

SENATE BILL NO. 36—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF CLARK COUNTY)

PREFILED NOVEMBER 19, 2018

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing the purchase, sale or lease of real property by a board of county commissioners. (BDR 20-489)

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 counties; revising certain provisions relating to the purchase of real property by a board of county commissioners; revising certain provisions relating to the appraised value of certain real property a board of county commissioners offers for sale or lease; authorizing a board of county commissioners to offer real property for sale at auction on the Internet or other electronic medium; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law sets forth requirements for the purchase, sale or lease of real property by a board of county commissioners. (NRS 244.275-244.290) In accordance with these requirements, a board of county commissioners is required to obtain at least one appraisal of real property before the board of county commissioners may purchase property for the use of the county. (NRS 244.275) **Section 1** of this bill requires the appraiser to be selected in the same manner as appraisers selected for real property that the board of county commissioners will sell or lease. **Section 1** also authorizes a board of county commissioners to purchase real property for an amount exceeding the appraised value if the board holds a public meeting before the purchase to explain the reasons for paying more than the appraised value for the property.

Under existing law, a board of county commissioners, with limited exception, is: (1) required to obtain two independent appraisals of the fair market value of real property before selling or leasing the real property or one independent appraisal, if the board holds a hearing on the fair market value of the real property; and (2) prohibited from selling or leasing real property for less than the highest appraised value of the real property. (NRS 244.2795, 244.281) **Section 3** of this bill revises



the prohibition on selling or leasing real property for less than the highest appraised value to instead prohibit a board of county commissioners from, with limited exception, selling or leasing real property for less than the average of two independent appraisals if two appraisals have been obtained or the appraised value if only one appraisal has been obtained. **Section 3** also authorizes a board of county commissioners to obtain only 1 appraisal when listing certain real property with a licensed real estate broker if the prior appraisal or appraisals were prepared more than 6 months before the real property is listed. **Section 2** of this bill makes conforming changes.

Existing law requires a board of county commissioners which intends to offer real property for sale at auction to accept and consider sealed bids at a public meeting of the board. (NRS 244.282) **Section 4** of this bill authorizes a board of county commissioners to also offer real property for sale at auction on an Internet website or other electronic medium. If the board uses an Internet website or other electronic medium, at the next regularly scheduled meeting of the board after bidding has closed, the board is required to make a final acceptance of the highest bid or, under certain circumstances, reject the bids and withdraw the property from sale.

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

**Section 1.** NRS 244.275 is hereby amended to read as follows:  
244.275 1. The boards of county commissioners shall have power and jurisdiction in their respective counties:

(a) To purchase any real or personal property necessary for the use of the county.

(b) To lease any real or personal property necessary for the use of the county.

2. No purchase of real property shall be made *by a board of county commissioners* unless the value of the same has been previously appraised and fixed by one or more competent real estate appraisers ~~[to be appointed for that purpose]~~ *selected* by the ~~[county commissioners]~~ *board from the list of appraisers established pursuant to NRS 244.2795*. The person or persons ~~[so appointed]~~ *selected* shall be sworn to make a true appraisal thereof according to the best of their knowledge and ability. Purchases of real property from other federal, state or local governments are exempt from such requirement of appraisal.

*3. A board of county commissioners may purchase real property for an amount exceeding the appraised value of the property if the board of county commissioners holds a public hearing before the purchase to discuss the reasons for exceeding the appraised value of the real property.*

**Sec. 2.** NRS 244.2795 is hereby amended to read as follows:

244.2795 1. Except as otherwise provided in NRS 244.189, 244.276, 244.279, 244.2815, 244.2825, 244.2833, 244.2835,



244.284, 244.287, 244.290, 278.479 to 278.4965, inclusive, and subsection 3 of NRS 496.080, except as otherwise required by federal law, except as otherwise required pursuant to a cooperative agreement entered into pursuant to NRS 277.050 or 277.053 or an interlocal agreement in existence on or before October 1, 2004, except if the board of county commissioners is entering into a joint development agreement for real property owned by the county to which the board of county commissioners is a party, except for a lease of residential property with a term of 1 year or less, except for the sale or lease of real property to a public utility, as defined in NRS 704.020, to be used for a public purpose, except for the sale or lease of real property to the State or another governmental entity and except for the sale or lease of real property larger than 1 acre which is approved by the voters at a primary or general election or special election, the board of county commissioners shall, when offering any real property for sale or lease:

(a) Except as otherwise provided in this paragraph ~~and~~ *and paragraph (h) of subsection 1 of NRS 244.281*, obtain two independent appraisals of the real property before selling or leasing it. If the board of county commissioners holds a public hearing on the matter of the fair market value of the real property, one independent appraisal of the real property is sufficient before selling or leasing it. The appraisal or appraisals, as applicable, must have been prepared not more than 6 months before the date on which the real property is offered for sale or lease.

