45,000,000]~~ **\$81,000,000** for student service facilities, *which may include, without limitation, a student union at each of the Charleston, Henderson and North Las Vegas campuses*, classrooms and parking at the College of Southern Nevada and in a total principal amount not exceeding \$20,000,000 for a residence hall at Western Nevada College, except that if the Board sells any of the bonds or other securities at a discount, the total principal amount of the bonds and other securities the Board is authorized to issue increases by an amount equal to the amount of the discount at which the bonds or other securities are sold.

(b) To issue the bonds and other securities in connection with the project in one series or more at any time or from time to time, but not later than 15 years after the effective date of this act, as the Board determines, and consisting of special obligations of the University payable from the net pledged revenues authorized by sections 1 to 9, inclusive, of this act and which may subsequently be payable from other net pledged revenues, secured by a pledge thereof and a lien thereon, subject to existing contractual limitations, and subject to the limitations in paragraph (a).

(c) To employ legal, fiscal and other expert services and to defray the costs thereof with any money available therefor, including, without limitation, proceeds of securities authorized by sections 1 to 9, inclusive, of this act.

(d) To exercise the incidental powers provided in the University Securities Law in connection with the powers



1 authorized by sections 1 to 9, inclusive, of this act , except as
2 otherwise expressly provided in those sections.

3 2. Sections 1 to 9, inclusive, of this act do not prevent
4 the Board from funding, refunding or reissuing any securities
5 of the University or the Board at any time as provided in the
6 University Securities Law.

7 **Sec. 12.** This act becomes effective upon passage and
8 approval.

