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FIRST REPRINT

S.B. 36

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 local government. (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 local governments; 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 or governing body of a city offers for sale or lease; revising certain requirements for a board of county commissioners or governing body of a city to provide notice when offering certain real property at auction; authorizing a board of county commissioners or governing body of a city to offer real property 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 or a governing body of a city. (NRS 244.275-244.290, 268.048-268.065) 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.

Under existing law, a board of county commissioners or a governing body of a city, 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



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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, 266.267, 268.059, 268.061) **Sections 3 and 7** of this bill revise the prohibition on selling or leasing real property for less than the highest appraised value to instead prohibit a board of county commissioners or a governing body of a city 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. **Sections 3 and 7** also authorize a board of county commissioners or a governing body of a city 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. **Sections 2, 5 and 6** of this bill make conforming changes.

Existing law requires a board of county commissioners which intends to offer real property for sale or a governing body of a city which intends to offer real property for sale or lease at auction to: (1) publish notice of the intent to offer the real property for sale or lease; and (2) accept and consider sealed bids at a public meeting of the board or governing body, as applicable. (NRS 244.282, 268.062) **Sections 4 and 8** of this bill require the notice published of the intent to offer real property at auction to be in bold face type. **Sections 4 and 8** further authorize a board of county commissioners or a governing body of a city to offer real property for sale or lease, as applicable, at auction on an Internet website or other electronic medium. If the board or governing body uses an Internet website or other electronic medium, at the next regularly scheduled meeting of the board or governing body after bidding has closed, the board or governing body is required to make a final acceptance of the highest bid or, under certain circumstances, reject all bids and withdraw the property from sale or lease.

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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 appraisalment 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 appraisalment.



**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~~ *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



1 relationship with the real property owner or the owner of an  
2 adjoining real property.

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

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

7 (b) The real property is located in a county whose population is  
8 45,000 or more and any person who is related to the appraiser has an  
9 interest in the real property or an adjoining property and the  
10 relationship between the appraiser and the person is within the third  
11 degree of consanguinity or affinity; or

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

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

19 (a) The sale or lease is void; and

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

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

24 244.281 1. Except as otherwise provided in this subsection  
25 and NRS 244.189, 244.276, 244.279, 244.2815, 244.2825,  
26 244.2833, 244.2835, 244.284, 244.287, 244.290, 278.479 to  
27 278.4965, inclusive, and subsection 3 of NRS 496.080, except as  
28 otherwise required by federal law, except as otherwise required  
29 pursuant to a cooperative agreement entered into pursuant to NRS  
30 277.050 or 277.053 or an interlocal agreement in existence on or  
31 before October 1, 2004, except if the board of county  
32 commissioners is entering into a joint development agreement for  
33 real property owned by the county to which the board of county  
34 commissioners is a party, except for a lease of residential property  
35 with a term of 1 year or less, except for the sale or lease of real  
36 property to a public utility, as defined in NRS 704.020, to be used  
37 for a public purpose and except for the sale or lease of real property  
38 larger than 1 acre which is approved by the voters at a primary or  
39 general election or special election:

40 (a) When a board of county commissioners has determined by  
41 resolution that the sale or lease of any real property owned by the  
42 county will be for purposes other than to establish, align, realign,  
43 change, vacate or otherwise adjust any street, alley, avenue or other  
44 thoroughfare, or portion thereof, or flood control facility within the  
45 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~~ *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 ~~the~~ *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 ~~to be~~;* 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 ~~{}~~ *in bold face type:*

(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.

**Sec. 5.** NRS 266.267 is hereby amended to read as follows:

266.267 1. A city council shall not enter into a lease of real property owned by the city for a term of 3 years or longer or enter



1 into a contract for the sale of real property until after the property  
2 has been appraised pursuant to NRS 268.059. Except as otherwise  
3 provided in this section, paragraph (a) of subsection 1 of NRS  
4 268.050 and subsection 3 of NRS 496.080:

5 (a) The sale or lease of real property must be made in the  
6 manner required pursuant to NRS 268.059, 268.061 and 268.062;  
7 and

8 (b) A lease or sale must be made at or above the ~~highest~~  
9 appraised value of the real property *or average of the appraised*  
10 *value if two or more appraisals were obtained* as determined  
11 pursuant to the appraisal *or appraisals, as applicable*, conducted  
12 pursuant to NRS 268.059.