(b) Select the one independent appraiser or two independent appraisers, as applicable, from the list of appraisers established pursuant to subsection 2.

(c) Verify the qualifications of each appraiser selected pursuant to paragraph (b). The determination of the board of county commissioners as to the qualifications of the appraiser is conclusive.

2. The board of county commissioners shall adopt by ordinance the procedures for creating or amending a list of appraisers qualified to conduct appraisals of real property offered for sale or lease by the board. The list must:

(a) Contain the names of all persons qualified to act as a general appraiser in the same county as the real property that may be appraised; and

(b) Be organized at random and rotated from time to time.

3. An appraiser chosen pursuant to subsection 1 must provide a disclosure statement which includes, without limitation, all sources of income that may constitute a conflict of interest and any relationship with the real property owner or the owner of an adjoining real property.



4. An appraiser shall not perform an appraisal on any real property for sale or lease by the board of county commissioners if:

(a) The appraiser has an interest in the real property or an adjoining property;

(b) The real property is located in a county whose population is 45,000 or more and any person who is related to the appraiser has an interest in the real property or an adjoining property and the relationship between the appraiser and the person is within the third degree of consanguinity or affinity; or

(c) The real property is located in a county whose population is less than 45,000 and any person who is related to the appraiser has an interest in the real property or an adjoining property and the relationship between the appraiser and the person is within the second degree of consanguinity or affinity.

5. If real property is sold or leased in violation of the provisions of this section:

(a) The sale or lease is void; and

(b) Any change to an ordinance or law governing the zoning or use of the real property is void if the change takes place within 5 years after the date of the void sale or lease.

**Sec. 3.** NRS 244.281 is hereby amended to read as follows:

244.281 1. Except as otherwise provided in this subsection and NRS 244.189, 244.276, 244.279, 244.2815, 244.2825, 244.2833, 244.2835, 244.284, 244.287, 244.290, 278.479 to 278.4965, inclusive, and subsection 3 of NRS 496.080, except as otherwise required by federal law, except as otherwise required pursuant to a cooperative agreement entered into pursuant to NRS 277.050 or 277.053 or an interlocal agreement in existence on or before October 1, 2004, except if the board of county commissioners is entering into a joint development agreement for real property owned by the county to which the board of county commissioners is a party, except for a lease of residential property with a term of 1 year or less, except for the sale or lease of real property to a public utility, as defined in NRS 704.020, to be used for a public purpose and except for the sale or lease of real property larger than 1 acre which is approved by the voters at a primary or general election or special election:

(a) When a board of county commissioners has determined by resolution that the sale or lease of any real property owned by the county will be for purposes other than to establish, align, realign, change, vacate or otherwise adjust any street, alley, avenue or other thoroughfare, or portion thereof, or flood control facility within the county and will be in the best interest of the county, it may:

(1) Sell the *real* property in the manner prescribed for the sale of real property in NRS 244.282.



(2) Lease the *real* property in the manner prescribed for the lease of real property in NRS 244.283.

(b) Before the board of county commissioners may sell or lease any real property as provided in paragraph (a), it shall:

(1) Post copies of the resolution described in paragraph (a) in three public places in the county; and

(2) Cause to be published at least once a week for 3 successive weeks, in a newspaper qualified under chapter 238 of NRS that is published in the county in which the real property is located, a notice setting forth:

(I) A description of the real property proposed to be sold or leased in such a manner as to identify it;

(II) The minimum price, if applicable, of the real property proposed to be sold or leased; and

(III) The places at which the resolution described in paragraph (a) has been posted pursuant to subparagraph (1), and any other places at which copies of that resolution may be obtained.

➡ If no qualified newspaper is published within the county in which the real property is located, the required notice must be published in some qualified newspaper printed in the State of Nevada and having a general circulation within that county.

