

Amendment No. 241

Assembly Amendment to Assembly Bill No. 476	(BDR 25-1119)
Proposed by: Assembly Committee on Growth and Infrastructure	
Amends: Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes	

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) variations of green bold underlining is language proposed to be added 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 proposed to be retained in this amendment.



ASSEMBLY BILL NO. 476—ASSEMBLYMEN BENITEZ-THOMPSON, KRAMER AND PETERS

MARCH 25, 2019

Referred to Committee on Growth and Infrastructure

SUMMARY—Revises provisions concerning affordable housing. (BDR 25-1119)

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

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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 affordable housing; creating the Advisory Committee on Housing; prescribing the membership, powers and duties of the Advisory Committee; authorizing the Advisory Committee to request the drafting of not more than 1 legislative measure for each regular session of the Legislature; creating the ~~{Special Committee on}~~ Private Activity ~~{Bonds}~~ Bond Council; prescribing the membership, powers and duties of the ~~{Committee}~~ Council; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under the law as it existed between 1987 and 2017, there existed in the Housing Division of the Department of Business and Industry an Advisory Committee on Housing with the power and duty to review and provide to the Director of the Department and the Administrator of the Division advice, recommendations and other commentary regarding certain matters relating to housing. (former NRS 319.173) The Advisory Committee was abolished in 2017. **Section 1** of this bill recreates the Advisory Committee ~~{In addition to reestablishing the Advisory Committee's former}~~ and revises its membership, powers and duties. ~~{Among other duties, section 1 authorizes}~~ requires the Advisory Committee to ~~{provide advice and recommendations}~~ annually prepare and submit to the ~~{Special Committee on}~~ Private Activity ~~{Bonds}~~ Bond Council created by **section 3** of this bill ~~{concerning needs and priorities for the allocation of private activity bond authority to finance affordable housing projects,}~~ a report concerning housing that addresses, without limitation, community needs for housing in the State, housing trends and housing goals for this State.

Existing law prescribes the number of legislative measures which may be requested by various departments, agencies and other entities of this State for each regular session of the Legislature. (NRS 218D.100-218D.220) Section 1.5 of this bill authorizes the Advisory Committee on Housing to request for each regular session of the Legislature the drafting of not more than one legislative measure which relates to matters within the scope of the Committee.

Under the Internal Revenue Code, states and local governments are allowed to finance certain projects that primarily benefit or are used by a private entity, but have some public benefit, through the issuance of bonds known as private activity bonds. If the bonds are issued for certain private activities specified in federal law, known as qualified private activities, the bondholders are not required to pay federal income taxes on the interest that the bondholders earn on the bonds. (26 U.S.C. §§ 103, 141) Examples of qualified private activities include multifamily rental projects, airports and student loans. (26 U.S.C. §§ 142-145, 1394) For some

of those qualified private activities, federal law places an annual limit on the total dollar amount of tax-exempt private activity bonds that can be issued in each state, which is known as the "state ceiling." In 2018, for example, Nevada's state ceiling was roughly \$315 million. Each state is authorized to allocate its state ceiling among state and local governmental agencies and other authorized issuers. An allocation of the state ceiling to an issuer is known as the issuer's "volume cap." (26 U.S.C. § 146) Under existing law, the volume cap for State Government is 50 percent of the state ceiling for each calendar year, while the remaining 50 percent of the state ceiling is allocated to local governments in proportion to the percentage that the population of the local government bears to the entire population of Nevada. Existing law also provides that an entity's volume cap for any calendar year may be augmented or diminished in accordance with regulations adopted by the Director of the Department of Business and Industry. (NRS 348A.020)

