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ASSEMBLY BILL NO. 238—COMMITTEE  
ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE LEGISLATIVE COMMITTEE TO OVERSEE  
THE WESTERN REGIONAL WATER COMMISSION)

MARCH 7, 2011

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Referred to Committee on Government Affairs

**SUMMARY**—Revises provisions concerning the refunding of certain municipal securities. (BDR 20-244)

**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.

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**AN ACT** relating to local government finance; revising provisions concerning the refunding of municipal securities related to infrastructure projects; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Since October 1, 1999, a county has been authorized, as part of a lending  
2 project under the County Bond Law, to acquire securities issued by a municipality  
3 located wholly or partially within the county: (1) to undertake one or more  
4 infrastructure projects; or (2) to refund those securities. In the latter case, a county’s  
5 authority is limited to acquiring only those securities issued to refund municipal  
6 securities for infrastructure projects that were previously acquired by the county.  
7 (NRS 244A.0343, 244A.064) This bill eliminates this limitation on a county’s  
8 authority and thereby allows a county to acquire securities that were issued by a  
9 municipality to refund municipal securities issued previously for infrastructure  
10 projects regardless of whether those securities are held by the county or another  
11 entity. However, the county may only acquire those municipal securities issued for  
12 purposes of refunding if the initial securities for the infrastructure projects were  
13 issued by the municipality on or after October 1, 1999.



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

1     **Section 1.** NRS 244A.0343 is hereby amended to read as  
2 follows:

3     244A.0343 “Lending project” means the acquisition of  
4 municipal securities issued by a municipality located wholly or  
5 partially within the county acquiring the municipal securities for one  
6 or more infrastructure projects or for the refunding of municipal  
7 securities ~~[previously acquired as part of a lending project by a~~  
8 ~~county]~~ *issued on or after October 1, 1999*, for one or more  
9 infrastructure projects or any combination thereof.

10     **Sec. 2.** NRS 244A.064 is hereby amended to read as follows:

11     244A.064 In connection with any lending project, a county  
12 may:

13     1. Require additional security or credit enhancement for  
14 payment of municipal securities acquired as it deems prudent.

15     2. Make contracts and execute all necessary or desirable  
16 instruments or documents not in conflict with the requirements of  
17 the County Bond Law.

18     3. Provide by ordinance for its standards, policies and  
19 procedures for financing lending projects.

20     4. Acquire and hold municipal securities and execute the rights  
21 of the holder of those municipal securities.

22     5. Sell or otherwise dispose of municipal securities unless the  
23 county is limited by any agreement that is related to those securities.

24     6. Refund ~~[any]~~ :

25     *(a) Any county general obligations issued for a lending project ;*

26     *(b) Any municipal securities issued on or after*  
27 *October 1, 1999, for one or more infrastructure projects; or*

28     *(c) Any combination of paragraphs (a) and (b),*

29     ↪ if the county and the municipality agree to the disposition of any  
30 savings resulting from the refunding.

31     7. Require payment by a municipality that participates in a  
32 lending project of the fees and expenses of the county in connection  
33 with the lending project.

34     8. Secure the payment of county general obligations issued for  
35 a lending project with a pledge of revenues of the lending project. If  
36 the revenues of a lending project are formally pledged to the county  
37 bonds issued to finance a lending project, the board may treat the  
38 revenues of the lending project financed by an issue of county  
39 general obligation bonds as pledged revenues pursuant to subsection  
40 3 of NRS 350.020.



1     **Sec. 3.** This act becomes effective upon passage and approval.

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