(c) Except as otherwise provided in this paragraph ~~and~~ *paragraph (h)*, if the board of county commissioners by its resolution further finds that the *real* property to be sold or leased is worth more than \$1,000, the board shall appoint two or more disinterested, competent real estate appraisers pursuant to NRS 244.2795 to appraise the *real* property. If the board of county commissioners holds a public hearing on the matter of the fair market value of the property, one disinterested, competent appraisal of the *real* property is sufficient before selling or leasing it. Except for *real* property acquired pursuant to NRS 371.047, the board of county commissioners shall not sell or lease it for less than ~~the highest appraised value.~~:

*(1) If two independent appraisals were obtained, the average of the appraisals of the real property.*

*(2) If only one independent appraisal was obtained, the appraised value of the real property.*

(d) If the *real* property is appraised at \$1,000 or more, the board of county commissioners may:

(1) Lease the *real* property; or

(2) Sell the *real* property either for cash or for not less than 25 percent cash down and upon deferred payments over a period of not more than 10 years, secured by a mortgage or deed of trust, bearing such interest and upon such further terms as the board of county commissioners may specify.



(e) A board of county commissioners may sell or lease any real property owned by the county without complying with the provisions of NRS 244.282 or 244.283 to:

(1) A person who owns real property located adjacent to the real property to be sold or leased if the board has determined by resolution that the sale will be in the best interest of the county and the real property is a:

(I) Remnant that was separated from its original parcel due to the construction of a street, alley, avenue or other thoroughfare, or portion thereof, flood control facility or other public facility;

(II) Parcel that, as a result of its size, is too small to establish an economically viable use by anyone other than the person who owns real property adjacent to the real property for sale or lease; or

(III) Parcel which is subject to a deed restriction prohibiting the use of the real property by anyone other than the person who owns real property adjacent to the real property for sale or lease.

(2) The State or another governmental entity if:

(I) The sale or lease restricts the use of the real property to a public use; and

(II) The board adopts a resolution finding that the sale or lease will be in the best interest of the county.

(f) A board of county commissioners that disposes of real property pursuant to paragraph (d) is not required to offer to reconvey the real property to the person from whom the real property was received or acquired by donation or dedication.

(g) If real property that is offered for sale or lease pursuant to this section is not sold or leased at the initial offering of the contract for the sale or lease of the real property, the board of county commissioners may offer the real property for sale or lease a second time pursuant to this section. ~~If there is a material change relating to the title, zoning or an ordinance governing the use of the real property, the~~ *The board of county commissioners must obtain a new appraisal or appraisals, as applicable, of the real property pursuant to the provisions of NRS 244.2795 before offering the real property for sale or lease a second time if:*

*(1) There is a material change relating to the title, zoning or an ordinance governing the use of the real property; or*

*(2) The appraisal or appraisals, as applicable, were prepared more than 6 months before the date on which the real property is offered for sale or lease the second time.*

(h) If real property that is offered for sale or lease pursuant to this section is not sold or leased at the second offering of the



contract for the sale or lease of the real property, the board of county commissioners may list the real property for sale or lease at the appraised value *or average of the appraised value if two or more appraisals were obtained, as applicable*, with a licensed real estate broker, provided that the broker or a person related to the broker within the first degree of consanguinity or affinity does not have an interest in the real property or an adjoining property. *If the appraisal or appraisals, as applicable, were prepared more than 6 months before the date on which the real property is listed with a licensed real estate broker, the board of county commissioners must obtain one new appraisal of the real property pursuant to the provisions of NRS 244.2795 before listing the real property for sale or lease at the new appraised value.*

2. If real property is sold or leased in violation of the provisions of this section:

(a) The sale or lease is void; and

(b) Any change to an ordinance or law governing the zoning or use of the real property is void if the change takes place within 5 years after the date of the void sale or lease.

3. As used in this section, "flood control facility" has the meaning ascribed to it in NRS 244.276.

**Sec. 4.** NRS 244.282 is hereby amended to read as follows:

244.282 1. Except as otherwise provided in NRS 244.279, before ordering the sale at auction of any real property, the board shall, in open meeting by a majority vote of the members, adopt a resolution declaring its intention to sell the *real* property at auction.

The resolution must:

(a) Describe the *real* property proposed to be sold in such a manner as to identify it.

(b) Specify the minimum price and the terms upon which it will be sold.