Under existing law, the Director of the Department of Business and Industry is responsible for regulating private activity bonds in this State. (NRS 348A.040) Existing regulations establish a committee to serve in an advisory capacity to the Director with respect to private activity bonds. (NAC 348A.280) **Section 3** creates in statute the ~~{Special Committee on}~~ Private Activity ~~{Bonds}~~ **Bond Council** and prescribes its membership. **Section 4** of this bill requires the ~~{Committee to approve or deny: (1) any proposal by the Director to allocate or reserve for a particular purpose a portion of the volume cap for private activity bonds established for the Director; (2) any proposal by the Director to issue or authorize the issuance of private activity bonds from the volume cap established for the Director; and (3) any action that has the effect of augmenting or diminishing any volume cap established for the Director or any local government.}~~ **Section 4** also requires the ~~{Committee to consider any matter concerning private activity bonds referred to it by the Director and authorizes the Committee}~~ **Council** to advise the Governor, the State Board of Finance or the Director on the allocation of the state ceiling for the issuance of private activity bonds during any calendar year and on any other matter concerning private activity bonds, if requested. Finally, section 4 requires the {Committee} Council to {consult with} receive and consider the annual report concerning housing submitted by the Advisory Committee on Housing, created by section 1. ~~{, not less than annually concerning the needs and any recommended priorities for the use of private activity bonds for the financing of affordable housing.}~~

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

Section 1. Chapter 319 of NRS is hereby amended by adding thereto a new section to read as follows:

1. There is hereby created the Advisory Committee on Housing ~~{to review and provide to the Director, the Administrator and the Special Committee on Private Activity Bonds created by section 3 of this act advice, recommendations and other commentary regarding:~~

~~(a) The investment of money or issuance of obligations by the Division;~~
~~(b) The development of new programs or the improvement of existing programs of the Division;~~

~~(c) The improvement of policies and procedures of the Division, including those relating to the dissemination of relevant information to persons who participate in or are otherwise interested in programs of the Division;~~

~~(d) The administration of the Account for Low Income Housing created by NRS 319.500;~~

~~(e) Needs and priorities for the allocation of private activity bond authority to finance affordable housing projects;~~

~~(f) Any other matters referred to the Advisory Committee by the Director or Administrator.}~~ consisting of 9 members as set forth in subsection 2.

2. The Advisory Committee consists of:

~~(a) [The Director or his or her representative;~~
~~(b)] One member who is a [member of the Senate] Legislator appointed by~~
~~the [Majority Leader of the Senate];~~
~~(c) One member who is a member of the Assembly appointed by the Speaker~~
~~of the Assembly;~~

~~(d) [Eight] Legislative Commission;~~
~~(b) One member appointed by the Nevada Rural Housing Authority;~~
~~(c) One member appointed by the Southern Nevada Regional Housing~~
~~Authority;~~

~~(d) One member appointed by the Reno Housing Authority; and~~
~~(e) Five members appointed by the Director [The Director shall appoint to~~
~~the Advisory Committee] as follows:~~

~~(1) One [representative of an association of mortgage companies in this~~
~~State, selected from a list of names submitted to the Director by that association.~~

~~(2) One representative of persons engaged in residential construction in~~
~~this State;~~

~~(3) One representative of banks, savings and loan associations or savings~~
~~banks in this State who is knowledgeable about making mortgage loans.~~

~~(4) One member who is knowledgeable about the sale and marketing or~~
~~the management of real property in this State;~~

~~(5) One member who is knowledgeable about the development or~~
~~management of nonprofit housing in this State.~~

~~(6) One member who is knowledgeable about housing programs~~
~~sponsored, administered or supported by local governments in this State.~~

~~(7) One member who is knowledgeable about federal housing programs~~
~~administered by the Division.~~

~~(8) One member who is an advocate of affordable housing.] member who~~
~~is representative of real estate brokers and real estate salespersons with~~
~~experience in large-scale housing projects;~~

~~(2) One member who is representative of builders and developers of~~
~~multifamily housing projects;~~

~~(3) One member who is knowledgeable in banking and the financing of~~
~~housing projects;~~

~~(4) One member who represents a local community development agency~~
~~or regional planning agency in southern Nevada; and~~