13 2. The city council may sell or lease real property for less than  
14 its appraised value *or average of the appraised value, as applicable*,  
15 to any person who maintains or intends to maintain a business  
16 within the boundaries of the city which is eligible pursuant to NRS  
17 374.357 for an abatement from the sales and use taxes imposed  
18 pursuant to chapter 374 of NRS.

19 **Sec. 6.** NRS 268.059 is hereby amended to read as follows:

20 268.059 1. Except as otherwise provided in NRS 268.048 to  
21 268.058, inclusive, 268.064, 278.479 to 278.4965, inclusive, and  
22 subsection 4 of NRS 496.080, except as otherwise required by  
23 federal law, except as otherwise required pursuant to a cooperative  
24 agreement entered into pursuant to NRS 277.050 or 277.053 or an  
25 interlocal agreement in existence on October 1, 2004, except if the  
26 governing body is entering into a joint development agreement for  
27 real property owned by the city to which the governing body is a  
28 party, except for a lease of residential property with a term of 1 year  
29 or less, except for the sale or lease of real property to a public  
30 utility, as defined in NRS 704.020, to be used for a public purpose,  
31 except for the sale or lease of real property to the State or another  
32 governmental entity and except for the sale or lease of real property  
33 larger than 1 acre which is approved by the voters at a primary or  
34 general election, primary or general city election or special election,  
35 the governing body shall, when offering any real property for sale or  
36 lease:

37 (a) Except as otherwise provided in this paragraph ~~h~~ *and*  
38 *paragraph (h) of subsection 1 of NRS 268.061*, obtain two  
39 independent appraisals of the real property before selling or leasing  
40 it. If the governing body holds a public hearing on the matter of the  
41 fair market value of the real property, one independent appraisal of  
42 the real property is sufficient before selling or leasing it. The  
43 appraisal or appraisals, as applicable, must be based on the zoning  
44 of the real property as set forth in the master plan for the city and



1 must have been prepared not more than 6 months before the date on  
2 which real property is offered for sale or lease.

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

6 (c) Verify the qualifications of each appraiser selected pursuant  
7 to paragraph (b). The determination of the governing body as to the  
8 qualifications of the appraiser is conclusive.

9 2. The governing body shall adopt by ordinance the procedures  
10 for creating or amending a list of appraisers qualified to conduct  
11 appraisals of real property offered for sale or lease by the governing  
12 body. The list must:

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

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

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

22 4. An appraiser shall not perform an appraisal on any real  
23 property offered for sale or lease by the governing body if:

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

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

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

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

38 (a) The sale or lease is void; and

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

42 **Sec. 7.** NRS 268.061 is hereby amended to read as follows:

43 268.061 1. Except as otherwise provided in this subsection  
44 and NRS 268.048 to 268.058, inclusive, 268.063, 268.064, 278.479  
45 to 278.4965, inclusive, and subsection 4 of NRS 496.080, except as



otherwise provided 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 October 1, 2004, except if the governing body is entering into a joint development agreement for real property owned by the city to which the governing body 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, primary or general city election or special election:

(a) If a governing body has determined by resolution that the sale or lease of any real property owned by the city will be in the best interest of the city, it may sell or lease the real property in the manner prescribed for the sale or lease of real property in NRS 268.062.