(c) Fix a time, not less than 3 weeks thereafter, for ~~[a]~~ *the auction to be held:*

*(1) At a public meeting of the board ~~[to be held]~~ at its regular place of meeting, at which sealed bids will be received and considered ~~[ ]~~; or*

*(2) On an Internet website or other electronic medium.*

*(d) If the auction is to be held on an Internet website or other electronic medium, specify:*

*(1) The Internet website or other electronic medium;*

*(2) The manner in which electronic bids will be accepted;*  
*and*

*(3) The period during which bids will be accepted.*





2. Notice of the adoption of the resolution and of the time ,  
~~{and}~~ place *and manner* of holding the ~~{meeting}~~ *auction* must be  
given by:

(a) Posting copies of the resolution in three public places in the  
county not less than 15 days before the date of the meeting; and

(b) Causing to be published at least once a week for 3 successive  
weeks before the ~~{meeting}~~ *auction*, in a newspaper qualified under  
chapter 238 of NRS that is published in the county in which the real  
property is located, a notice setting forth:

(1) A description of the real property proposed to be sold at  
auction in such a manner as to identify it;

(2) The minimum price of the real property proposed to be  
sold at auction; and

(3) The places at which the resolution described in  
subsection 1 has been posted pursuant to paragraph (a), and any  
other places at which copies of that resolution may be obtained.

➡ If no qualified newspaper is published within the county in which  
the real property is located, the required notice must be published in  
some qualified newspaper printed in the State of Nevada and having  
a general circulation within that county.

3. *If the auction is held at a meeting of the board:*

(a) At the time and place fixed in the resolution for the meeting  
of the board, all sealed bids which have been received must, in  
public session, be opened, examined and declared by the board. Of  
the proposals submitted which conform to all terms and conditions  
specified in the resolution of intention to sell and which are made by  
responsible bidders, the bid which is the highest must be finally  
accepted, unless a higher oral bid is accepted or the board rejects all  
bids.

~~{4.}~~ (b) Before accepting any written bid, the board shall call for  
oral bids. If, upon the call for oral bidding, any responsible person  
offers to buy the *real* property upon the terms and conditions  
specified in the resolution, for a price exceeding by at least 5 percent  
the highest written bid, then the highest oral bid which is made by a  
responsible person must be finally accepted.

~~{5.}~~ (c) The ~~{final acceptance by the}~~ board may ~~{be made}~~  
either at the same session or at any adjourned session of the same  
meeting held within the *next 10 business* days ~~{next following}~~.

~~—6. The board may, either at the same session or at any  
adjourned session of the same meeting held within the 10 days next  
following, if it} :~~

(1) *Make a final acceptance of the highest bid; or*

(2) *Reject any and all bids, either written or oral, and  
withdraw the real property from sale if the board deems such  
action to be for the best public interest.*





4. *If the auction is held on the Internet or other electronic medium:*

(a) *At the time and place fixed in the resolution for holding the auction, any person may submit a bid in the manner and on the Internet website or other electronic medium specified in the resolution. Bidding must remain open for the period of time specified in the resolution.*

(b) *The county and the employees of the county are not liable for the failure of a computer, laptop or tablet computer, smartphone or any other electronic medium or device, including, without limitation, hardware, software or application, computer network or Internet website, which prevents a person from participating in the auction.*

(c) *The board shall, at the next regularly scheduled meeting of the board after bidding has closed:*

(1) *Make a final acceptance of the highest bid; or*

(2) *If the board* deems the action to be for the best public interest, reject any and all bids ~~[, either written or oral,]~~ and withdraw the *real* property from sale.

~~[7.]~~ 5. Any resolution of acceptance of any bid made by the board must authorize and direct the chair to execute a deed and to deliver it upon performance and compliance by the purchaser with all the terms or conditions of the purchaser's contract which are to be performed concurrently therewith.

~~[8.]~~ 6. All money received from sales of real property must be deposited forthwith with the county treasurer to be credited to the county general fund.

~~[9.]~~ 7. The board may require any person requesting that real property be sold pursuant to the provisions of this section to deposit a sufficient amount of money to pay the costs to be incurred by the board in acting upon the application, including the costs of publication and the expenses of appraisal. This deposit must be refunded whenever the person making the deposit is not the successful bidder. The costs of acting upon the application, including the costs of publication and the expenses of appraisal ~~[ ]~~ *and any related costs*, must be borne by the successful bidder.

~~[10.]~~ 8. If real property is sold in violation of the provisions of this section:

(a) The sale is void; and

(b) Any change to an ordinance or law governing the zoning or use of the real property is void if the change takes place within 5 years after the date of the void sale.