~~(5) One member who represents a local community development agency~~
~~or regional planning agency in northern Nevada.~~

~~↳ The members of the Advisory Committee are not entitled to any additional~~
~~compensation for their service in that capacity.~~

~~3. [An appointed] A member of the Advisory Committee serves a term of 2~~
~~years and until his or her successor is appointed. [An appointed] A member may~~
~~be reappointed [] for additional terms of 2 years in the same manner as the~~
~~original appointment.~~

~~4. A vacancy in the [appointed] membership of the Committee must be filled~~
~~in the same manner as the original appointment for the remainder of the~~
~~unexpired term.~~

~~5. The [Director or his or her representative shall serve as the Chair] members of the Advisory Committee [] shall select a Chair from among their~~
~~membership. The term of office of the Chair is 2 years. The Advisory Committee~~
~~shall meet at least once each calendar quarter, and at the call of the Chair or~~
~~upon the written request of the Administrator or a majority of the members of the~~
~~Advisory Committee.~~

~~6. [The Administrator shall submit annually to the Advisory Committee for its review, comment and recommendations a work plan for the activities of the Division for the succeeding calendar year. The work plan must include:~~

~~—(a) The expected needs for financing and anticipated demand for tax credits and sources of funding for each of the programs administered by the Division.~~

~~—(b) Strategies for meeting those needs and demands.~~

~~—(c) A plan for resolving any anticipated problems in carrying out those strategies.~~

~~—(d) A plan for the allocation of the resources of the Division, including the allotment of its employees' time, to carry out the work plan in such a manner as to serve the entire area of the State adequately.~~

~~—(e) Any other matters which are critical to the success of any programs administered by the Division.~~

~~7. Before the:~~

~~—(a) Investment of money of the Division pursuant to NRS 319.171; or~~

~~—(b) Submission of findings to the State Board of Finance pursuant to subsection 4 of NRS 319.222;~~

~~the Administrator shall submit a plan of investment or a plan of financing, together with any proposed findings relating to that plan, to the Advisory Committee for its review and comment.~~

~~8. The Administrator shall report to the Advisory Committee at least once each calendar quarter on the activities of the Division and the implementation of the Division's work plan for that year.~~

~~9.]~~

The Division shall provide administrative support to the Advisory Committee.

7. The Advisory Committee shall:

(a) Review and comment on:

(1) The annual housing progress report compiled by the Division pursuant to NRS 278.235;

(2) The annual plan established by the Division for allocating tax credits for low-income housing pursuant to 26 U.S.C. § 42; and

(3) Any other matter or information submitted to it by the Division.

(b) Annually prepare and submit to the Private Activity Bond Council created by section 3 of this act, a report concerning housing that addresses, without limitation:

(1) Community needs for housing in the State;

(2) Housing trends; and

(3) Housing goals for this State.

8. As used in this section:

(a) "Director" means the Director of the Department of Business and Industry.

(b) "Private activity bond" has the meaning ascribed to it in NRS 348A.010.

Sec. 1.5. Chapter 218D of NRS is hereby amended by adding thereto a new section to read as follows:

1. For a regular session, the Advisory Committee on Housing created by section 1 of this act may request the drafting of not more than 1 legislative measure which relates to matters within the scope of the Committee. The request must be submitted to the Legislative Counsel on or before September 1 preceding the regular session.

2. A request made pursuant to this section must be on a form prescribed by the Legislative Counsel. A legislative measure requested pursuant to this section must be prefiled on or before the third Wednesday in November preceding the

regular session. A legislative measure that is not prefiled on or before that day shall be deemed withdrawn.

Sec. 1.7. NRS 218D.100 is hereby amended to read as follows:

218D.100 1. The provisions of NRS 218D.100 to 218D.220, inclusive, and section 1.5 of this act apply to requests for the drafting of legislative measures for a regular session.