(b) Before the governing body 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 city; 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) If the governing body by its resolution finds additionally that the real property to be sold is worth more than \$1,000, the governing body shall, as applicable, conduct an appraisal or appraisals pursuant to NRS 268.059 to determine the value of the real property. Except for real property acquired pursuant to NRS 371.047, the governing body 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.*



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

3           (d) If the real property is appraised at \$1,000 or more, the  
4 governing body may:

5           (1) Lease the real property; or

6           (2) Sell the real property for:

7           (I) Cash; or

8           (II) Not less than 25 percent cash down and upon deferred  
9 payments over a period of not more than 10 years, secured by a  
10 mortgage or deed of trust bearing such interest and upon such  
11 further terms as the governing body may specify.

12          (e) A governing body may sell or lease any real property owned  
13 by the city without complying with the provisions of this section  
14 and NRS 268.059 and 268.062 to:

15          (1) A person who owns real property located adjacent to the  
16 real property to be sold or leased if the governing body has  
17 determined by resolution that the sale or lease will be in the best  
18 interest of the city and the real property is a:

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

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

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

31          (2) The State or another governmental entity if:

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

34           (II) The governing body adopts a resolution finding that  
35 the sale or lease will be in the best interest of the city.

36          (f) A governing body that disposes of real property pursuant to  
37 paragraph (e) is not required to offer to reconvey the real property to  
38 the person from whom the real property was received or acquired by  
39 donation or dedication.

40          (g) If real property that is offered for sale or lease pursuant to  
41 this section is not sold or leased at the initial offering of the contract  
42 for the sale or lease of the real property, the governing body may  
43 offer the real property for sale or lease a second time pursuant to this  
44 section. ~~[If there is a material change relating to the title, zoning or~~  
45 ~~an ordinance governing the use of the real property, the] The~~



governing body must obtain a new appraisal *or appraisals, as applicable*, of the real property pursuant to the provisions of NRS 268.059 before offering the real property for sale or lease a second time ~~if~~ *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 governing body 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 governing body must obtain one new appraisal of the real property pursuant to the provisions of NRS 268.059 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.

**Sec. 8.** NRS 268.062 is hereby amended to read as follows:

268.062 1. Except as otherwise provided in this section and NRS 268.048 to 268.058, inclusive, 268.063, 268.064, 278.479 to 278.4965, inclusive, and subsection 4 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 October 1, 2004, except if the governing body is entering into a joint development agreement for real property owned by the city to which the governing body 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, the governing body shall, in open



meeting by a majority vote of the members and before ordering the sale or lease at auction of any real property, adopt a resolution declaring its intention to sell or lease the **real** property at auction. The resolution must:

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

(b) Specify the minimum price and the terms upon which the **real** property will be sold or leased; and

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

(1) **At a** public meeting of the governing body ~~[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 ~~[.]~~ **in bold face type:**

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

(2) The minimum price of the real property proposed to be sold or leased 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 governing body:**

(a) At the time and place fixed in the resolution for the meeting of the governing body, all sealed bids which have been received must, in public session, be opened, examined and declared by the governing body. Of the proposals submitted which conform to all





terms and conditions specified in the resolution of intention to sell or lease 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 governing body rejects all bids.

~~[4.]~~ (b) Before accepting any written bid, the governing body shall call for oral bids. If, upon the call for oral bidding, any responsible person offers to buy or lease 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}~~ governing body may, ~~{be made}~~ either at the same session or at any adjourned session of the same meeting held within the *next* 21 days ~~{next following}~~.

~~— 6. The governing body may, either at the same session or at any adjourned session of the same meeting held within the 21 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 governing body deems such action to be for the best public interest.*

*4. If the auction is held on an Internet website 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 city and employees of the city 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 an auction.*

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

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

(2) *If the governing body 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 or lease.*

~~[7.]~~ 5. Any resolution of acceptance of any bid made by the governing body must authorize and direct the chair of the governing body to execute a deed or lease and to deliver it upon performance and compliance by the purchaser or lessor with all the terms or





conditions of the contract which are to be performed concurrently therewith.

~~§ 6.~~ **6.** The governing body 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 governing body 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.

~~§ 7.~~ **7.** 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.