2. Except as otherwise provided by a specific statute, joint rule or concurrent resolution, the Legislative Counsel shall not honor a request for the drafting of a legislative measure if the request:

(a) Exceeds the number of requests authorized by NRS 218D.100 to 218D.220, inclusive, and section 1.5 of this act for the requester; or

(b) Is submitted by an authorized nonlegislative requester pursuant to NRS 218D.175 to 218D.220, inclusive, and section 1.5 of this act but is not in a subject related to the function of the requester.

3. The Legislative Counsel shall not:

(a) Honor a request to change the subject matter of a request for the drafting of a legislative measure after it has been submitted for drafting.

(b) Honor a request for the drafting of a legislative measure which has been combined in violation of Section 17 of Article 4 of the Nevada Constitution.

Sec. 2. Chapter 348A of NRS is hereby amended by adding thereto the provisions set forth as sections 3 and 4 of this act.

Sec. 3. 1. The ~~Special Committee on~~ Private Activity ~~Bonds~~ Bond Council is hereby created.

2. The ~~Committee~~ Council consists of ~~7~~

~~(a) Seven voting~~ 7 members as follows:

~~(1) (a) The Director, or his or her designee, who shall serve as Chair of the Committee;~~

~~(2) (b) The Executive Director of the Office of Economic Development, or his or her designee;~~

~~(3) One member of the general public appointed by the Governor;~~

~~(4) (c) One member ~~who is not a Legislator,~~ a member of the Senate appointed by the ~~Majority Leader of the Senate;~~~~

~~(5) Legislative Commission;~~

~~(d) One member ~~who is not a Legislator,~~ a member of the Assembly appointed by the ~~Speaker of the Assembly;~~~~

~~(6) One member, who is not a Legislator, appointed by the Minority Leader of the Senate; and~~

~~(7) One member, who is not a Legislator, appointed by the Minority Leader of the Assembly; and~~

~~(b) Two nonvoting members as follows:~~

~~(1) Legislative Commission;~~

~~(e) One member appointed by the Nevada League of Cities; ~~and~~~~

~~(2) (f) One member appointed by the Nevada Association of Counties ~~and~~~~

~~(g) One member appointed by the Committee on Local Government Finance.~~

3. An appointed member of the ~~Committee~~ Council serves a term of 2 years and until his or her successor is appointed. An appointed member may be reappointed ~~for additional terms of 2 years in the same manner as the original appointment.~~

4. A vacancy in the appointed membership of the ~~Committee~~ Council must be filled in the same manner as the original appointment for the remainder of the unexpired term.

5. Each member of the ~~Committee~~ Council:

1 (a) Serves without compensation; and

2 (b) While engaged in the business of the ~~{Committee}~~ Council, is entitled to
3 receive the per diem allowance and travel expenses provided for state officers and
4 employees generally.

5 6. A member of the ~~{Committee}~~ Council who is an officer or employee of
6 this State or a political subdivision of this State must be relieved from his or her
7 duties without loss of regular compensation to prepare for and attend meetings of
8 the ~~{Committee}~~ Council and perform any work necessary to carry out the duties
9 of the ~~{Committee}~~ Council in the most timely manner practicable. A state agency
10 or political subdivision of this State shall not require an officer or employee who
11 is a member of the ~~{Committee}~~ Council to:

12 (a) Make up the time he or she is absent from work to carry out his or her
13 duties as a member of the ~~{Committee}~~ Council; or

14 (b) Take annual leave or compensatory time for the absence.

15 7. The ~~{Committee}~~ Council shall meet at the call of the Chair as frequently
16 as required to perform its duties, but not less than twice each year.

17 8. A majority of the voting members of the ~~{Committee}~~ Council constitutes
18 a quorum for the transaction of business, and a majority of a quorum present at
19 any meeting is sufficient for any official action taken by the ~~{Committee}~~ Council.
20 Council.

21 9. The ~~{Director}~~ Department of Business and Industry shall provide the
22 ~~{Committee}~~ Council with administrative support.

23 Sec. 4. The ~~{Committee}~~ Council shall:

24 1. ~~{Approve or deny}~~

25 ~~— (a) Any proposal by the Director to allocate or reserve for a particular~~
26 ~~purpose a portion of the volume cap for any calendar year established for the~~
27 ~~Director pursuant to subsection 1 of NRS 348A.020;~~

28 ~~— (b) Any proposal by the Director to issue or authorize the issuance of private~~
29 ~~activity bonds attributable to the volume cap for any calendar year established for~~
30 ~~the Director pursuant to subsection 1 of NRS 348A.020; and~~

31 ~~— (c) Any action that has the effect of augmenting or diminishing any volume~~
32 ~~cap for any calendar year established for the Director or any local government~~
33 ~~pursuant to NRS 348A.020.~~

34 ~~2. Consult with} Receive and consider the annual report concerning~~
35 ~~housing submitted by the Advisory Committee on Housing, created by section 1 of~~
36 ~~this act ; }, not less than annually concerning the needs and any recommended~~
37 ~~priorities for the use of private activity bonds for the financing of affordable~~
38 ~~housing.~~

39 ~~3.} 2. Advise the Governor, the State Board of Finance or the Director on~~
40 ~~the allocation of the state ceiling for the issuance of private activity bonds during~~
41 ~~any calendar year; and~~

42 ~~3. {Consider any matter concerning private activity bonds referred to it by~~
43 ~~the Director and may, if requested,} Upon request, advise the Governor, the State~~
44 ~~Board of Finance or the Director on any other matter concerning private activity~~
45 ~~bonds.~~

46 Sec. 5. NRS 348A.010 is hereby amended to read as follows:

47 348A.010 As used in NRS 348A.010 to 348A.040, inclusive ~~{,}, and sections~~
48 ~~3 and 4 of this act:~~

49 1. ~~“{Committee}”~~ “Council” means the {Special Committee on} Private
50 ~~Activity {Bonds} Bond Council created by section 3 of this act.~~

51 2. “Director” means the Director of the Department of Business and Industry.

52 ~~{2.}~~ 3. “Private activity bond” has the meaning ascribed to it in 26 U.S.C. §

53 141.

1 ~~[3.]~~ 4. “State ceiling” has the meaning ascribed to it in 26 U.S.C. § 146(d).
2 ~~[4.]~~ 5. “Volume cap” has the meaning ascribed to it in 26 U.S.C. § 146(b)
3 and (c).

4 **Sec. 6.** As soon as practicable on or after July 1, 2019:

5 1. The ~~[Majority Leader of the Senate, Speaker of the Assembly]~~ Legislative
6 Commission, Nevada Rural Housing Authority, Southern Nevada Regional
7 Housing Authority, Reno Housing Authority and Director of the Department of
8 Business and Industry shall make the appointments to the Advisory Committee on
9 Housing required by subsection 2 of section 1 of this act; and

10 2. The ~~[Governor, Majority Leader of the Senate, Speaker of the Assembly,~~
11 ~~Minority Leader of the Senate, Minority Leader of the Assembly]~~ Legislative
12 Commission, Nevada League of Cities, and Nevada Association of Counties and
13 Committee on Local Government Finance shall make the appointments to the
14 ~~[Special Committee on]~~ Private Activity ~~[Bonds]~~ Bond Council required by
15 subsection 2 of section 3 of this act.

16 **Sec. 7.** Any regulation adopted by the Administrator of the Housing Division
17 of the Department of Business and Industry concerning the governance of the
18 Advisory Committee on Housing as it existed before July 1, 2017, and which
19 expired by operation of law on July 1, 2017, that is not in conflict with the
20 provisions of section 1 of this act:

21 1. Shall be deemed to have been adopted by the Administrator on July 1,
22 2019; and

23 2. Remains in effect until repealed or replaced by the Administrator.

24 **Sec. 8.** This act becomes effective on July 1, 2019.